PURAVANKARA

PURAVANKARA LIMITED
ANNUAL REPORT 2019-20

# TRANSFORMING OUR TODAY. SECURING OUR TOMORROW!

## ABOUT US

At Puravankara, we place high emphasis on both sustainability and growth.

By anticipating changes in the industry and executing strategies purposefully, we have been able to sustain our business and grow exponentially through the decades. This is why even after over 45 years in business, we are still one of the leading property developers of India.

Though each year brings different challenges and tells a different story, what remains unchanged is our continued focus on innovation for customer benefit, our responsiveness and agility to adapt to rapid change, and our successful track record in developing sustainable communities.

Our continuing mission to meet the evolving property needs of a developing India and its future generations has won our Company many local and international awards and accolades over the years. More importantly however, they have also testified to the quality of our people who strive to bring innovative solutions and deliver excellence in all that we do.

This report thus charts our growth so far and what we aim for in the future.

### STAKEHOLDER ENGAGEMENT

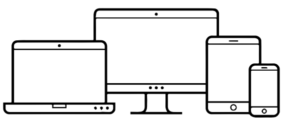
Understanding the needs of our stakeholders and responding to matters material to them is a crucial part of our business. Our Chairman, Ravi Puravankara, discusses how Puravankara addresses the expectations of stakeholder communities on page 14.

### VALUE CREATION

In progressing towards our vision of being a leader in building thriving communities through sustainable property development, we are empowered by our competitive thrusts and value drivers, contextualised in our value creation model on page 34.

### SUSTAINABILITY

All our efforts are channelled towards enhancing the sustainability of our enterprise to enable us to steer the Company towards consistent value creation for our stakeholders. Under the guidance of our leadership team, our efforts to enhance organisational sustainability are described on page 42.



**GO GREEN!**

Download a digital copy of this Annual Report from our website

or by scanning the QR code

## 34th Annual General Meeting

WHERE:

In line with the 'Ministry of Corporate Affairs' initiative and guidance note, the Company will conduct its 34th AGM on a virtual basis through live streaming and online remote voting. We encourage our shareholders to participate in the AGM via remote participation and voting facilities.

WHEN:

September 28, 2020

TIME:

11:30 am (IST)

# WHAT'S INSIDE

# INFORMING OF SIGNIFICANT DEVELOPMENTS

41 msft
Completed projects

23 msft
Ongoing projects

67 msft
Land bank



BUSINESS OVERVIEW
DIRECTORS' REPORT
CORPORATE GOVERNANCE REPORT
MANAGEMENT DISCUSSION & ANALYSIS
CONSOLIDATED FINANCIAL STATEMENTS
STANDALONE FINANCIAL STATEMENTS

Purva Silversands *

ABOUT US

# AN ESTABLISHED DEVELOPER WITH A LONGSTANDING QUALITY TRACK RECORD.

# OUR HERITAGE PROPELS US FORWARD.

**At Puravankara,** we are passionate about designing exciting lifestyle spaces where our customers can stay, work and unwind – all within the same communal environment. Stewarded by our focus on creating holistic sustainable projects, our philosophy is underpinned by developing living spaces that give residents not just four walls but the sentiment that makes a home, possessing ease of accessibility, and made available with a wide range of lifestyle facilities within a safe environment.

With our high-quality collection of homes across our Puravankara (luxury) and Provident (premium affordable)

** Rendered image, subject to change*

brands, and our ongoing focus in developing Grade-A commercial space, we are able to nurture lifestyles and set new benchmarks in holistic urban living across gateway cities of south and west India.

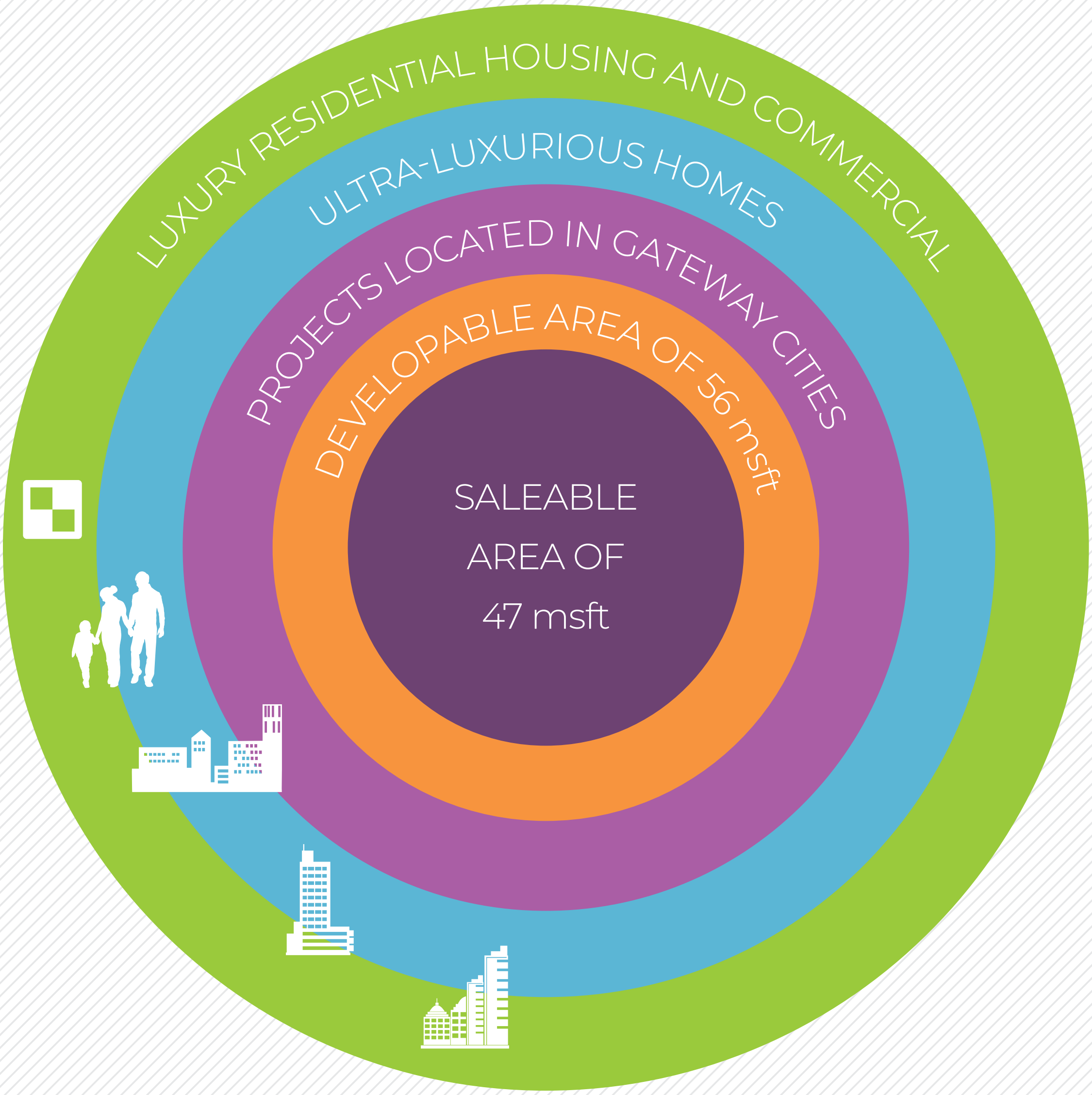
Over the years, we have experienced several market cycles and have only come out stronger, thanks to our ability to gauge and anticipate trends and convert these into viable customer propositions. Thus, even today, our mature assets continue to remain sought-after addresses within vibrant population centres. Our experience has also brought forward our focus on seeking new opportunities in new micro-markets, thus helping us curate new experiences for our customers.

Such longevity and customer-centricity has enabled us to create timeless value for our stakeholders and shareholders.

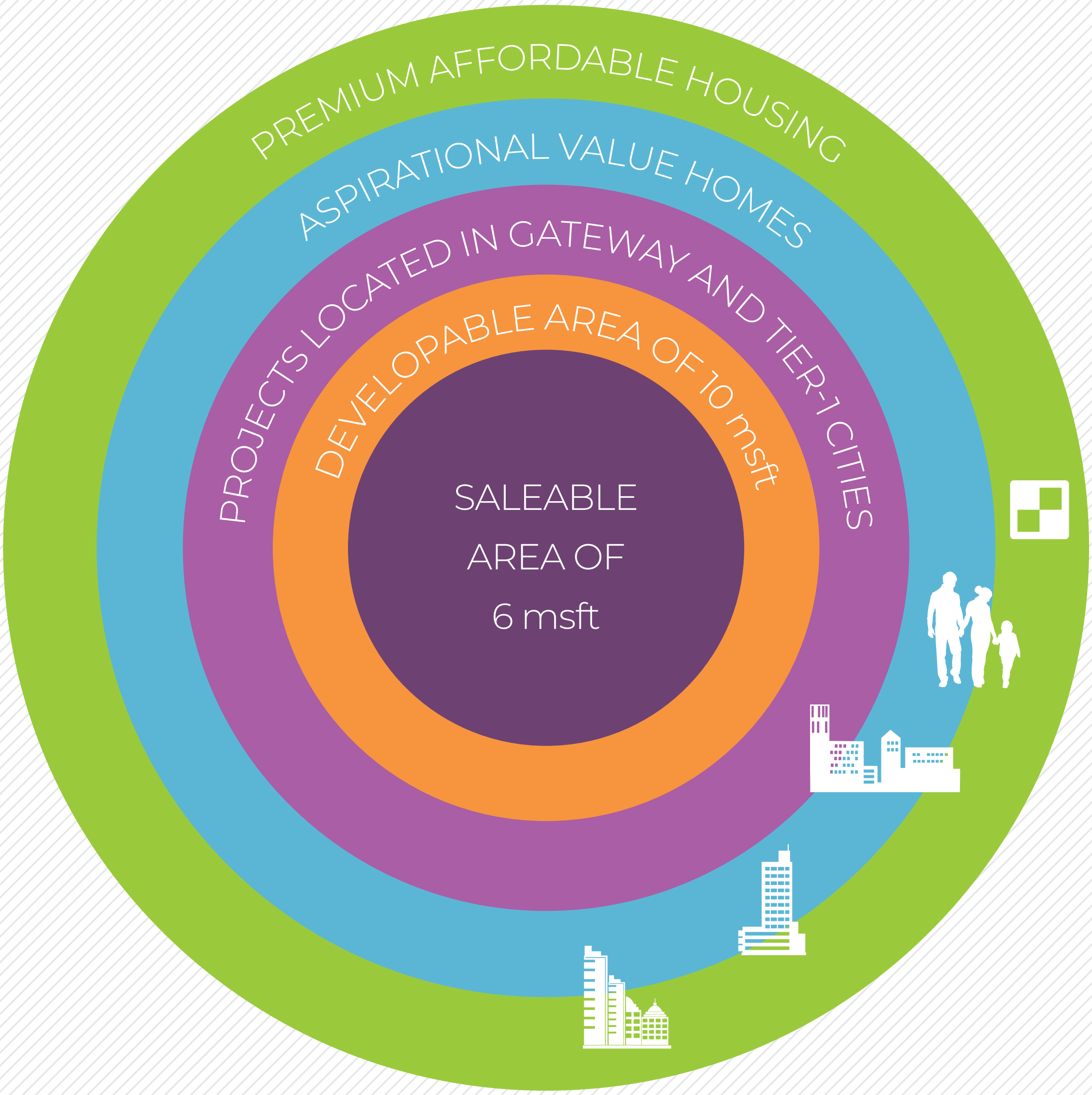
We are focused on seeking new opportunities in new micro-markets!

MAPPING OUR BRANDS

# BRAND
# PURAVANKARA



# BRAND PROVIDENT



ABOUT US

# RESILIENT PROFIT GENERATION IN CHALLENGING TIMES.

The property development market in India continued to remain challenging in 2019-20, owing to subdued demand. Yet, Puravankara reported fairly strong performance during the year under report. This is on account of our well-set developmental propositions, great locations of our assets and respectability of our brands, which strikes a chord with the needs and aspirations of our customers.

**2,187 cr**

Revenues

| | |
|---|---|
| 474 cr<br>Operating profit | 90 cr<br>Net profit |
| 23.28%<br>EBIDTA margin | 4.09%<br>Net profit margin |
| 1,915 cr<br>Net worth | 1.34x<br>Debt-equity ratio |
| 145 cr<br>Cash and bank balances | ₹ 3.73<br>Earnings per share |

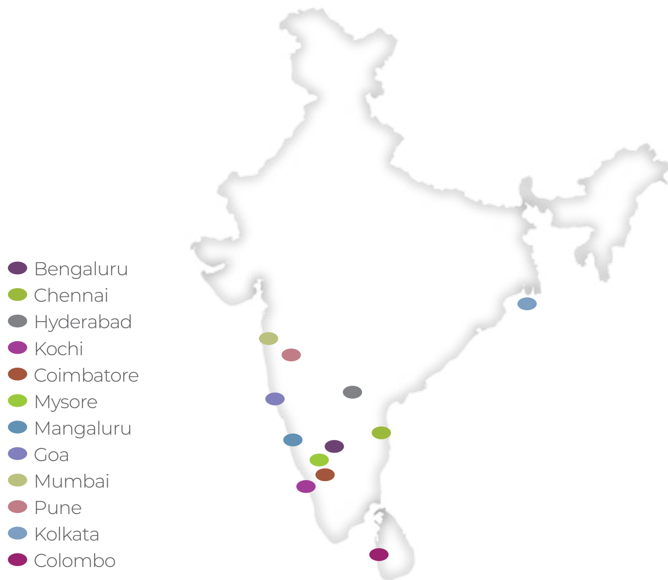
*All figures are in ₹ unless otherwise stated*

OUR PROPERTY DEVELOPMENT FRAMEWORK

# OUR PROJECTS ARE DIVERSIFIED ACROSS MARKETS, BRANDS AND DEVELOPMENTAL PHASES.

## SUCH DIVERSIFICATION IMPARTS FLEXIBILITY AND BETTER RISK CONTROL.

At Puravankara, our diversified business profile helps strengthen resilience, enabling us to remain focused on long-term value creation. This aligns well with the intrinsic nature of our projects that have protracted developmental cycles. Hence, a long-term mindset is necessary for better strategy and planning, which have emerged as key sustainability drivers of our business.




*This map does not purport to be the political map of India*

### KEY FACETS OF OUR DIVERSIFICATION STRATEGY

Our projects are located in

**11**

cities of India (+1 located abroad in Colombo) in well-established micro-markets within large urban centres

Non-Bengaluru projects account for

**49%**

of the share of ongoing developments

Non-Bengaluru projects constitute

**84%**

of our launch pipeline

Our brands – Puravankara and Provident – are well-established with well-defined propositions!

## Our project framework at a glance (msft)

| Location | Completed projects | Ongoing projects | Land assets | Total |
|---|---|---|---|---|
| Bengaluru | 30 | 12 | 40 | 51 |
| Chennai | 6 | 2 | 12 | 13 |
| Hyderabad | 1 | 2 | - | 2 |
| Kochi | 2 | 3 | 4 | 8 |
| Others | 1 | 1 | 1 | 1 |
| West India | - | 3 | 4 | 8 |
| Colombo | - | - | 4 | 4 |
| Kolkata | 1 | - | - | - |
| **Total** | **41** | **23** | **65** | **87** |

## Region-wise disaggregation of ongoing projects and new launches

### Bengaluru vs. non-Bengaluru

| City | Ongoing projects (msft) | % share of overall ongoing projects | Launch pipeline (msft) | % share of overall launch pipeline |
|---|---|---|---|---|
| Bengaluru | 12 | 51 | 2 | 17 |
| Non-Bengaluru | 11 | 49 | 9 | 83 |

### All cities

| City | Ongoing projects (msft) | % share of overall ongoing projects | Launch pipeline (msft) | % share of overall launch pipeline |
|---|---|---|---|---|
| Bengaluru | 12 | 51 | 2 | 17 |
| Chennai | 2 | 7 | 4 | 37 |
| Hyderabad | 2 | 10 | - | - |
| Kochi | 3 | 15 | 1 | 5 |
| West India | 3 | 15 | 4 | 41 |
| Others | - | 2 | - | - |
| **Total** | **22** | | **11** | |

# OUR REAL ESTATE BRANDS.

We are among the only real estate development company in India to have two distinct and distinguished brands – Puravankara and Provident that are administratively separate in terms of having their own focused strategy, teams, resources and infrastructure.

Established in 2008, Provident was among the earliest entrants in the affordable housing development industry. Being fairly well-established across its target markets, brand Provident has resonated well with a large aspirational consumer base comprising first-time buyers seeking value homes.

Brand Puravankara is popular among luxury buyers who seek modern lifestyles in vibrant community settings. Puravankara WorldHome Collection that was launched in 2019-20 takes brand Puravankara a notch higher by offering ultra-luxury with cutting-edge home automation features and a holistic and sustainable living experience.

## Ongoing and new launches across our brands

| Location | Ongoing projects (msft) | % share of overall ongoing projects | Launch pipeline (msft) | % share of overall launch pipeline |
|---|---|---|---|---|
| Puravankara | 12 | 54% | 3 | 74% |
| Provident | 11 | 46% | 8 | 26% |
| **Total** | **23** | | **11** | |


Letter from our Chairman
DEAR VALUED SHAREHOLDERS:

DESPITE THE INDUSTRY CHALLENGES, OUR STRONG LEADERSHIP, SUPPORTED BY OUR COMMITTED, EXPERIENCED AND PROFESSIONAL TEAM, STEERED PURAVANKARA TO CONTINUE TO DEVELOP INNOVATIVE PRODUCTS ALIGNED WITH MARKET NEEDS. THE STRENGTH AND RESILIENCE THAT WE HAVE SHOWN HAVE PLACED US AT THE FOREFRONT OF SUSTAINABLE AND PROGRESSIVE PROPERTY DEVELOPMENT IN INDIA.

# THE YEAR IN REVIEW.

### Embracing a long-term perspective in an evolving industry environment

It is heartening to see the way Puravankara performed in delivering on its key strategic objectives amidst a challenging market environment.

The economic landscape in India is evolving fast, and consumer expectations are high. Further, market uncertainty arising from global trade disruptions, digital advancements, the unprecedented public health scare, and even more discerning as well as value-focused customers seem to be the 'new normal' of this decade.

At our Company, we have always faced adversity with grace and grit, focusing on riding inflection points to sustain value creation for our customers and stakeholders. We have used disruptions to engage in creative thinking, while embracing inclusion and pursuing growth with responsibility to create benefits that are meaningful for everyone in the business and the society at large.

Continued vigilance and caution rooted in awareness, together with our ability to manage vulnerabilities and risks are critical to ensure that our growth momentum is sustained well into the future. Today, we are focused on responding to changes in the property cycle, while enhancing our economic fundamentals. We are doing so by leveraging our core strengths in responsiveness, which is anchored on our ability to create diverse developments that tend to have high resonance with our customer communities. Of course, we also emphasise on enhancing our sustainability credentials and strive to be known as a leader in industry best practices.

Letter from our Chairman

### Meeting the needs of the market with confidence, agility and responsibility

A key advantage of being in the real estate development business is that it allows us to feel the pulse of the economy. Such an advantage expands our ability to align our product launches and our propositions with market trends, needs and requirements.

As an outcome of extensively engaging with our customers and potential property buyers, while also closely observing purchase patterns, behaviours and other economic indicators, we had rightly assessed that the most significant demand would emerge from affordably-priced value-driven properties. Hence, we focused on this segment through our now well-established Provident brand that has had a market presence of over a decade. Today, Provident has emerged as our primary growth engine, accounting for almost 46% of our ongoing projects and 74% of our launch pipeline.

A number of our new offerings conceived during the early part of 2020 and launched in the first quarter of the current financial year were substantially taken up on the day of or during the weekend of their launches. Thus, our sales momentum not only demonstrated the synchronisation of our offering with market demand, but also showcased our relentless focus in maintaining our quality standards, which reinforced the bonds of trust that people have in our developments.

Further, in marketing our Puravankara-branded properties, we intensified our efforts in reaching out to the extended Indian Diaspora, where we saw the opportunity of catering to the demand for asset investment and home ownership among these large and prosperous communities who we sensed desired to deepen their links with their home country.

### Navigating the changing landscape through heightened customer-centricity

With the Indian real estate consumer becoming more tech-savvy and globally-aware, we are witnessing a perceptible shift in their definition of luxury. Luxury today for them is about having time in their hands, having good health and having a variety of conveniences at their fingertips.

Thus, we determined the need for living spaces that would complement these 'new' aspirations and launched Puravankara WorldHome Collection (WHC) comprising large, sustainable and ultra-luxurious urban spaces that would represent the future of smart and feature-rich developments in India. We launched our first project Purva Atmosphere in Bengaluru under WHC that comes with a whole host of BluNex-powered smart features that enable residents to control various smart appliances, even upholstery, at the touch of a button. Going forward, WHC will be location-specific projects in large metropolitan centres that display distinct appetite for such evolved developments.

To my mind, raising awareness on important topics around real estate, like urban planning and decongesting/de-densifying cities etc., is not just the need of the hour, but also important to facilitate improved decision-making for state authorities, real estate developers and even consumers. I'm proud to say that we attempted to do this in a unique way with our curated collection of short appealing videos under 'UrbaNext: The Future of Living' platform, in association with BloombergQuint Brand Studio. The objective of this series was to decode and discuss pressing issues in real estate by inviting technology, urban planning and real estate specialists, while also highlighting the path-breaking innovations spearheaded by Puravankara. The initiative enabled us to garner substantial social media traction, including 3 mn+ on-site display impressions and 10,000+ clicks onsite.

Similarly, with a view to reinforce our ability to reach out to customers for Provident, we launched an exclusive digital marketing and sales platform under BookMyHome.com. With digital adoption accelerated by the pandemic, we wanted to initiate the ultimate test – would the real estate buyer book in our projects without even visiting the site once? As BookMyHome.com showed, they did! I extend credit to our digital and marketing teams for developing a world-class virtual platform that has emerged as an exciting new sales channel.

WE DETERMINED THE NEED FOR LIVING SPACES THAT WOULD COMPLEMENT 'NEW' ASPIRATIONS AND LAUNCHED PURAVANKARA WORLDHOME COLLECTION COMPRISING LARGE, SUSTAINABLE AND ULTRA-LUXURIOUS URBAN SPACES THAT WOULD REPRESENT THE FUTURE OF SMART AND FEATURE-RICH DEVELOPMENTS IN INDIA.

Purva Zenium *


3,000+
Homes delivered

20
Awards received

₹2,187cr
Revenues, 2019-20

### Taking everyone along on our journey of value creation

We seek to grow not only to ensure our business sustainability, but also to be able to create greater value for our stakeholders, key among whom are our shareholders, customers, employees and the community.

The relevance and quality of our products, and our success in aligning our offerings in the context of major demand patterns, is reflected in a string of prestigious local and international awards that we have won over the years. In 2019-20 itself, we were heartened by receiving a number of awards and accolades, which represent satisfying external endorsement.

Our employees are our most valuable asset, and we have always nurtured a workplace that encourages empowerment and collaboration, ensuring our people can realise their full potential. We focus on building performance benchmarks by having the right talent in the right role, optimising on people productivity.

Acknowledging the role we can play to create greater economic equity, we contributed to numerous empowerment programs through our social responsibility efforts. Through one of our flagship initiatives under education, we offered full scholarship to nurture 60 bright students who not only excelled academically, but also have the right values to contribute as responsible citizens of the nation. At the same time, we continue to cultivate a caring society through our various other initiatives, most notably in urban rejuvenation and sustainable living.

** Rendered image, subject to change*

Letter from our Chairman

### Thank you for being an intrinsic part of our journey

It is my greatest honour to serve the Company, and I would like to thank every single one of our colleagues for their tireless contribution, excellent teamwork and inherent spirit of not giving up. With such a team, I am confident that Puravankara will continue to grow and adapt to any situation and environment.

I would like to express my gratitude to my fellow Board members for their wise counsel and instructive guidance, as well as the leadership team whose commitment and dedication have helped us to achieve our goal of creating a robust organisation that is quick to adjust to evolving realities.

I would also like to take this opportunity to thank our shareholders for their continued support. With a proven resilient track record and a comprehensive strategic plan in place, Puravankara is well-positioned to generate long-term value.

Stay well!

RAVI PURAVANKARA – Chairman

# OUR PROPERTY PORTFOLIO.

Puravankara is well-known for its award-winning luxury high-rises and themed affordable developments in south India. Further, leveraging its core expertise in integrated real estate development and enthused by fundamental trends in commercial real estate, Puravankara is focused on building a portfolio of office, retail, warehousing and mixed-use assets over the next few years.

Purva Highland

Purva Atmosphere

Purva Westend

Purva Sunflower

Purva Palm Beach



Purva Whitehall

Provident Sunworth

Purva Zenium

Performance note by our Managing Director

# DEAR STAKEHOLDER:

THE ULTIMATE TEST OF A SUSTAINABLE BUSINESS IS HOW IT NAVIGATES THROUGH THE TOUGHEST OF CHALLENGES. THE YEAR 2019-20 TESTED US AND IT WAS WITH THE ABLE STEWARDSHIP OF OUR SENIOR LEADERSHIP AND DEEP COMMITMENT FROM OUR MANAGEMENT MEMBERS THAT THE COMPANY NAVIGATED THROUGH THE CHALLENGING WATERS. I AM CONFIDENT THE SAME STRENGTH WILL SEE US THROUGH AS WE ROW TOWARDS PROMISING SHORES.

### Demonstrating resilience

The year 2019-20 came off the structural economic and industry-specific reforms, notably demonetisation and RERA, implemented in the preceding few years. Just when the market was on the throes of stabilisation, especially boosted by policy measures focused on affordable housing and the emergence of a new generation of first-time homebuyers, the pandemic struck in March 2020. Such an externality will have a continued impact on the sector at least over the medium-term before consumer sentiment turns around. Yet, notwithstanding the outsized impact of coronavirus on the economy, what will separate the leaders from the others is their ability to embrace the disruption as an inflection point to rebuild the business and catalyse recovery and growth.

At Puravankara, the pandemic gave us a unique opportunity to turn inwards to review and re-think our operating processes across the project lifecycle. The market was changing with speed and such analysis was rooted in adapting quickly to the evolving realities. So we fast-tracked our plans to reinforce business agility and shift with the times.

Our stakeholders are invested in Puravankara's future and it is my strong conviction that our resilient, robust and revamped strategies will build on the performance that we have achieved over the years. In the event of any setbacks following adverse conditions, we may be affected; yet, the foundations that we have put in place will only add to our potential to emerge stronger from these conditions.

## Performance note by our Managing Director

This already played out during the first quarter of the current fiscal year when we e-launched three projects to a resounding market response. What this demonstrated was a) our ability to synchronise customer expectations around our products b) our success in capturing intrinsic demand through accurate product positioning and pricing and c) our achievement in quickly assembling our digital marketing plans for smooth and glitch-free customer relay. These e-launches also spoke of our success in accepting the changed reality, analysing how we could make best use of these and embracing bold action, which is testament of our resourcefulness, resilience and agility.

### Reinforcing sustenance

It is a known fact that companies that are able to sustainably navigate through the challenges are the ones that create the most value for their stakeholders. At Puravankara, we have a demonstrated track record of over 45 years and our experience itself is our biggest competitive driver.

Responsible and preemptive stewardship has enabled us to counter the challenges of the past, and one of the challenges that has exacerbated over the years comprises the imbalances in our sector. There exists a large unorganised market that has built up over the years and RERA and demonetisation were far-reaching measures designed to limit the influence of this sector. I believe the pandemic has enlarged the scope for reforms and we as the organised part of the industry have an unprecedented opportunity in our hands to rebrand the sector to make it more transparent, more accessible and more welcoming to our buyers.

At Puravankara, we identified potential and promise in affordable properties with such developments becoming the first point of contact between aspirational buyers and the organised real estate industry. Our Provident brand has built a wealth of experience in managing the demands and expectations of this large and growing customer community and today, we are furthering our value propositions in this segment. We are accelerating tech deployment to engage in better visualisation and space optimisation in project planning, improving our UI/UX in online sales to enrich the customer experience and are using cutting-edge pre-cast and formwork technology to achieve time and cost savings, while ensuring quality standardisation across our products.


Purva Business Park *

** Rendered image, subject to change*

We are also expanding our commercial real estate portfolio with planned investments of ₹7,000 cr over the next 7 years to build assets across 12 msft. Delivering office, retail and mixed-use property will only reinforce our position as a reputable developer of diversified projects, while also adding value to our residential mix. We have identified the cities of Bengaluru, Hyderabad, Mumbai and Pune for commercial real estate, and the excellent location of our assets within these markets and our technical expertise in design and innovation will only support our expected take up rates, going forward.

During 2019-20, we supported greater consumer awareness through the roll out of marketing campaigns that highlighted our unique value propositions. This garnered positive response despite weak market conditions, enabling us to shore up our sales and collections. Purva Zenium, an upscale project that we launched in Bengaluru during the year under report, received good response, with the project's propositions resonating with target customers.

Overall, these differentiated approaches to planning helped us deliver a positive year in 2019-20.

**TRACK RECORD**

Our longstanding presence in the real estate industry is our most powerful competitive driver.

**34 years**

### Our constants in rapid change

As developers, we have a ringside view of the way demand and consumption patterns move. One of the perceptible shifts that we notice is the redefinition of the concept of luxury. For the upwardly mobile today, luxury is about having good health. It is all about having all sorts of conveniences at their fingertips. They are conscious of the quality of air they breathe, the purity of the water they use and want homes that have inventive designs in cosmopolitan and culturally-rich communities.

With our continued focus on synchronising our products with prevalent lifestyle demands, we launched Puravankara WorldHome Collection (WHC) during the year. WHC provides us with the unique opportunity to create smart and sustainable living spaces in projects that have good connectivity to social infrastructure. It enables us to focus on integrated developments that have all available amenities within a close radius, which also helps to ease stress on external infrastructure.

Purva Atmosphere, a project that we launched in December 2019, is our first property under WHC and is a prototype of the future of our developments. It is an ultra-luxurious project with state-of-the-art air filtration and water purification systems and as much as 70% green open spaces, and comes with apartments integrated with cutting-edge automation. Effectively, WHC is our answer to the rise in demand for technological homes with IoT integration.

During the year, we also focused on achieving efficient management and execution of work to deliver excellence in our products and services on a timely basis, without compromising on quality. This was reflected in the fact that we delivered 3,000+ apartments during the year and over 50% of our customers took

DURING 2019-20, WE SUPPORTED GREATER CONSUMER AWARENESS THROUGH THE ROLL OUT OF MARKETING CAMPAIGNS THAT HIGHLIGHTED OUR UNIQUE VALUE PROPOSITIONS. THIS GARNERED POSITIVE RESPONSE DESPITE WEAK MARKET CONDITIONS, ENABLING US TO SHORE UP OUR SALES AND COLLECTIONS.

## Performance note by our Managing Director

handover of their apartments in the first visit itself.

Our robust execution engine is backed by strong capital management capability to preserve a balance between growth, profitability and liquidity. Further, we have increased our efficiency through the digitalisation of key work processes, while also digitally-engaging with our customers through our robust online platforms. In doing so, we are deepening our competitive edge and staying relevant in the highly dynamic environment of well-informed customers with demanding preferences and high expectations. This unwavering focus is our brand differentiator that has firmly anchored us in delivering customer experiences that exceed expectations.

### Sharpening our business acumen

At Puravankara, our strength lies in our culture of customer-centricity amongst our people, where the focus is on customer experiences and creating value for our stakeholders.

As an award-winning integrated property developer, our reputation is anchored on our ability to meet the aspirations of our customers around sustainable holistic living. We are bolstering these propositions by focusing on integrating commercial components within our developments. This differentiator will create an important source of value for our residents and tenants and also our shareholders.

Puravankara is all about designing innovative spaces for contemporary urban lifestyles. There has been a rising chorus to own a happy place called home and at Puravankara, we are focused on not only meeting this much-desired expectation, but also in catering to the evolving expectations of a home as a space for work too. So we are bringing forth relevant transformations across some of our projects, which we believe will further our advocacy in sustainable living.

### Acknowledgements

To all our colleagues at Puravankara, our heartfelt appreciation for your dedication and commitment.

I am also grateful for the support from the Government and various local authorities, our business partners and, most importantly, our customers for their unyielding trust.

We look forward to many more years of collaboration, progress and growth.

**ASHISH PURAVANKARA**
– Managing Director

Purva Whitehall


KEY TRENDS AND GROWTH OPPORTUNITIES

# CAPITALISING ON MEGA-TRENDS FOR CONTINUED BUSINESS SUSTENANCE.

At Puravankara, we are taking rapid strides to position ourselves with product offerings that meet market demand, with emphasis on launches of residential properties in our focus cities of west and south India that are well-established as large urban metropolitan centres with growth/transformation opportunities.

Being resilient allow us to be on a better footing to meet latent as well as recovery-driven demand. In addition, the Company will also accelerate the launch of commercial projects, as these are essential to support and scale-up our existing development mix, while also ensuring greater sustainability of our chosen housing areas.

Going forward, with total unbilled sales of ₹6,942 cr and leveraging on the versatility of our product offering, we are confident of sustaining our position as a leading real estate brand committed to meeting the evolving lifestyle and work aspirations of the country.

| MEGA-TRENDS | TREND DESCRIPTION |
|---|---|

## 1. GROWING DIGITALISATION

Demand for global digital transformation is expected to grow the size of the industry to US$ 1,009 bn, up from US$ 470 bn in 2020. It is estimated that the pandemic has brought forward digital adoption by three months in what would have been a typical two-year journey. With growing digitalisation, consumers are increasingly participating in digital platforms to gather information, compare housing options and ultimately make investment decisions.

At Puravankara, we correctly determined that technology would play a huge role in real estate development, and advanced our focus on digital marketing, manifest in the sales traction we have been able to garner through this dynamic new channel, backed by our e-launches in recent times.

**324,000+**
**Leads received through our digital channels in FY20**

## 2. STRUCTURAL SHIFT IN EXPECTATIONS

Though home ownership was always a top aspiration, it became an urgent priority with people realising the importance of a safe, clean and healthy living space that they could call their own. Further, trust issues in the rental housing market that were exacerbated by the pandemic also drove home the importance of own housing among the public.

At Puravankara, we assessed that there is a huge market for well-planned, well-designed homes in the affordable housing category. We catalysed this trend through our Provident affordable luxury housing brand that has today emerged as a go-to brand for aspiring customers.

**10,000+**
**Homes sold under Provident till date**

## 3. ENHANCED MOBILITY AND CONNECTIVITY

Almost 66% of the Indian population lived in urban cities (as of end 2019), with the urbanisation rate of around 4% making the country among the world's fastest urbanising nations. As such, connectivity via the development of infrastructure and transportation hubs within and outside of major cities remains a priority for the Government to support migration and urbanisation.

Location and present/future connectivity and developmental potential are the primary drivers of our projects. What has also been important is our ability to evaluate the future potential of cities, and we are comfortable considering our focus on the cities of Bengaluru, Hyderabad, Mumbai and Pune that also provide geographical diversification opportunity.

**60%**
**Bookings achieved (avge.) within the soft launch period of our projects over the last two years**

| MEGA-TRENDS | TREND DESCRIPTION |
|---|---|
| **4.** ACCELERATED INDUSTRIALISATION | The e-commerce logistics market in the Asia Pacific is estimated to grow at a 12% CAGR until 2021, with warehousing and distribution (along with transportation) making up the majority of the market. This is on the back of rapid economic transformation, enhanced by improved automation and end-to-end digitalisation. Further, long-term initiatives, such as 'Make in India' and 'Atmanirbhar Bharat' that has received prioritised Governmental focus to enhance self-reliance, and growing potential of the country as a global investment destination, augurs well for commercial real estate. |

We are focusing on expanding our product offering in commercial/industrial asset classes to cater to increased long-term needs for quality office space, logistics hubs and other industrial facilities. For realising our aspirations in this business, we are leveraging on the expertise and network of international players via strategic partnerships; e.g., our JV with Morgan Stanley to develop warehouses in south India.

**12msft**

**Commercial real estate pipeline to be executed over the next 7 years**

Upcoming commercial project in Pune

OUR INVESTMENT CASE

# EMBEDDING OUR RELEVANCE ACROSS DIVERSE INDUSTRY CYCLES.

At Puravankara, our long-running track record of over 45 years in business has reinforced our ability to convert evolving macro-trends into profitable customer-centered propositions. Such consistency has reinforced our operational credibility and secures our investment case – now and into the future.

## OUR INVESTMENT CASE

## OUR KEY DIFFERENTIATORS

OUR STAKEHOLDERS AND MATERIAL MATTERS

# DEEPENING ENGAGEMENT WITH OUR STAKEHOLDERS IS AN ESSENTIAL COMPONENT OF OUR BUSINESS.

At Puravankara, extensive stakeholder engagement and keeping our stakeholders updated on our performance, strategies, plans and any other material developments is an essential facet of the trust we have been able to forge with them.

Regular engagement and interactions, especially with existing/potential customers, enable us to gather feedback and insights that can be useful for our future developments. Their input is crucial, particularly in challenging times, as it helps us intensify our focus on key matters important to them.


** Rendered image, subject to change*

## OUR STAKEHOLDER ENGAGEMENT MATRIX

| STAKEHOLDER GROUP | BROAD EXPECTATIONS | OUR ENGAGEMENT |
|---|---|---|
| **EMPLOYEES** | - updates on business strategies and performance<br>- performance alignment with organisational ethics and values<br>- transparent career progression opportunities<br>- fair and competitive remuneration<br>- training and skills enhancement | - open door policy<br>- professional advancement through learning and development<br>- ongoing discussions with senior leadership<br>- department team meetings and group discussions<br>- periodic individual performance reviews<br>- internal digital platforms |
| **CUSTOMERS (CURRENT AND POTENTIAL)** | - providing insights and details about our company/projects across the searching, buying and owning stages<br>- pricing, delivery and specifications transparency | - engagement via multiple touch-points<br>- fair and transparent pricing<br>- smooth, delightful, informative and fulfilling experience across customer journeys with us<br>- prioritised service<br>- respond to customer queries/ concerns with immediacy |
| **SHAREHOLDERS/ ANALYSTS** | - transparency and ethics<br>- consistent financial and operational performance<br>- good governance and risk management practices<br>- disciplined long-term growth strategy<br>- disclosure of full financial/material developments on a timely basis | - strategic ongoing engagement via meetings and/or virtual communication<br>- leadership participation in quarterly analyst/investor briefings, thus ensuring direct access to the senior management<br>- other communication channels, including:<br>a. investor relation section on corporate website<br>b. investor corporate presentations<br>c. email communication |
| **SUPPLIERS/ CONTRACTORS** | - consistent award of jobs/ contracting work<br>- timely payments<br>- transparency in dealings | - regular relationship building/ networking sessions<br>- capacity development through sharing best practices<br>- honoring payments with timely disbursements |

| STAKEHOLDER GROUP | BROAD EXPECTATIONS | OUR ENGAGEMENT |
|---|---|---|
| **GOVERNMENT/ INDUSTRY AFFILIATIONS** | - active and transparent engagement with Government regulators and local authorities<br>- active participation in industry forums<br>- participation in setting industry best practices | - engagement in Government/ industry consultation initiatives<br>- compliance with rules and regulations<br>- co-develop industry best practices |
| **MEDIA** | - timely and accurate corporate updates<br>- insights on market and industry trends<br>- updates on business performance and plans | - establish thought leadership through innovative content dissemination<br>- relay information on material/ significant corporate developments on timely basis |

OUR VALUE CREATION MODEL

# THE HEART OF OUR VALUE CREATION PROCESS COMPRISES THE SKILLS AND EXPERIENCE OF OUR PEOPLE THAT ENABLE US TO DELIVER QUALITY LIVING SPACES TO OUR CUSTOMERS

At Puravankara, our value creation model has been designed to respond to the most critical and material aspects of our business. Some of the inherent facets of our model include our ability to successfully navigate through a challenging and complex industry environment, execute our vision to be the leader in building sustainable communities, and engage in financial management to help us maintain sustainable leverage and achieve our growth expectations.

| KEY INPUTS (OUR CAPITALS) | OUR MAIN ACTIVITIES/COMPETITIVE DRIVERS |
|---|---|
| **Manufactured capital**<br>- 65 msft of land bank and other physical assets in strategic locations in established micro-markets<br>- Captive fully-operational pre-cast factory<br>- Integrated construction capabilities in build-design, civil and MEP through subsidiary company | *Active land bank management:*<br>Well-structured approach to expand our role as master developers and enhance the value of existing land bank through executing best-fit projects<br>*Integrated development:*<br>Conceptualise and plan integrated property development projects that meet the evolving requirements of consumers |
| **Financial capital**<br>- Prudent capital allocation strategies to protect financial position<br>- Optimal liquidity management<br>- Ongoing focus on cost optimisation and variabilising fixed costs | *Deleveraging focus:*<br>Continue to strengthen balance sheet through optimising debt position<br>*Strong capital management:*<br>Focus on delivering sustainable profitability with consistent value payouts to shareholders, while strengthening capital buffers |
| **Human capital**<br>Skilled and committed human resources led by specialist leadership team | *Talent and performance management:*<br>Training exposures to improve skills and enable career advancement<br>*Sustainable resources:*<br>Ongoing focus on productivity and resource optimisation |
| **Intellectual capital**<br>45 years of real estate experience with strong brands, rich industry experience and formidable network of partners, including land owners, contractors and sales agents | *Adoption of cutting-edge IT:*<br>Strong and scalable ERP network and design and project lifecycle management software<br>*Digital innovation:*<br>Launched BookMyHome.com, representing a dedicated online sales portal with live inventory management |
| **Natural and social & relationship capital**<br>- Incorporate sustainability across our value chain to foster best practices in environmental management<br>- Prudently manage natural resources, including land, water and energy<br>- Creating sustainable developments that have an intrinsically smaller carbon footprint<br>- Fulfill our social responsibilities with the aim of benefitting people and communities | *Project construction:*<br>Pre-cast solutions and other best practices in construction help protect the environment<br>*Worker safety:*<br>- Workers provided extensive safety training on procedures and techniques<br>- Onsite teams mandated with wearing protective equipment to minimise threats<br>- Focused CSR activities in the areas of education, urban rejuvenation, etc., in alignment with contributions to the SDGs |

Purva Silversands *

**MATERIAL RISKS:**
- Industry
- Competition
- Talent management
- Project execution
- EHS
- Regulatory compliance
- Financial
- Cyber-security

**KEY MARKET TRENDS:**
- Growing digitalisation
- Structural shift in expectations
- Enhanced mobility and connectivity
- Accelerated industrialisation

## OUR STRATEGIC TRANSFORMATION PLAN:

1. Expand our development portfolio towards commercial and integrated/ mixed-use assets
2. Drive premiumisation through our WorldHome Collection portfolio
3. Sustain our launch pipeline through focus on our gateway cities
4. Enhance the overall customer journey, especially through our BookMyHome.com sales engine
5. Ramp-up our pre-cast facility to meet own demands and to achieve time and cost savings

**SUPPORTED BY:**

*OUR TIME-TESTED GOVERNANCE FRAMEWORKS THAT WE CONTINUALLY REVIEW TO ALIGN WITH THE BEST INTERESTS OF OUR STAKEHOLDERS, GUIDED BY OUR STRONG BOARD*

## OUTCOMES/VALUE CREATION

### Manufactured capital
- Completed delivery of 3,000+ units in FY20
- Ongoing projects across 23 msft comprising a total of 20 sites and 17,398 units
- Year-end carry forward inventory of ₹700 cr

### Financial capital
- ₹1,915.05 cr shareholders' funds
- ₹145 cr cash and liquid balances
- 1.34x leverage ratio

### Human capital
- 22% of our mid and senior management has been with the Company for 5 years+
- Over 23% women in our workforce, emphasising our focus on diversity and inclusion

### Intellectual capital
- Sustained investments in IT over the years
- Continued thrust on investment in personnel training and development

### Natural and social & relationship capital
- ₹2.83 cr spent in CSR activities over the past two years
- 5,000+ beneficiaries of our social initiatives and programs

** Rendered image, subject to change*


Purva Zenium*

*Rendered image, subject to change

FINANCIAL CAPITAL

# "ON THE BACK OF A CHALLENGING OPERATING ENVIRONMENT, PURAVANKARA DEMONSTRATED RESILIENCE IN ACHIEVING A CREDITABLE FINANCIAL PERFORMANCE IN 2019-20. WE DEPLOYED EFFECTIVE STRATEGIES WITH A FOCUS ON DRIVING CORE EARNINGS, WHILE STRENGTHENING OUR BALANCE SHEET THROUGH DEBT OPTIMISATION AND EFFECTIVE WORKING CAPITAL MANAGEMENT."

KULDEEP CHAWLA - Chief Financial Officer

Financial capital refers to the pool of funds that support our business operations, while consistent value generation, which is the fundamental premise of our existence, is a direct outcome of our financial management strategies.

## FOCUS AREAS AND ACHIEVEMENTS

- Product innovation, backed by targeted marketing efforts and timely deliveries helped to reduce inventories and secure positive outcomes in working capital management
- Our balance sheet as at 31 March 2019 remained strong, with total cash balances and total equity of ₹145 cr and ₹1,915 cr, respectively. This imparts stability to implement our planned growth strategies
- Achieved turnaround in net operating surplus after tax and interest from ₹(74) cr in 2018-19 to ₹294 cr, primarily through achieving significant sales traction in RTM (ready-to-move) inventory during the year
- Pre/repaid debt to the extent of ₹241 cr out of the surplus, which optimised debt on the books by 8% to ₹2,681 cr as on 31 March 2020

## STRATEGIC DRIVERS

- Place high emphasis on inventory liquidation to release capital; carried forward inventory stood at ₹700 cr as on 31 March 2020
- Enhance margin of safety through reliance on own funds to the maximum extent possible
- Generate incremental surpluses through less capital and less debt-intensive projects and JV partnerships
- Enhance availability of surplus cash and ensure strategic capital allocation to accelerate debt optimisation
- Improve customer collections through ongoing engagement

### STRENGTHENING OUR FINANCIAL POSITION

Debt-equity – 2018-19: 1.48x

**1.34x**

Total equity - Increased by 3.13%

**1,915 cr**

MANUFACTURED CAPITAL

# "OUR OPERATIONAL COMPETENCIES ENABLE US TO BUILD BETTER AND FASTER, THUS POSITIONING OUR BUSINESS WELL TO ACHIEVE THE DESIRED SCALE. FURTHER, OUR ROBUST DESIGN AND INNOVATION CAPABILITIES, OUR SOLID DEVELOPMENT PIPELINE OF ABOUT 12 MSFT OF COMMERCIAL SPACE AND OUR STRATEGIC LAND BANK OF OVER 65 MSFT POSITION US WELL FOR THE FUTURE."

**VISHAL MIRCHANDANI** - Chief Executive Officer, Commercial and Retail

Manufactured capital refers to our assets, equipment, machinery and operational processes, which provide the framework and mechanics of how we further our operational and construction competencies.

## FOCUS AREAS AND ACHIEVEMENTS

- Despite the generally subdued market, the Company maintained a long-term approach by staying focused on delivering best-in-class products with top-quality workmanship, and brought forth new and innovative consumer propositions to unlock fresh value
- Affordability remained key for property buyers, as demand for residential products at reasonable price-points and in strategic locations was strong during the year
- Delivered 3,000+ homes with as many as 50% customers accepting handover on the first visit, a testament to our ability in assuring high quality standards on a bigger scale
- Our commercial real estate business saw progress with construction advancing as per schedule for our Grade-A 160,000 sft retail-cum-office space in Bengaluru being developed in partnership with Keppel Land
- SICL, our wholly-owned subsidiary with end-to-end construction capabilities had orders of ₹662 cr at year close with growing third-party orders

## COMPETITIVE ADVANTAGES

- Own fully-operational pre-cast facility and demonstrated competence in technology use further our ability to plan for larger projects; our 2,082-apartment Park Square project comprises 100% pre-cast supplied by our factory
- Ongoing value engineering focus across the project construction lifecycle, with emphasis on labour optimisation

## ONGOING FOCUS AREAS

- Bring down costs through increased adoption of technology and through better planning and design
- Secure our project pipeline by materialising scheduled launches; about 11 new launches have been planned for the year 2020-21, out of which 3 projects were launched in the first quarter of the current financial year (post balance sheet development)
- Scale-up deployment of pre-cast through achieving capacity ramp-up
- Redesign spaces wherever possible to shift with customer preferences and thus provide better value per sqft

HUMAN CAPITAL

## “TEAM PURAVANKARA IS OUR KEY STRENGTH AND OUR PRIMARY DIFFERENTIATOR. WITH A WORKFORCE OF OVER 1,170 EMPLOYEES, OUR TEAM POSSESSES DIVERSE SKILLS AND BACKGROUNDS, AND THEY REMAIN COMMITTED TO OUR GOAL OF BECOMING A WORLD-CLASS BRAND.”

AMANDA PURAVANKARA - Director, Provident Housing Limited

Human capital refers to the competencies, capabilities, skills and experience of our employees. Teamwork is an essential part of our success, and how our teams innovate, collaborate and align with our key objectives is also a part of our human capital.

### FOCUS AREAS AND ACHIEVEMENTS

- Strengthened the leadership team with domain specialists, aligned with our long-term business plan
- Emphasised on training and capacity-building to facilitate skills adaptability in a changing environment
- Launched an e-learning platform to update/upgrade team skills on the basis of identified skill gaps
- Focused on boosting employee engagement through organising celebrations around important days throughout the calendar, ensuring enhanced bonding and participation as well as social networking

### ONGOING FOCUS AREAS

- Continue to strategically strengthen our leadership team through our specialist and technology-centric pivots
- Forge association with a specialist agency to manage our e-learning platform, with emphasis on linking employee learning with KPIs
- Ensure equal opportunities for all, with specific focus on enhancing diversity and inclusion
- Focus on digital tools to facilitate skills development, productivity enhancement and performance evaluation
- Continue to deliver on our strategy of sustaining a right-sized organisational structure that complements the growth of our business and benefits all our employee stakeholders

INTELLECTUAL CAPITAL

## “THE WAY WE CREATE CUSTOMER ENGAGEMENT AND DELIVER CUSTOMER EXPERIENCE THROUGH OUR DIGITAL PLATFORMS REPRESENTS A SOUND COMPETITIVE DIFFERENTIATOR. BESIDES, OUR VIRTUAL PROJECT VISIT PLATFORM IS AS GOOD AS AN ACTUAL VISIT AND THIS WILL DRIVE REPEATABLE SALES.”

ABHISHEK KAPOOR - Chief Operating Officer, Residential

Intellectual capital refers to our brand and brand value, our innovation capacity, our reputation, as well as the strategic partnerships we forge. It also encompasses our digital strategies, our digital assets and our IT infrastructure.

### FOCUS AREAS AND ACHIEVEMENTS

- Lead digital transformation in property development with enhanced customer experiences across all interfaces and touch-points
- Our digital journey is rooted in elevating communication quality with our customers, while engaging in targeted marketing
- Accelerated adoption of virtual project meetings that widened participation, improved quality of discussions and contributed to both time and cost savings

### ONGOING FOCUS AREAS

- Leverage technology for predictive sales modelling to support our sales and marketing capabilities
- Enhance the reach of our online booking engine, BookMyHome.com, thus revolutionising the home-buying experience at scale
- Focus on technology to streamline manual processes into digital workflows to foster greater efficiency, better collaboration and reduce paperwork

### BOOKMYHOME.COM: A FIRST-OF-ITS-KIND ONLINE HOME-BUYING PLATFORM IN INDIA’S AFFORDABLE HOUSING SECTOR!

BookMyHome.com is a ground-breaking online booking platform launched by Provident. Through BookMyHome.com, home-buyers can search, identify and book their apartment from the available inventory in real-time. With just a click of a button, the platform specifies every minute detail, including the direction of the apartment, type, block, availability, size, amenities, etc. The system then leads the customer to the booking window on which they can make the down-payment to secure their apartment. Else, the system releases the inventory in three minutes.

## "WE HAVE A HOLISTIC APPROACH TO STAKEHOLDER ENGAGEMENT, ESPECIALLY PEOPLE AND COMMUNITIES AROUND OUR PROJECT SITES. OUR ENDEAVOUR IS TO ENGAGE IN CREATING HEALTHIER, SUSTAINABLE AND RESOURCE-EFFICIENT PROJECTS IN AREAS THAT ARE OF INTEREST TO THE BROADER COMMUNITY."

MINOL AJEKAR - Head, Corp Comm, CSR and Business Process

Natural and social & relationship capital refers to the approach of the Company in embracing green and sustainable practices, while it also demonstrates the strong relationships the Company creates through regular engagement with its stakeholder groups.

### FOCUS AREAS AND ACHIEVEMENTS

- Through sustainable design principles and deep commitment to product quality and service excellence, we aim to empower our customers to lead sustainable and active lifestyles
- Our residential projects are integrated with sustainable features, such as landscaped spaces, well-equipped recreational zones and communal green spaces that conserve biodiversity
- Our capabilities in pre-cast technology enable sustainable construction, thus limiting the overall carbon footprint of the project
- We focused on sustainable community engagement through our educational scholarship program that awards full scholarship to students selected from two universities in Goa
- We engaged in urban rejuvenation activities in Bengaluru to help foster community service and sustain our green credentials
- We extended our partnership with Wockhardt Foundation's Khel Khel Mein initiative that engages young vulnerable children in backward communities in fun and learning-oriented activities. However, Khel Khel Mein was discontinued at the onset of the pandemic

### ONGOING FOCUS AREAS

- Continue to foster material and meaningful engagements with our stakeholders
- Explore opportunities where we could further our engagement in social activities that promise sustainable community impact

RESPONSIBLE STEWARDSHIP

# OUR RAPID AND COORDINATED RESPONSE TO SUPPORT OUR SOCIETY AND BUSINESS UNDER OUR LEADERSHIP TEAM'S STRATEGIC SUPERVISION.

| STRATEGIC INITIATIVES | OUR RESPONSES |
|---|---|
| **BUSINESS SUSTENANCE** | · Adopted a business-as-usual approach; in fact engaged in strategic thinking to turn the business towards prevalent realities<br>· Strategised on sharpening digital sales and marketing capabilities<br>· Emerged as the only company in India's real estate sector to launch projects during the lockdown; e-launched three projects that received solid customer response<br>· Rewarded high performers to boost morale |
| **STRATEGIC AND SUSTAINABLE BUSINESS GROWTH** | · Focus on debt optimisation, continuing with our balance sheet deleveraging success of 2019-20<br>· Identified and launched plotted development as a defensive diversification strategy and emerged as one of the few to offer branded plotted development; such a launch also expanded our ability to generate cash flow faster<br>· Extensively engaged with channel partners with the overall idea of making customer marketing more informed and informative<br>· Heightened focus on opportunities in consolidation; focus remains on the JV route |
| **SOCIETAL RESPONSIBILITY** | · Proactively sourced testing kits before the impending shortages and distributed to the Karnataka Government<br>· Organised food donation drives for distribution to vulnerable communities during the lockdown |
| **WORKMAN SAFETY** | · Mandated the use of masks for site staff<br>· Installed sanitisers at major access points<br>· Issued directives to ensure proper social distancing<br>· Conducted temperature checks at regular intervals<br>· Engaged in periodic sanitisation of living quarters of workmen and other onsite facilities<br>· Organised regular health check-ups for employees<br>· Pre-arranged isolation and health management facilities in case of any incident |
| **EMPLOYEE SAFETY** | · Initiated work from home (WFH) for employees to ensure safety<br>· Created a roster based on which certain employees could visit office only on certain days<br>· Mandated the use of masks even in office |
| **EMPLOYEE ENGAGEMENT** | · Engaged teams in regular calls on video-conferencing platforms<br>· Organised motivation and team-building exercises through online platforms<br>· Organised online yoga classes for all employees |

PROFILE OF OUR BOARD

# OUR BOARD IS RESPONSIBLE FOR EXECUTING THE CORPORATE STRATEGY, IN ALIGNMENT WITH MEETING OUR SUSTAINABILITY OBJECTIVES, WHILE DRIVING A SUPPORTIVE AND GROWTH-ORIENTED CULTURE.

MR. RAVI PURAVANKARA
Founder and Chairman

**Specialty:**

- First generation entrepreneur with extensive real estate experience
- Pioneered the real estate industry through his insights and vision
- Unrivalled experience in operational best practices

**MR. ASHISH R. PURAVANKARA**
Managing Director

**Specialty:**

- Next-generation executive leadership
- Strong experience in business management
- Expertise in government/ industry liaison

**MR. NANI R. CHOKSEY**
Vice-Chairman*

**Specialty:**

- Longstanding real estate industry experience
- Specialist experience in regulations and compliance
- Expertise in strategic partnerships

**MR. R.V.S. RAO**
Non-Executive Independent Director**

**Specialty:**

- Rich experience in banking, law, finance and mortgage finance reforms
- Specialist focus on corporate best practices

**MR. PRADEEP GUHA**
Non-Executive Independent Director

**Specialty:**

- Strong experience in product branding and positioning
- Strategic leadership experience in large media houses

**MS. SONALI RASTOGI**
Non-Executive Independent Director

**Specialty:**

- Specialist experience in urban planning, architecture and design
- Pioneering contributions in highly-acclaimed national and international projects

**MR. ANUP SHAH SANMUKH**
Non-Executive Independent Director

**Specialty:**

- Over 36 years of law experience with specialist experience in real estate laws and regulations
- Founder Partner of Anup S Shah Law Firm in Bengaluru

**Re-designated w.e.f. 02.09.2020*
***Resigned as Director on 21.08.2020*

Detailed biographies of our Board members is available on our website: www.puravankara.com

# Corporate Information

## I. BOARD & ITS COMMITTEES

### BOARD MEMBERS

Mr. Ravi Puravankara
Mr. Ashish Ravi Puravankara
Mr. Nani R. Choksey
Mr. Pradeep Guha
Ms. Sonali Rastogi
Mr. Anup Shah Sanmukh

### AUDIT COMMITTEE

Mr. Anup Shah Sanmukh (Chairman)
Mr. Ravi Puravankara (Member)
Mr. Pradeep Guha (Member)
Ms. Sonali Rastogi (Member)

### STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. Anup Shah Sanmukh (Chairman)
Mr. Nani R. Choksey (Member)
Mr. Ashish Ravi Puravankara (Member)

### NOMINATION AND REMUNERATION COMMITTEE

Mr. Pradeep Guha (Chairman)
Mr. Ravi Puravankara (Member)
Ms. Sonali Rastogi (Member)
Mr. Anup Shah Sanmukh (Member)

### MANAGEMENT SUB COMMITTEE

Mr. Ravi Puravankara (Member)
Mr. Nani R. Choksey (Member)
Mr. Ashish Ravi Puravankara (Member)

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Ashish Ravi Puravankara (Member)
Mr. Nani R Choksey (Member)
Mr. Anup Shah Sanmukh (Member)

### RISK MANAGEMENT COMMITTEE

Mr. Ashish Ravi Puravankara (Member)
Mr. Nani R Choksey (Member)
Mr. Anup Shah Sanmukh (Member)
Mr. Pradeep Guha (Member)

## II. CORPORATE DETAILS

### Chief Financial Officer

Mr. Kuldeep Chawla

### Company Secretary & Compliance Officer

Ms. Bindu D

### Registered Office:

Puravankara Limited
# 130/1, Ulsoor Road,
Bengaluru – 560042.

### Legal Advisor:

Anup Shah S Law Firm
#37, 7th Cross,
Vasanthnagar
Cunningham Road,
Bengaluru-560052

### Statutory Auditors

S R Batliboi & Associates LLP
12th Floor Canberra Block, UB City,
No.24 Vittal Mallya Road,
Corporate Division No.61
Bengaluru – 560 091

### Internal Auditors

Grant Thornton India LLP
#65/02, Bagmane Tridib, Block A,
5th Floor, Bagmane Tech Park,
CV Raman Nagar,
Bengaluru - 560093

### Cost Auditors

GNV & Associates
No.8, I Floor, 4th Main, Chamarajapet
Bengaluru – 560 018.

### Secretarial Auditor

JKS & Co., Company Secretaries
Flat 9, JMJ Apartments, 100ft Road,
Indiranagar, HAL Stage 2,
Bengaluru-560038

### Bankers

Andhra Bank Ltd.
Bank of India
Citi Bank N.A
Dhanlaxmi Bank Ltd.
HDFC Bank Ltd.
ICICI Bank Ltd.
IndusInd Bank Ltd.
South Indian Bank
Standard Chartered Bank PLC.
State Bank of India

# Directors' Report Content

# Directors' Report

To
**The Shareholders**

Your Directors have the pleasure of presenting the 34th Annual Report on the business and operations of the Company, together with the audited results for the financial year ended March 31, 2020.

## FINANCIAL HIGHLIGHTS

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | Fiscal 2020 | Fiscal 2019 | Fiscal 2020 | Fiscal 2019 |
| Total income | 1,322.82 | 1,539.04 | 2,187.26 | 2,126.72 |
| Profit before tax | 44.80 | 131.60 | 140.35 | 171.77 |
| Profit after tax/ Total profit for the year | 30.51 | 91.77 | 88.35 | 114.35 |
| **Total comprehensive income** | **31.81** | **91.35** | **89.63** | **113.75** |

## FINANCIAL PERFORMANCE

The standalone revenues of the Company stood at ₹1,322.82 crores, compared to ₹1,539.04 crores in the previous fiscal. Correspondingly, profit after tax stood at ₹30.51 crores, compared to ₹91.77 crores in the previous fiscal.

Taking into account the revenues and performance of the subsidiaries of the Company, consolidated revenues of the Company stood at ₹2,187.26 crores, as compared to ₹2,126.72 crores in the previous fiscal, showing an increase of 2.77%. Total consolidated profit after tax for the year stood at ₹88.35 crores, compared to ₹114.35 crores in the previous fiscal, reflecting a decline of 22.74%.

The numbers for revenue and profits for the Company on a standalone and consolidated basis reflect such recognition on the basis of accounting standards. The Company is in the business of real estate development and sale. The Company is following IND-AS 115 for the purpose of recognition of revenue and, accordingly, the revenue can be recognised only when, apart from other related conditions, the house/unit is delivered to the customer. The development and delivery of homes/units takes substantial time – often of three to five years and hence, revenue in respect of such projects can be recognised only upon such completion. Thus, there is substantial lag in revenue recognition. Although the sale is confirmed and customer advance is collected and construction is substantially completed, revenue cannot be recognised. Further, as and when the Company incurs any sales and marketing expenses, the same would have to be accounted as a period cost. The Company has significantly huge marketing expenses and in the financial year 2019-20 also the Company has incurred sales and marketing expenses which have been recognised as a period cost. If there is a bunching of project completions, with periods of time during which there is no project delivery, or periods of time when registration of units by the customers is lower (such as the holiday period or disruptions/delays due to events such as Covid-19), the variation happens in reported profitability. Further, in the last 2 months of the financial year 2019-20, the delivery of units could not be achieved due to travel restrictions linked to Covid-19. Thus, there has been an impact on the profitability of the Company for the financial year 2019-20.

Going forward, the Company is planning to have a more even spread of several projects with different completion dates so that there is continuous delivery of projects throughout the period. This will take a while as there have been delays in obtaining the plan sanctions and also due to market conditions, some of the projects had to be put under hold or deferred temporarily. The Company is also planning for plotted development projects which have a shorter cycle-time and faster completion, and hence improved/ sooner revenue recognition.

The productivity of the Company is growing, while at the same time it appears that revenue recognition is getting delayed. Due to Covid-19 and various other uncertainties in the economy, the Company is not in a position to estimate the productivity and profits in absolute measurable terms in the near future, although in the long-term, these imbalances are expected to even out. Collections are growing at a steady pace, even with these imbalances.

## OPERATIONAL PERFORMANCE

During the year the group achieved sales bookings at a consolidated level of 2.83 mn sft or ₹1,713.95 crores, with major contribution from ready or near ready inventory and from sustenance sales, as there were hardly any new launches in FY 19-20, unlike the previous fiscal year. Ready and near ready inventory sales were ₹762.61 crores, a growth of 25.14% over the previous fiscal year. This, combined with a steady level of sales from sustenance projects and a 25% increase in group level collections enabled the overall consolidated gross operating surplus to reach ₹642.45 crores, a growth of 128.65% over the previous fiscal year. Customer collections increased to ₹1703.51 crores in FY19-20, as against ₹1,365.74 crores in FY18-19.

The higher surplus, even after payment of interest and taxes, also enabled the group level gross debt to be reduced by ₹240.67 crores during FY19-20, with debt repayments being ahead of schedule. With a couple of large marquee projects being handed over to our customers, 2.44 mn sft of area was delivered in the year FY19-20, an increase of 44.38% over 1.69 mn in the previous fiscal year.

## DIVIDEND

Your Board approved a dividend policy of the Company at its meeting held on August 6, 2013. The said dividend policy indicates that the Company shall endeavour to pay 33.33% of the Profit after Tax (PAT) earned by the Company during each financial year, with regard to business exigencies and general economic outlook for distribution as dividend to shareholders,

In line with the aforesaid dividend policy and in line with the results of the Company, the Board has not recommended any dividend for the financial year ended March 31, 2020. As per IND-AS 115 relating to recognition of revenue, revenue is recognised upon completion of the project and sale of unit to the customers. Also, any extension of time to complete the projects, will lead to such revenue to be recognised on an extended timeline, while at the same time, sales and marketing costs of the new projects being launched will be charged to the profit & loss account, adversely affecting the Company's reported profitability in the near future. As this is purely an accounting aspect, in the medium-term and long run, as and when revenue of the projects is recognised upon completion, the same will be neutralised. The Board of Directors have therefore decided to retain the profit for the year 2019-20 as surplus, and not to declare any dividend.

## TRANSFER TO RESERVES

Pursuant to Section 123 of the Companies Act, 2013, there is no proposal to transfer any amount to the General Reserve.

## DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS (IFC)

Pursuant to Section 134(5) (e), your Company has a proper and adequate system of internal financial controls (IFC) in place to ensure that all transactions are authorised, recorded and reported correctly, and assets are safeguarded and protected against loss from unauthorised use or disposition and smooth functioning of its business. The processes and the systems are reviewed constantly and changed to address the changing regulatory and business environment. The control systems provide a reasonable assurance of recording the transactions of its operations in all material aspects and of providing protection against misuse or loss of Company's assets. In addition, there are a wide variety of operational controls and fraud risk controls, covering the entire spectrum of IFC.

Existing IFC and their adequacy are frequently reviewed and improved upon to meet the changing business environment. The internal auditors periodically review the internal control systems, policies and procedures for their adequacy, effectiveness and continuous operation for addressing risk management and mitigation strategies.

## SHARE CAPITAL

The paid-up equity share capital remained unchanged at ₹118.58 crores as on March 31, 2020. There were no public issues, rights issues, bonus issues or preferential issues, etc., during the year.

The Company has not issued any shares with differential voting rights, sweat equity shares, nor has it granted any stock options.

## DEBENTURES

During the year, your Company issued 900, Secured Redeemable Unlisted Non-Convertible Debentures aggregating to ₹90 crores and the same is outstanding as on the date of this report. The debentures have a moratorium period of one year and are repayable in equal monthly installments over a period of 2 years thereafter.

## FIXED DEPOSITS

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

## DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Pursuant to Section 149(4) of the Companies Act, 2013, every listed company is required to have at least one-third of its Directors to be Independent Directors. The Board has one half of its Directors in the category of Independent Directors in terms of Regulation 17 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (hereinafter referred to as Listing Regulations).

In terms of the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board shall be comprised with at least one woman director.

On the recommendation of the Nomination & Remuneration Committee, Non-Executive Independent Directors' (NEIDs) were appointed in the capacity of Additional Directors by the Board of Directors up to the conclusion of the 33rd Annual General Meeting (AGM), subject to the approval of shareholders.

Ms. Sonali Rastogi (DIN: 00371091) was appointed as NEID on October 26, 2018, Mr. Anup Shah Sanmukh (DIN: 00317300) was appointed as NEID on July 23, 2019 and Mr. Pradeep Guha (DIN: 00180427) was appointed in his second term as NEID on September 22, 2019, by the Board of Directors.

At the 33rd AGM held on September 27, 2019, Ms. Sonali Rastogi and Mr. Anup S. Shah were appointed by the shareholders as NEID for a period of five years (extendable by an additional term of five more years subject to the approval of the shareholders) from the respective date of their appointment by the Board of Directors or the AGM during that financial year, whichever is earlier.

At the same meeting, vide special resolution, Mr. Pradeep Guha was appointed by the shareholders in his second term as NEID.

The limit of remuneration (in the form of commission) payable to the NEID was approved by shareholders at the said AGM and the Board of Directors of the Company have been empowered to decide the annual remuneration payable, subject to the said limit.

Mr. RVS Rao resigned as a Director on the Board of Directors of the Company w.e.f. August 21, 2019, on account of personal reasons and pre-occupations. The Board of Directors place on record their appreciation for his commendable services as NEID for a period of 13 years. During his tenure Mr. RVS Rao also served as Chairman of the Audit Committee, the Stakeholders Relationship Committee and as member of the Nomination and Remuneration Committee, Corporate Social Responsibility Committee and the Risk Management Committee. For a period of 5 years, Mr. RVS Rao also served as NEID on the Board of material subsidiary, Provident Housing Limited.

According to Section 149(13) of the Companies Act, 2013, Independent Directors shall not be liable to retire by rotation.

All the continuing Non-Executive Independent Directors' have submitted the Declaration of Independence, pursuant to Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as per Section 149(6) of the said Companies Act, 2013 and Regulation 25 of the Listing Regulations.

The conditions relating to appointment of a Non-Executive Independent Director specified in the Companies Act, 2013 and the rules made thereunder and the Listing Regulations have been complied with.

On the recommendation of the Nomination and Remuneration Committee, the Board has re-designated the Joint Managing Director, Mr. Nani R. Choksey as Vice-Chairman of the Company w.e.f. September 2, 2020.

The Whole-time Directors, Mr. Ravi Puravankara, Chairman, Mr. Ashish Ravi Puravankara, Managing Director, Mr. Nani R. Choksey, Vice-Chairman are liable to retire by rotation. In line with this requirement, Mr. Ravi Puravankara, Chairman of the Company, is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible for re-appointment offers himself for reappointment as a Director. The Board has recommended his reappointment.

The term in office of the Executive Directors expires on March 31, 2021. The Nomination and Remuneration Committee has recommended the re-appointment of Mr. Ravi Puravankara, Chairman, as Whole-time Director, Mr. Nani R. Choksey, Vice-Chairman as Whole-time Director, and Mr. Ashish Ravi Puravankara as Managing Director for a period of 5 years commencing from April 1, 2021.

The Board has recommended the continuation of the current remuneration payable to Executive Directors, upto April 1, 2024.

Necessary details are annexed to the Notice of the Annual General Meeting in line with the provisions of Section 102(1) of the Companies Act, 2013.

Details of Directors seeking re-appointment at the Annual General Meeting (pursuant to Regulation 36 of the Listing Regulations), will form part of the Notice of the Annual General Meeting.

The criteria for performance evaluation of Independent Directors, Board, Committees and other individual Directors includes criteria for performance evaluation of the non-Executive Directors and Executive Directors. Pursuant to the provisions of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, its Committees and the Directors individually.

Mr. Kuldeep Chawla continues in office as the Chief Financial Officer, Ms. Bindu D continues in office as the Company Secretary & as Compliance Officer of the Company, under the Listing Regulations.

## MEETINGS OF THE BOARD

A minimum of four meetings of the Board of Directors are required to be held during a year in line with the requirement under the Listing Regulations and the interval between any two meetings shall not exceed 120 days. Both criteria have been met and six meetings of the Board of Directors were held during the year. For further details, please refer to the report on Corporate Governance forming part of this Annual Report.

The recommendations and suggestions of the Audit Committee were duly considered and accepted by the Board of Directors. There were no instances of non-acceptance of any recommendations.

The Board of Directors confirm that secretarial standards have been complied with in respect of all meetings held during the year.

## POLICIES

Policies, as required to be formulated under the Listing Regulations, have been adopted by the Company. The following policies have been placed on the website of your Company.

1. Code of conduct for prevention of insider trading
2. Code of practices and procedures for fair disclosure of UPSI (Unpublished Price Sensitive Information)
3. Policy for determining material subsidiaries
4. Policy on materiality of related party transactions
5. Policy for corporate social responsibility
6. Nomination & remuneration policy, including criteria for making payment to Directors (Non-Executive and Executive) and senior management personnel
7. Risk management policy
8. Whistle blower policy
9. Anti-corruption and anti-bribery policy

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, 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 March 31, 2020 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, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

e) the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## BOARD TRAINING, FAMILIARISATION PROGRAMME

With a view to familiarise the Directors including Independent Directors of the Company of their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., and as required under Listing Regulation 25(7), the Company has held various familiarisation programmes throughout the year on an ongoing basis.

The Managing Director and the Vice-Chairman also have a one-on-one discussion with the Directors on a regular basis. In addition, the Senior Management of the Company interacts regularly with the Directors, both individually and collectively. The above initiatives help the Directors to understand and keep themselves updated about the Company, its business and the regulatory framework in which the Company operates, and equip themselves to effectively fulfill their role as Directors of the Company. Some of the familiarisation programmes carried out during the year include:

1. Various presentations made by business heads of the Company from time to time on different functions and areas.
2. Deliberations were held and the Directors were updated from time to time on major developments in the areas of the Companies Act, 2013, and the Listing Regulations.

The details of the familiarisation programmes are also placed on the Company's website: www.puravankara.com

## AUDITORS & AUDITOR'S REPORT

### Statutory Auditors

M/s. S R Batliboi & Associates LLP, Chartered Accountants, FRN 101049W/ E300004, were appointed by the members as Statutory Auditors of the Company for a period of five years from the conclusion of the 31st AGM held on August 29, 2017 till the conclusion of the 36th AGM.

The Company has received confirmation from M/s. S R Batliboi & Associates LLP, Chartered Accountants, stating that, continuation as Statutory Auditors of the Company, would be within the prescribed limits under Section 141(3) (g) of the Companies Act, 2013.

The Statutory Auditors have expressed an unmodified opinion in their Consolidated Auditors Report and the Standalone Auditors Report in respect of the audited financial statements for the financial year ended March 31, 2020.

With regard to the Emphasis of Matter stated in the Statutory Report, as part of the notes to the financial statements, the Board of Directors state that with regard to:

### A. Covid-19 pandemic:

World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown with effect from March 25, 2020 and the Group suspended the operations in all ongoing projects in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations of the Group by way of interruption in project execution, supply chain disruption, unavailability of personnel during the lock-down period.

The Group has considered the possible effects that may result from the Covid-19 pandemic on the carrying value of assets including property, plant and equipment, investment property, investments, inventories, loans, land advance/deposits and receivables. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group, as at the date of approval of these financial results has used internal and external sources of information to assess the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on the current estimates, the Group expects that the carrying amount of these assets, as reflected in the balance sheet as at March 31, 2020, are fully recoverable. the Group has also estimated the future cash flows with the possible effects that may result from the COVID-19 pandemic and does not foresee any adverse impact on realising its assets and in meeting its liabilities as and when they fall due. The actual impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these financial results.

The Central and State Governments have initiated steps to lift the lockdown and the Group will adhere to the same as it resumes its activities. Construction at sites has restarted. The Group will continue to closely observe the evolving scenario and take into account any future developments arising out of the same.

**B. Litigation Matters:**

The Group had initiated legal proceedings against its customer for recovery of receivables of ₹15 crores, inventories of ₹1 crore and customer's counter claim thereon, which is currently pending before the City Civil Court. Pending resolution of the aforesaid litigation, no provision has been made towards the customer's counter-claims and the underlying receivables and other assets are classified as good and recoverable in the accompanying financial results based on the legal opinion obtained by the management and management's evaluation of the ultimate outcome of the litigation.

The Group is subject to certain ongoing litigations with respect to certain legal proceedings for certain properties, wherein the Group has outstanding deposits and advances of ₹50 crores. Further, the Group has ₹5 crores recoverable from a party which is subject to ongoing legal proceedings under Insolvency and Bankruptcy Code. Pending resolution of the aforesaid litigations, no provision has been made towards any claims and the underlying recoverable, deposits and advances are classified as good and recoverable in the accompanying financial results based on the legal evaluation by the management of the ultimate outcome of the litigations.

## COST AUDITORS

The Board appointed M/s. GNV Associates, Cost Accountants, for conducting the audit of cost records of the Company for the financial year ended 2019-20. There are no qualifications or adverse remarks in the Cost Audit Report which require any explanation from the Board of Directors.

The Board have re-appointed M/s. GNV Associates, Cost Accountants, for conducting the audit of cost records for the financial year 2020-21. The Notice convening the Annual General Meeting contains the proposal of remuneration payable to the Cost Auditors during the period 2020-21.

## SECRETARIAL AUDITORS

The Board appointed M/s. JKS & Co., Company Secretaries, to conduct the secretarial audit of the Company for the financial year 2019-20. The Secretarial Audit Report for the financial year ended March 31, 2020 is attached herewith marked as Annexure I to this Report. In connection with the observation in the said report, the Board of Directors state that the same was on account of technical glitches, and the Company has since paid the requisite fine in compliance with the SEBI Circular no. 2018/77 dated May 3, 2018.

Pursuant to Regulation 24A, material unlisted subsidiaries incorporated in India shall undertake a secretarial audit. The same has been complied with.

## PARTICULARS OF INVESTMENTS MADE, LOANS GIVEN, GUARANTEES GIVEN AND SECURITIES PROVIDED

Particulars of investments made, loans given, guarantees given and securities provided are disclosed in Note 6, 7 and 20 to the standalone financial statement of the Company.

## CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered into by the Company during the financial year ended March 31, 2020 with related parties were in the ordinary course of business and on an arms length basis. During the year, the Company did not enter into any new contracts/arrangements/transactions with related parties which could be considered material in accordance with the Company's policy pertaining to the materiality of related party transactions.

The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website: www.puravankara.com

The details of material related party transactions are attached herewith as Annexure II Form AOC-2.

The details of related party transactions form part of note no. 39 of the Standalone Financial Statements of the Company.

## CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company, pursuant to Section 129(3) of the Companies Act, 2013 and Regulation 33 and Regulation 34 of the Listing Regulations, and prepared in accordance with the Indian Accounting Standards (Ind-AS) prescribed by the Institute of Chartered Accountants of India, form part of this Annual Report.

The Indian Accounting Standards (Ind-AS) were notified by the Ministry of Corporate Affairs (MCA), vide its notification in the official gazette on February 16, 2015, applicable to certain classes of companies. Ind-AS has replaced the existing Indian GAAP prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies Accounts Rules, 2014.

Your Company and its subsidiaries have adopted

Ind-AS with effect from April 1, 2016, pursuant to the notification by the Ministry of Corporate Affairs on February 16, 2015 notifying the Companies (Indian Accounting Standard) Rules, 2015.

The accounting policies as set out in note 1 to the financial statements have been applied in preparing the financial statements for the year ended March 31, 2020.

## SUBSIDIARIES

The Company has 25 subsidiary companies (including four step-down subsidiaries in India and a step-down subsidiary in Sri Lanka), out of which 23 companies are in India and two are overseas. Of these, Provident Housing Limited, Starworth Infrastructure & Construction Limited, two unlisted Indian Companies are material subsidiaries as defined under the Listing Regulations.

Pursuant to Regulation 24 of the Listing Regulations, at least one Independent Director on the Board of the Company shall be a Director on the Board of Directors of an unlisted material subsidiary. Mr. Pradeep Guha and Mr. Anup S. Sanmukh, Independent Directors on the Board of the Company, are also members of the Board of Provident Housing Limited, which is an unlisted material subsidiary.

Pursuant to Regulation 24 read with Regulation 16 of the Listing Regulations, an Independent Director on the Board of the Company is not required to be a Director on the Board of Directors of the unlisted material subsidiary Starworth Infrastructure & Construction Limited as the turnover does not exceed 20% of the turnover of the Listed Entity. During the year, the Company acquired Devas Global LLP. The LLP is now a wholly-owned subsidiary of the Company. Further, Purva Woodworks Private Limited was incorporated as a wholly-owned subsidiary of the Company during August, 2020.

Details of entities which became/ceased to be the Company's subsidiaries, joint ventures or associate companies are specified in Annexure III.

## STATEMENT RELATING TO SUBSIDIARIES AND THEIR FINANCIAL STATEMENTS

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, etc., are attached herewith as Annexure IV (i.e. Form AOC-1).

Your Directors hereby inform 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.

In accordance with the provisions of Sections 136 of the Companies Act, 2013, the annual financial statements and the related documents of the subsidiary companies of the Company are placed on the Companys website: www.puravankara.com

## MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of this Report.

Further to the date of the Balance Sheet, the Company, and as part of the guarantee to a loan availed by a wholly-owned subsidiary company, has pledged its shares held in such subsidiary company in favor of the lender.

## ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

Information in accordance with the provisions of Section 134(3) (m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, 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 labour intensive, mechanisation of development through technological innovations is the way to address the huge demand-supply gap in the industry. Accordingly, the Company is constantly upgrading its technology to reduce costs, improve quality and achieve economies-of-scale.

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 undertaken across all projects.

Foreign exchange: Foreign exchange earned during the year ended March 31, 2020 stood at ₹2.95 crores, while expenditure stood at ₹8.57 crores.

## RISK MANAGEMENT POLICY

Information on the development and implementation of a risk management policy for the Company including identification therein of elements of risk which in the opinion of the Board may threaten the existence of the Company is given in the Corporate Governance Report.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The corporate social responsibility framework, approved by the Board of Directors, and under the direct involvement of our senior management, establishes the foundations for responsible activity and socio-economic development of underprivileged and vulnerable communities. Through the framework, Puravankara conducts its CSR activities that are comprehensive and promise sustainable action with the adoption of a long-term view in decision-making and constant innovation, which contributes as much as possible to the sustainable development of communities. This commitment provides added value to the Company and to its stakeholders and positively influences the reputation and credibility of our business. The Company's major CSR initiatives comprise sponsoring education of the needy and the deserving, enhancing civic beautification and promoting interest in the arts, culture and sports. Further, the Company's initiatives also include maintenance of roads, parks, fire stations and a war memorial, apart from extending financial support to schools and crèches for children of unskilled labourers. The Company also ensures welfare for seniors living in old-age homes in Bengaluru.

## CONSTITUTION OF CORPORATE SOCIAL RESPONSIBILITY 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 April 1, 2014, all companies having net worth of ₹500 crores or more, or turnover of ₹1,000 crores or more or a net profit of ₹5 crores or more during any financial year are required to constitute a Corporate Social Responsibility (CSR) Committee of the Board of Directors comprising three or more Directors, with at least one of them being an Independent Director. The Company has complied with the requirement.

It is essential that the Company remains an active welcomed member of the community and that our contributions to society are shared and valued. The Company subscribes to and actively pursues positive social outcomes, while working diligently to use scale and socio-economic reach to effect meaningful transformation within the communities the Company operates in. Importantly, the permit to conduct our business is premised on the Company's ability to demonstrate its commitment to create true significant and sustainable value for all stakeholders, and to practice sound environmental stewardship.

Puravankara strongly believes that corporates have a special and continuing responsibility towards the society. The Group focuses on creating a sustainable impact on the development of communities through initiatives in education, health and safety, arts and sports, civic amenities as well as the environment. The philanthropic and CSR initiatives of the Group over the past decade are a proof of this belief. It has strengthened its internal processes and established long-lasting partnerships with various organisations in doing so.

In the year 2019-20, Puravankara focused on the following CSR initiatives:

### Civic beautification

Puravankara contributed to the beautification of medians under Namma Metro and BBMP and a park in Bengaluru. This contributed to cleanliness, better hygiene and also helped raised awareness in keeping the surroundings clean. As a responsible corporate who is aware of the carbon footprint, the Puravankara Group in conjunction with the civic authorities maintains several public medians and parks in Bengaluru. These parks have received awards for their upkeep and are now a spot for bird-watchers. The Company will continue to uphold social corporate responsibility and align organisational goals with social development and awareness.

### Environmental sustenance

As a developer conscious of its impact on the environment, Puravankara is engaged in a number of environmental preservation and sustenance initiatives, including its role in water management, in reducing material wastages through optimised consumption and in embracing development practices that are aligned with reducing its carbon footprint. During the year ended March 31, 2020, the company extensively leveraged green building practices as well as modern technology across its project sites with a view to not only optimise natural resource consumption, but also to ensure the highest levels of compliance with building guidelines. The Company will continue to uphold its environmental responsibility and will steward its practices that ensure oneness with environmental goals and objectives.

The report on CSR activities is attached herewith as Annexure V.

## EXTRACT OF ANNUAL RETURN

The extract of the annual return of the Company, pursuant to Section 92 of the Companies Act, 2013 is attached herewith in form MGT-9 as Annexure VI to this Report. The Annual Report is accessbile on the link https://www.puravankara.com/investor/annual-report/annual-report.pdf

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The statement containing particulars of employees, including ratio of remuneration to Directors, among others, as required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 are attached herewith as Annexure VII to this Report.

## REMUNERATION POLICY AND CRITERIA FOR MATTERS REQUIRED UNDER SECTION 178

The Board, as per the recommendation of the Nomination & Remuneration Committee, has framed a Nomination & Remuneration policy, providing: (a) criteria for determining qualifications, positive attributes and independence of Directors and (b) a policy on remuneration for Directors, Key Managerial Personnel and other employees. An extract of the Nomination & Remuneration Policy is attached herewith as Annexure VIII. The detailed Remuneration Policy is placed on the Companys website: www. puravankara.com

## BUSINESS RESPONSIBILITY REPORTING

As per clause (f) of sub regulation (2) of regulation 34 of Listing Regulations, the annual report of the top five hundred listed entities based on market capitalisation (calculated as on March 31 of every financial year) shall contain a Business Responsibility Report describing the initiatives taken by the listed entity from an environmental, social and governance perspective, in the format as specified by the SEBI. Your company is ranked 567 amongst the listed entities on the basis of market capitalisation as on March 31, 2020. The Business Responsibility Report is attached herewith as Annexure IX.

## CORPORATE GOVERNANCE

A separate section on Corporate Governance and a certificate from a practising Company Secretary, regarding the compliance of the conditions of Corporate Governance as stipulated under Regulation 34, read with Schedule V of the Listing Regulations forms part of this Annual Report.

The aforementioned certificate from a practising Company Secretary is attached herewith as Annexure X.

## MANAGEMENT DISCUSSION AND ANALYSIS

A separate section on the Management Discussion and Analysis as stipulated under Regulation 34 of the Listing Regulations forms part of this Annual Report.

## CREDIT RATING

The long-term rating assigned to the Company by ICRA Limited was improved to BBB+ with a positive outlook and short-term rating of [ICRA] A2, in respect of the various fund and non-fund-based credit facilities of ₹3,000 crores sanctioned / to be sanctioned to the Company. The rating was issued by ICRA Limited during January 2020 and reviewed by them on an ongoing basis, and the outlook for long-term was revised to stable during April 2020.

## SHARES UNDER COMPULSORY DEMATERIALISATION:

The Company's equity shares are compulsorily tradable in electronic form. As on March 31, 2020, 0.0000006% of the Companys total paid-up equity capital representing 162 shares (five shareholders) is in physical form and the remaining shares i.e. 23,71,49,524 (99.9999994%) 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 de-materialisation.

With effect from April 1, 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. To provide for the future transmission or transposition of securities, the Company has advised that the shares held in physical mode be held in demat/electronic mode by converting it into demat mode.

| Particulars | Number of shares | % |
|---|---:|---:|
| DEMAT | 23,71,49,524 | 99.9999994% |
| PHYSICAL | 162 | 0.0000006% |
| **TOTAL** | **23,71,49,686** | **100%** |

During the year 2019-20, 3,042 shares belonging to 38 shareholders, in respect of which dividend had not been claimed by the shareholders for seven consecutive years or more, were transferred to the Investor Education and Protection Fund. The details are provided on the website of the Company.

## INSIDER TRADING REGULATIONS

SEBI had brought in a new regulation named as SEBI (Prohibition of Insider Trading Regulation) 2015, in place of SEBI Insider Trading Regulations, 1992.

Pursuant to the new regulation, your Company has a Code of Conduct for Prevention of Insider Trading & Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and the same is placed on the website of your Company.

## STATUTORY DISCLOSURES

Your Directors state that:

a) No disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

   1. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

   2. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Companys operations in future.

b) In compliance with the requirements of Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace Act, 2013, introduced by the Government of India, which came into effect from December 9, 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 and an Internal Complaints Committee has been constituted and functions duly. The status of complaints is as follows:.

   a. number of complaints filed during the financial year - 1

   b. number of complaints disposed-off during the financial year - 1

   c. number of complaints pending as on end of the financial year- NIL

There are no frauds reported by auditors under sub-section (12) of section 143 and there are no frauds which are reportable to the Central Government.

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained.

## ACKNOWLEDGEMENTS

Your Directors express their grateful appreciation for the assistance and co-operation received from the financial institutions, banks, governmental authorities, customers, vendors and shareholders during the financial year. Your Directors would also like to once again place on record their appreciation to the employees across levels, who through their dedication, cooperation, support and intelligence have enabled the Company to move towards achieving its corporate objectives.

**For and on behalf of the Board of Directors**

| | |
|---|---|
| **Ashish Ravi Puravankara** | **Nani R. Choksey** |
| *Managing Director &* | *Vice-Chairman* |
| *Chief Executive Officer* | DIN: 00504555 |
| DIN: 00504524 | |
| Dubai | Bengaluru |
| September 2, 2020 | September 2, 2020 |

*Annexure I to the Directors' Report*

# Secretarial Audit Report

To,
The Members
**Puravankara Limited,**
No.130/1, Ulsoor Road,
Bengaluru – 560042

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the further viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For JKS & Co.**
*Company Secretaries*

**Karthick V.**
*Partner*
Membership No. ACS – 11910
C.P. No. – 4680
UDIN : A011910B000386339

Place : Bengaluru
Date : June 26, 2020

## Form No. MR-3

**Secretarial Audit Report**
**for the financial year ended March 31, 2020**
[Pursuant to Section 204(1) of the Companies Act, 2013
and Rule No.9 of the Companies (Appointment and
Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
**Puravankara Limited,**
No.130/1, Ulsoor Road,
Bengaluru – 560042

We have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by Puravankara Limited (hereinafter called "the Company"). Secretarial Audit was conducted in the manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Companys books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2020, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Except for requirement of annual reporting, there was no instance / trigger leading to compliance under these Regulations;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 [Not Applicable to the Company during the audit period under review];

(d The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 [Not Applicable to the Company during the audit period];

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [Not Applicable as the Company has not issued any listed debt security during the audit period];

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients [Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the audit period];

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not Applicable as the Company has not delisted / proposed to delist its equity shares from any stock exchange during the audit period]; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 [Not Applicable during the audit period as the Company has not bought back any security];

(vi) Other laws applicable to the Company are:

a) The Building & Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 read with Rules

b) Transfer of Property Act, 1882

c) Indian Easements Act, 1882

d) Real Estate (Regulation & Development) Act, 2016

e) The Registration Act, 1908

### We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

And report that during the year under review, on one occasion the Company was unable to give prior intimation of a Board meeting, to the stock exchanges within the time limits under Regulation 29 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the intimation was done with short notice. The Company has paid the requisite fine in compliance with the SEBI Circular no. 2018/77 dated May 3, 2018.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. During the year, the Company has unspent amount against the prescribed amount on Corporate Social Responsibility.

### We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, with an exception that, in the previous year, one of the independent directors was identified by Ministry of Corporate Affairs as a disqualified director u/s 164(2) of the Act due to non-filing of annual returns and annual financial statements related to another company where he was a director. Subsequently, the defaulting company was revived and the annual returns and annual financial statements were filed in May, 2018 and regularised.

The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As represented by the Company, all decisions at the Meetings of the Board of Directors and Board Committees are carried out unanimously or with requisite majority as recorded in the Minutes of the respective meetings as the case may be and no dissenting views were recorded.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, :

1. Special resolution was passed to enable the Company for issuing Non-Convertible Debentures on Private Placement basis aggregating to ₹1,500 Crores;
2. special resolution was passed to re-appointment a Non-Executive Independent Director;
3. 900 Senior Secured Unlisted Unrated Redeemable Non-Convertible Debentures aggregating to ₹90 Crores were allotted.

**For JKS & Co.**
*Company Secretaries*

**Karthick V.**
*Partner*
Membership No. ACS – 11910
C.P. No. – 4680
UDIN : A011910B000386339

Place : Bengaluru
Date : June 26, 2020

*Annexure II to the Directors' Report*

# FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

## 1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARMS LENGTH BASIS

| | |
|---|---|
| (a) Name(s) of the related party and nature of relationship | There were no transaction or arrangement which were not at arms length |
| (b) Nature of contracts/arrangements/transactions | |
| (c) Duration of the contracts/arrangements/transactions | |
| (d) Salient terms of the contracts or arrangements or transactions. | |
| (e) Justification for entering into such contracts or arrangements or transactions | |
| (f) Date(s) of approval by the Board | |
| (g) Amount paid as advances, if any: | |
| (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | |

## 2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARMS LENGTH BASIS

(₹ in crores)

| Name of the Related Party | | |
|---|---|---|
| (a) | Nature of Relationship | NIL |
| (b) | Nature of Contracts/ Transaction | |
| (c) | Duration of Contracts | |
| (d) | Salient Terms of Contracts/ Arrangements | |
| (e) | Value of Contracts/ Arrangement | |
| (f) | Justification for entering into such contracts | |
| (g) | Dates of Board Approval | |
| (h) | Amount Paid as Advance | |
| (I) | Date of Agreement | |

**For and on behalf of the Board of Directors of Puravankara Limited**

**Ashish Ravi Puravankara**
*Managing Director*
*DIN: 00504524*
Dubai

**Nani R Choksey**
*Vice-Chairman*
DIN: 00504555
Bengaluru

**Kuldeep Chawla**
*Chief Financial Officer*

**Bindu D**
*Company Secretary*

Bengaluru
September 02, 2020

*Annexure III to the Directors' Report*

## COMPANIES WHICH HAVE BECOME SUBSIDIARIES/ASSOCIATES/JOINT VENTURES DURING THE FINANCIAL YEAR 2019-20:

| Sl. No. | Name of the Company/ Entity | Type | Remarks |
|---|---|---|---|
| | Not Applicable | | |

## COMPANIES WHICH CEASED TO BE SUBSIDIARIES/ASSOCIATES/JOINT VENTURES DURING THE FINANCIAL YEAR 2018-19:

| Sl. No. | Name of the Company/ Entity | Type | Remarks |
|---|---|---|---|
| | Not Applicable | | |

*Annexure IV to the Directors' Report*

# FORM AOC-1

A. Salient features of financial statements of subsidiaries/jointly controlled entities as per Companies Act, 2013

| No. | Name of the subsidiary | Reporting period | Reporting Currency | Exchange rate | Share capital | Reserves | Total Assets | Total Liabilities | Invest-ments | Turnover | Profit before taxation | Provision for Taxation | Profit/ Loss | Interim dividend paid | Proposed dividend | Percentage of shareholding/ economic interest | Date of acquiring interest in subsidiary |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Centurions Housing and Constructions Private Limited* | 31-Mar-20 | INR | N.A | 0.010 | 6.170 | 6.196 | 0.016 | - | 4.924 | 2.449 | 0.587 | 1.861 | - | - | 100% | 22-Jun-00 |
| 2 | Devas Global Services LLP | 31-Mar-20 | INR | N.A | 0.100 | (0.019) | 147.708 | 147.627 | - | - | (0.015) | - | (0.015) | - | - | 100% | 30-Jul-18 |
| 3 | D.V. Infrhomes Private Limited | 31-Mar-20 | INR | N.A | 3.000 | (0.069) | 5.939 | 3.008 | - | - | (0.010) | - | (0.010) | - | - | 60% | 05-Oct-18 |
| 4 | Grand Hills Developments Private Limited | 31-Mar-20 | INR | N.A | 0.010 | (0.023) | 0.008 | 0.021 | - | - | (0.002) | - | (0.002) | - | - | 100% | 10-Apr-07 |
| 5 | IBID Homes Private Limited* | 31-Mar-20 | INR | N.A | 0.010 | (1.471) | 10.795 | 12.256 | - | 0.010 | (1.555) | (0.495) | (1.060) | - | - | 100% | 19-Feb-18 |
| 6 | Jaganmata Property Developers Private Limited | 31-Mar-20 | INR | N.A | 0.010 | (0.036) | 35.303 | 35.329 | - | - | (0.015) | - | (0.015) | - | - | 100% | 27-Nov-15 |
| 7 | Purva Property Services Private Limited (formerly Jyothishmati Business Centers Private Limited) | 31-Mar-20 | INR | N.A | 0.010 | (0.079) | 0.007 | 0.076 | - | - | (0.070) | - | (0.070) | - | - | 100% | 26-Nov-15 |
| 8 | Melmont Construction Private Limited | 31-Mar-20 | INR | N.A | 0.010 | (4.064) | 126.452 | 130.506 | - | - | (0.012) | - | (0.012) | - | - | 100% | 04-Oct-04 |
| 9 | Nile Developers Private Limited | 31-Mar-20 | INR | N.A | 0.100 | 6.340 | 21.478 | 15.038 | - | - | (0.122) | - | (0.122) | - | - | 100% | 20-Dec-06 |
| 10 | Provident Cedar Private Limited | 31-Mar-20 | INR | N.A | 0.010 | (0.006) | 0.007 | 0.003 | - | - | (0.001) | - | (0.001) | - | - | 100% | 03-Nov-16 |
| 11 | Provident Housing Limited* | 31-Mar-20 | INR | N.A | 0.050 | 227.533 | 2,031.927 | 1,884.690 | 80.347 | 393.672 | 0.214 | 1.634 | (1.421) | - | - | 100% | 14-Nov-08 |
| 12 | Provident Meryta Private Limited | 31-Mar-20 | INR | N.A | 0.010 | (0.006) | 0.007 | 0.003 | - | - | (0.002) | - | (0.002) | - | - | 100% | 29-Aug-16 |
| 13 | Prudential Housing & Infrastructure Development Limited | 31-Mar-20 | INR | N.A | 0.050 | (1.535) | 0.399 | 1.884 | - | - | (0.007) | - | (0.007) | - | - | 100% | 03-Nov-99 |
| 14 | Purva Good Earth Properties Private Limited * | 31-Mar-20 | INR | N.A | 0.010 | (19.411) | 310.207 | 329.609 | - | 0.015 | (19.114) | - | (19.114) | - | - | 100% | 01-Apr-07 |
| 15 | Purva Oak Private Limited | 31-Mar-20 | INR | N.A | 0.010 | (0.007) | 0.005 | 0.002 | - | - | (0.002) | - | (0.002) | - | - | 100% | 01-Sep-16 |
| 16 | Purva Pine Private Limited | 31-Mar-20 | INR | N.A | 0.010 | (0.007) | 0.005 | 0.002 | - | - | (0.002) | - | (0.002) | - | - | 100% | 14-Jul-16 |
| 17 | Purva Realities Private Limited | 31-Mar-20 | INR | N.A | 0.010 | (0.038) | 42.191 | 42.219 | - | - | (0.007) | - | (0.007) | - | - | 100% | 10-May-06 |
| 18 | Purva Ruby Properties Private Limited | 31-Mar-20 | INR | N.A | 0.010 | (0.782) | 125.756 | 126.528 | - | - | (0.012) | - | (0.012) | - | - | 100% | 10-Apr-07 |
| 19 | Purva Sapphire Land Private Limited | 31-Mar-20 | INR | N.A | 0.010 | (0.042) | 0.087 | 0.119 | - | - | (0.002) | - | (0.002) | - | - | 100% | 10-Apr-07 |
| 20 | Purva Star Properties Private Limited* | 31-Mar-20 | INR | N.A | 0.010 | 36.946 | 82.093 | 45.138 | - | 451.407 | 90.844 | 28.872 | 61.971 | - | - | 100% | 13-Apr-07 |
| 21 | Starworth Infrastructure & Construction Limited* | 31-Mar-20 | INR | N.A | 0.050 | 25.755 | 205.440 | 179.635 | - | 139.283 | 0.500 | 0.265 | 0.235 | - | - | 100% | 13-Aug-08 |
| 22 | Vagishwari Land Developers Private Limited | 31-Mar-20 | INR | N.A | 0.010 | (0.012) | 0.004 | 0.006 | - | - | (0.002) | - | (0.002) | - | - | 100% | 27-Nov-15 |
| 23 | Vaigai Developers Private Limited | 31-Mar-20 | INR | N.A | 0.100 | 4.978 | 16.887 | 11.809 | - | - | (0.009) | - | (0.009) | - | - | 100% | 20-Dec-06 |
| 24 | Varishtha Property Developers Private Limited | 31-Mar-20 | INR | N.A | 0.010 | (0.012) | 0.004 | 0.006 | - | - | (0.002) | - | (0.002) | - | - | 100% | 20-Nov-15 |
| 25 | Welworth Lanka Holding Private Limited# | 31-Mar-20 | LKR | 0.40 | 36.705 | (0.517) | 0.000 | 0.114 | 36.302 | - | (0.045) | - | (0.045) | - | - | 100% | 06-Dec-06 |
| 26 | Welworth Lanka Private Limited# | 31-Mar-20 | LKR | 0.40 | 36.302 | (15.061) | 21.405 | 0.165 | - | - | (0.906) | - | (0.906) | - | - | 100% | 06-Dec-05 |

*The Company has commenced operations. The remaining companies are yet to commence operations
#Companies incorporated in Sri Lanka. The remaining companies were incorporated in India

## INFORMATION OF THE ASSOCIATES FOR THE YEAR ENDED 31 MARCH 2020

Amt (₹/Crores)

| Sl. No. | Particulars | Keppel Puravankara Development Private Limited | Propmart Technologies Limited | Sobha Puravankara Aviation Private Limited | Pune Projects LLP | Whitefield Ventures |
|---|---|---|---|---|---|---|
| 1 | Latest audited balance sheet date | 31 March 2020 | 31 March 2020 | 31 March 2020 | 31 March 2020 | 31 March 2020 |
| 2 | Shares of associate held by the company on the year end | | | | | |
| | (a) Numbers | 95,55,000 | 23,35,000 | 47,75,000 | - | - |
| | (b) Amount of investment in associates | 4.41 | 2.34 | 4.78 | 0.016 | 7.380 |
| | (c) Extent of holding (%) | 49.00% | 32.83% | 49.75% | 32.00% | 42.00% |
| 3 | Description of how there is significant influence | Control | Control | Control | Control | Control |
| 4 | Reason why the associate is not consolidated | Consolidated | Consolidated | Consolidated | Consolidated | Consolidated |
| 5 | Networth attributable to shareholding as per latest audited balance sheet | 38.445 | (27.945) | (102.367) | (13.364) | - |
| 6 | Profit/(loss) for the year | (4.810) | (1.055) | (3.849) | (2.366) | - |
| | (a) Considered in consolidation* | (2.357) | (0.346) | - | (0.757) | - |
| | (b) Not considered in consolidation | - | - | - | - | - |

*considered in consolidation during the year

**For and on behalf of the Board of Directors of Puravankara Limited**

**Ashish Ravi Puravankara**
*Managing Director*
*DIN: 00504524*

**Nani R Choksey**
*Vice Chairman*
DIN: 00504555

**Kuldeep Chawla**
*Chief Financial Officer*

**Bindu D**
*Company Secretary*

*Annexure V to the Directors' Report*

## Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2019-20

(₹ in crores)

| | | |
|---|---|---|
| 1 | A brief outline of the Companys CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs and the composition of CSR Committee. | Refer Sections:<br>(a) Corporate Social Responsibility and<br>(b) Disclosures: CSR Committee in this Report<br>(c ) www.puravankara.com |
| 2 | Average net profit of the Company for last three financial years | 90.02 |
| 3 | Prescribed CSR expenditure<br>(two percent of the amount mentioned in item 2 above) | 1.80 |

### Details of CSR spent during the financial year:

(₹ in crores)

| | | |
|---|---|---|
| 4 | Total amount spent for the financial year | 0.04 |
| 5 | Amount unspent, if any | 1.76 |
| 6 | Manner in which the amount spent during the financial year | Details given below |

### Details of Amount Spent on CSR Activities during the Financial Year 2019-20

| Sl No | CSR project or Activity Identified | Sector in which the project is covered | Project of Program (1) Local Area or Other (2) Specify the State and district where projects or programs was undertaken | Amount Outlay (Budget) Project or Program wise | Amount spent on the Projects or Programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads | Cumulative Expenditure upto the reporting period i.e. FY 2019-20 | Amount Spent Direct or through Implementing Agency |
|---|---|---|---|---|---|---|---|
| | | | | (₹ in crore) | (₹ in crore) | (₹ in crore) | |
| | Environment | | | | | | |
| 1 | Maintenance of Median sections of roads, maintenance of Garden & Park at various locations in Bengaluru | Ensuring environmental sustainability | Bengaluru, Karnataka | 0.04 | 0.04 | 0.04 | Direct |
| | | | TOTAL | 0.04 | 0.04 | 0.04 | |

### Reasons for not spending the Amount :

The company was required to spend ₹1.8 crores in terms of the provisions of the section 135 of the Act, whereas the company has spent ₹0.0408 crores, which is a shortfall of the requisite provisions by ₹1.759 crs. The company has not yet been able to get the approval for specially formed Trust from Income Tax Authorities. The Company was hopeful of receiving the clearance of the Income Tax Department and the delay has hampered the proposal of the Company to pursue the CSR activities through Puravankara Foundation and hence the shortfall of ₹1.759 crs in spending the prescribed CSR amount. The company is pursuing to get the Trust approved. In the meantime, the company will identify new CSR projects and will take up such CSR projects directly, till such time the Foundation is approved.

## RESPONSIBILITY STATEMENT

We hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of the CSR projects and activities in compliance with our CSR objectives.

The Implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR Objectives and Policy of the Company.

**For and on behalf of the Board of Directors of Puravankara Limited**

**Ashish Ravi Puravankara**
*Managing Director*
*DIN: 00504524*

**Anup S. Shah**
*Independent Director- Member CSR Committee*
DIN:00317300

*Annexure VI to the Directors' Report*

# MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended 31 March 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. Registration and Other Details:

(₹ in crores)

| PARTICULARS | DETAILS |
|---|---|
| CIN | L45200KA1986PLC051571 |
| Registration date | June 3, 1986 |
| Name of the Company | PURAVANKARA LIMITED |
| Category/Sub-Category of the Company | Company having share capital |
| Address of the Registered office | #130/1, Ulsoor Road, Bengaluru- 560042. |
| Contact Details | investors@puravankara.com |
| Whether listed company | Yes |
| Transfer Agent, if any | Link Intime India Private Limited |
| | C-101, 247 Park, L B S Marg, |
| | Vikhroli West, |
| | Mumbai - 400083. |
| | Maharashtra. |

### II. Principal Business Activities of the Company

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---|---|---|---|
| 1 | Construction of buildings carried out on own-account basis or on a fee or contract basis | 41001 | 100% |
| | Total | 100% | |

### III. Particulars of Holding, Subsidiary and Associate Companies -

## INFORMATION OF THE ASSOCIATES FOR THE YEAR ENDED 31 MARCH 2020

Amt (₹/Crores)

| Sl. No | Name of the Company | Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of Shares held | Applicable Section |
|---|---|---|---|---|---|---|
| 1 | Devas Global Services LLP | 130/2, Ulsoor Road, Bangalore - 560042. | AAA- 5698 | Subsidiary | 100% | 2(87)(ii) |
| 2 | D.V.Infrhomes Private Limited* | 8, Abhishek Premises Chs Ltd., Off Link Road C-5 Dalia Ind. Estate, Andheri West Mumbai -400053 | U70102MH2013PTC246821 | Subsidiary | 60% | 2(87)(ii) |
| 3 | Centurions Housing & Constructions Private Limited | No.36/2, Gandhi Mandapam Road, Kotturpuram Chennai Chennai TN 600085 IN | U70101TN2000PTC045241 | Subsidiary | 100% | 2(87)(ii) |
| 4 | Grand Hills Developments Private Limited | 130/1, Ulsoor Road, Bangalore - 560042. | U45203KA2007PTC042435 | Subsidiary | 100% | 2(87)(ii) |
| 5 | IBID Home Private Limited | 130/2, Ulsoor Road, Bangalore - 560042. | U70109KA2015PTC083799 | Subsidiary | 100% | 2(87)(ii) |
| 6 | Jaganmata Property Developers Private Limited | Puravankara Projects Limited,Survey No-08,Opp to Mahindra Satyam,Side line of Godrej Green Building Kondapura Hyderabad TG 500033 IN | U45206TG2015PTC101944 | Subsidiary | 100% | 2(87)(ii) |

| Sl. No | Name of the Company | Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of Shares held | Applicable Section |
|---|---|---|---|---|---|---|
| 7 | Jyothishmati Business Centers Private Limited | Puravankara Projects Limited,Survey No-08,Opp to Mahindra Satyam,Side line of Godrej Green Building Kondapura Hyderabad TG 500033 IN | U45208TG2015PTC101935 | Subsidiary | 100% | 2(87)(ii) |
| 8 | Keppel Puravankara Development Private Limited | #21/30, Prestige Craig House, 3rd Floor, Craig Park Layout, MG Road, Bangalore-560001 | U74210KA2004PTC034178 | Associate | 49% | 2(6) |
| 9 | Melmont Construction Private Limited | 130/1, Ulsoor Road, Bangalore - 560042. | U74210KA2004PTC034801 | Subsidiary | 100% | 2(87)(ii) |
| 10 | Nile Developers Private Limited | No.36/2, Gandhi Mandapam Road, Kotturpuram Chennai Chennai TN 600085 IN | U45200TN2006PTC061798 | Subsidiary | 100% | 2(87)(ii) |
| 11 | Propmart Technologies Limited | 130/1, Ulsoor Road, Bangalore - 560042. | U72200KA2000PLC026967 | Associate | 32.83% | 2(6) |
| 12 | Provident Cedar Private Limited* | 130/2, Ulsoor Road, Bangalore - 560042. | U45309KA2016PTC097552 | Subsidiary | 100% | 2(87)(ii) |
| 13 | Provident Housing Limited | 130/1, Ulsoor Road, Bangalore - 560042. | U45200KA2008PLC048273 | Subsidiary | 100% | 2(87)(ii) |
| 14 | Provident Meryta Private Limited* | 130/2, Ulsoor Road, Bangalore - 560042. | U45500KA2016PTC096065 | Subsidiary | 100% | 2(87)(ii) |
| 15 | Prudential Housing and Infrastructure Development Limited | New Jagrut, 277 S V Road, Bandra, West Mumbai, Mumbai City, MH 400050 IN | U45200MH1999PLC122523 | Subsidiary | 100% | 2(87)(ii) |
| 16 | Pune Projects LLP | Ground floor (East side), Amenity, Florida Estates, Keshav Nagar, Mundhwa, Pune – 411036 | AAC-8467 | Associate | 32% | 2(6) |
| 17 | Purva Good Earth Properties Private Limited* | 130/1, Ulsoor Road, Bangalore - 560042. | U45201KA2007PTC042436 | Subsidiary | 100% | 2(87)(ii) |
| 18 | Purva Oak Private Limited | 130/2, Ulsoor Road, Bangalore - 560042. | U45309KA2016PTC096197 | Subsidiary | 100% | 2(87)(ii) |
| 19 | Purva Pine Private Limited | 130/2, Ulsoor Road, Bangalore - 560042. | U45200KA2016PTC094977 | Subsidiary | 100% | 2(87)(ii) |
| 20 | Purva Realities Private Limited | 130/1, Ulsoor Road, Bangalore - 560042. | U45202KA2006PTC039259 | Subsidiary | 100% | 2(87)(ii) |
| 21 | Purva Ruby Properties Private Limited | 130/1, Ulsoor Road, Bangalore - 560042. | U45203KA2007PTC042433 | Subsidiary | 100% | 2(87)(ii) |
| 22 | Purva Sapphire Land Private Limited | 130/1, Ulsoor Road, Bangalore - 560042. | U45201KA2007PTC042437 | Subsidiary | 100% | 2(87)(ii) |
| 23 | Purva Star Properties Private Limited | 130/1, Ulsoor Road, Bangalore - 560042. | U45201KA2007PTC042489 | Subsidiary | 100% | 2(87)(ii) |
| 24 | Sobha Puravankara Aviation Private Limited | # 900/1, 1st Cross Geetanjali Layout HAL 3rd Stage, New Thippasandra Bangalore- 560075 | U62200KA2010PTC056061 | Associate | 49.75% | 2(6) |
| 25 | Starworth Infrastructure & Construction Limited | 130/1, Ulsoor Road, Bangalore - 560042. | U45201KA2008PLC047441 | Subsidiary | 100% | 2(87)(ii) |
| 26 | Vagishwari Land Developers Private Limited | Puravankara Projects Limited,Survey No-08,Opp to Mahindra Satyam,Side line of Godrej Green Building Kondapura Hyderabad TG 500033 IN | U45208TG2015PTC101945 | Subsidiary | 100% | 2(87)(ii) |
| 27 | Vaigai Developers Private Limited | No.36/2, Gandhi Mandapam Road, Kotturpuram Chennai Chennai TN 600085 IN | U45200TN2006PTC061799 | Subsidiary | 100% | 2(87)(ii) |
| 28 | Varishtha Property Developers Private Limited | Puravankara Projects Limited,Survey No-08,Opp to Mahindra Satyam,Side line of Godrej Green Building Kondapura Hyderabad TG 500033 IN | U45208TG2015PTC101839 | Subsidiary | 100% | 2(87)(ii) |

| Sl. No | Name of the Company | Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of Shares held | Applicable Section |
|---|---|---|---|---|---|---|
| 29 | Welworth Lanka (Private) Ltd.** | Eigth Floor, East Tower, WTC, Colombo-01 | --N/A-- | Foreign Subsidiary | 100% | 2(87)(ii) |
| 30 | Welworth Lanka Holding Private Limited | C/O Varners, Level 14, West Tower, World Trade Centre, Colombo 1 | --N/A-- | Foreign Subsidiary | 100% | 2(87)(ii) |
| 31 | Whitefield Ventures | St. Andrews Building, Front office, Embassy Golflinks Software Business Part, Intermediate Ring Road, Domlur, Bangalore-560071 | --N/A-- | Associate | 42% | 2(6) |

*Step down subsidiary of Puravankara Limited as it is a subsidiary of Provident Housing Limited (a wholly owned Subsidiary of the Company)

**Step down subsidiary of Puravankara Limited as it is a subsidiary of Welworth Lanka Holding Private Limited (a wholly owned Subsidiary of the Company)

## VI. Share holding pattern (Equity Share Capital Break-up as percentage of Total Equity)

### i) Category-wise Share Holding

| Sr No | Category of Shareholders | Shareholding at the beginning of the year - 2019-20 | | | | Shareholding at the end of the year - 2019- 20 | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (A) | **Shareholding of Promoter and Promoter Group** | | | | | | | | | |
| [1] | Indian | | | | | | | | | |
| (a) | Individuals / Hindu Undivided Family | 9,360 | 0 | 9,360 | 0.0039 | 9,360 | 0 | 9,360 | 0.0039 | 0.0000 |
| (b) | Central Government / State Government(s) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (c) | Financial Institutions / Banks | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (d) | Any Other (Specify) | | | | | | | | | |
| | **Sub Total (A)(1)** | **9,360** | **0** | **9,360** | **0.0039** | **9,360** | **0** | **9,360** | **0.0039** | **0.0000** |
| [2] | Foreign | | | | | | | | | |
| (a) | Individuals (Non-Resident Individuals / Foreign Individuals) | 17,78,52,904 | 0 | 17,78,52,904 | 74.9961 | 17,78,52,904 | 0 | 17,78,52,904 | 74.9961 | 0.0000 |
| (b) | Government | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (c) | Institutions | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (d) | Foreign Portfolio Investor | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (e) | Any Other (Specify) | | | | | | | | | |
| | **Sub Total (A)(2)** | **17,78,52,904** | **0** | **17,78,52,904** | **74.9961** | **17,78,52,904** | **0** | **17,78,52,904** | **74.9961** | **0.0000** |
| | **Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)** | **17,78,62,264** | **0** | **17,78,62,264** | **75.0000** | **17,78,62,264** | **0** | **17,78,62,264** | **75.0000** | **0.0000** |
| (B) | Public Shareholding | | | | | | | | | |
| [1] | Institutions | | | | | | | | | |
| (a) | Mutual Funds / UTI | 0 | 0 | 0 | 0.0000 | 22,33,265 | 0 | 22,33,265 | 0.9417 | 0.9417 |
| (b) | Venture Capital Funds | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (c) | Alternate Investment Funds | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (d) | Foreign Venture Capital Investors | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (e) | Foreign Portfolio Investor | 4,00,98,347 | 0 | 4,00,98,347 | 16.9085 | 3,87,34,977 | 0 | 3,87,34,977 | 16.3336 | -0.5749 |
| (f) | Financial Institutions / Banks | 1,41,106 | 0 | 1,41,106 | 0.0595 | 53,444 | 0 | 53,444 | 0.0225 | -0.0370 |
| (g) | Insurance Companies | 18,81,275 | 0 | 18,81,275 | 0.7933 | 18,81,275 | 0 | 18,81,275 | 0.7933 | 0.0000 |
| (h) | Provident Funds/ Pension Funds | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (i) | Any Other (Specify) | | | | | | | | | |
| | **Sub Total (B)(1)** | **4,21,20,728** | **0** | **4,21,20,728** | **17.7612** | **4,29,02,961** | **0** | **4,29,02,961** | **18.0911** | **0.3299** |

| Sr No | Category of Shareholders | Shareholding at the beginning of the year - 2019-20 | | | | Shareholding at the end of the year - 2019- 20 | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| [2] | Central Government/ State Government(s)/ President of India | | | | | | | | | |
| | **Sub Total (B)(2)** | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| [3] | Non-Institutions | | | | | | | | | |
| (a) | Individuals | | | | | | | | | |
| (i) | Individual shareholders holding nominal share capital upto ₹1 lakh. | 83,20,876 | 162 | 83,21,038 | 3.5088 | 76,57,539 | 162 | 76,57,701 | 3.2291 | -0.2797 |
| (ii) | Individual shareholders holding nominal share capital in excess of ₹1 lakh | 31,33,753 | 0 | 31,33,753 | 1.3214 | 35,50,699 | 0 | 35,50,699 | 1.4972 | 0.1758 |
| (b) | NBFCs registered with RBI | 684 | 0 | 684 | 0.0003 | 359 | 0 | 359 | 0.0002 | -0.0001 |
| (d) | Overseas Depositories(holding DRs) (balancing figure) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (e) | Any Other (Specify) | | | | | | | | | |
| | IEPF | 12,978 | 0 | 12,978 | 0.0055 | 16,020 | 0 | 16,020 | 0.0068 | 0.0013 |
| | Hindu Undivided Family | 5,16,111 | 0 | 5,16,111 | 0.2176 | 5,55,892 | 0 | 5,55,892 | 0.2344 | 0.0168 |
| | Non Resident Indians (Non Repat) | 1,62,164 | 0 | 1,62,164 | 0.0684 | 2,06,735 | 0 | 2,06,735 | 0.0872 | 0.0188 |
| | Other Directors / Relatives | 1,920 | 0 | 1,920 | 0.0008 | 1,920 | 0 | 1,920 | 0.0008 | 0.0000 |
| | Non Resident Indians (Repat) | 28,51,459 | 0 | 28,51,459 | 1.2024 | 30,87,080 | 0 | 30,87,080 | 1.3017 | 0.0993 |
| | Clearing Member | 5,68,969 | 0 | 5,68,969 | 0.2399 | 73,085 | 0 | 73,085 | 0.0308 | -0.2091 |
| | Bodies Corporate | 15,97,618 | 0 | 15,97,618 | 0.6737 | 12,34,970 | 0 | 12,34,970 | 0.5208 | -0.1529 |
| | **Sub Total (B)(3)** | **1,71,66,532** | **162** | **1,71,66,694** | **7.2388** | **1,63,84,299** | **162** | **1,63,84,461** | **6.9089** | **-0.3299** |
| | **Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)** | **5,92,87,260** | **162** | **5,92,87,422** | **25.0000** | **5,92,87,260** | **162** | **5,92,87,422** | **25.0000** | **0.0000** |
| | **Total (A)+(B)** | **23,71,49,524** | **162** | **23,71,49,686** | **100.0000** | **23,71,49,524** | **162** | **23,71,49,686** | **100.0000** | **0.0000** |
| (C) | Non Promoter - Non Public | | | | | | | | | |
| | (C1) Shares Underlying DRs | | | | | | | | | |
| [1] | Custodian/DR Holder | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| | (C2) Shares Held By Employee Trust | | | | | | | | | |
| [2] | Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| | **Total (A)+(B)+(C)** | **23,71,49,524** | **162** | **23,71,49,686** | **100.0000** | **23,71,49,524** | **162** | **23,71,49,686** | **100.0000** | |

## ii) Shareholding of Promoters

| Sr No | Shareholders Name | Shareholding at the beginning of the year - 2019-20 | | | Shareholding at the end of the year - 2019- 20 | | | % change in share holding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares Held | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | No. of Shares Held | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | |
| 1 | RAVI PURAVANKARA | 17,78,52,904 | 74.9961 | 0 | 17,78,52,904 | 74.9961 | 0 | 0 |
| 2 | ASHISH PURAVANKARA | 4,800 | 0.0020 | 0 | 4,800 | 0.0020 | 0 | 0 |
| 3 | VISHALAKSHI PURAVANKARA | 1,920 | 0.0008 | 0 | 1,920 | 0.0008 | 0 | 0 |
| 4 | AARATI PURAVANKARA | 1,440 | 0.0006 | 0 | 1,440 | 0.0006 | 0 | 0 |
| 5 | AMANDA PURAVANKARA | 1,200 | 0.0005 | 0 | 1,200 | 0.0005 | 0 | 0 |
| | **Total** | **17,78,62,264** | **75.0000** | **0** | **17,78,62,264** | **75.0000** | **0** | **0** |

### iii) Change in Promoters Shareholding

| Sr No | Particulars | Shareholding at the beginning of the year - 2019-20 | | Cumulative Shareholding during the year 2019-20 | |
|---|---|---|---|---|---|
| | | No. of Shares Held | % of Shares Pledged/ encumbered to total shares | No. of Shares Held | % of Shares Pledged/ encumbered to total shares |
| | At the beginning of the year (TOTAL) | 17,78,62,264 | 75.00 | 17,78,62,264 | 75.00 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | - | - | - | - |
| | At the End of the year | 17,78,62,264 | 75.00 | 17,78,62,264 | 75.00 |

Note : There is no change in the total shareholding of promoters between April 01, 2019 and March 31, 2020.

### iv) Shareholding Pattern of Top 10 Shareholders

| Sr No | Name & Type of Transaction | Shareholding at the beginning of the year - 2019- 20 | | Transactions during the year - 2019-20 | | Cumulative Shareholding at the end of the year - 2019-20 | |
|---|---|---|---|---|---|---|---|
| | | No. of Shares Held | % of Total Shares of The Company | Date of Transaction | No. of Shares | No. of Shares Held | % of Total Shares of The Company |
| 1 | GOTHIC CORPORATION | 1,04,80,987 | 4.4196 | | | 1,04,80,987 | 4.4196 |
| | AT THE END OF THE YEAR | | | | | 1,04,80,987 | 4.4196 |
| 2 | ATYANT CAPITAL INDIA FUND I | 89,79,282 | 3.7863 | | | 89,79,282 | 3.7863 |
| | AT THE END OF THE YEAR | | | | | 89,79,282 | 3.7863 |
| 3 | VANDERBILT UNIVERSITY - ATYANT CAPITAL MANAGEMENT LIMITED | 70,18,740 | 2.9596 | | | 70,18,740 | 2.9596 |
| | Transfer | | | 06 -09 -2019 | 2,79,288 | 72,98,028 | 3.0774 |
| | Transfer | | | 13 -09 -2019 | 2,05,597 | 75,03,625 | 3.1641 |
| | Transfer | | | 20 -09 -2019 | 42 | 75,03,667 | 3.1641 |
| | Transfer | | | 27 -09 -2019 | 2,00,000 | 77,03,667 | 3.2484 |
| | Transfer | | | 24 -11 -2020 | 1,75,000 | 78,78,667 | 3.3222 |
| | Transfer | | | 31 -11 -2020 | 6,98,424 | 85,77,091 | 3.6167 |
| | Transfer | | | 07 -02 -2020 | 2,52,559 | 88,29,650 | 3.7232 |
| | AT THE END OF THE YEAR | | | | | 88,29,650 | 3.7232 |
| 4 | THE DUKE ENDOWMENT | 41,26,748 | 1.7401 | | | 41,26,748 | 1.7401 |
| | AT THE END OF THE YEAR | | | | | 41,26,748 | 1.7401 |
| 5 | GOTHIC HSP CORPORATION | 38,93,398 | 1.6417 | | | 38,93,398 | 1.6417 |
| | AT THE END OF THE YEAR | | | | | 38,93,398 | 1.6417 |
| 6 | MANHAR MOONEY | 24,55,475 | 1.0354 | | | 24,55,475 | 1.0354 |
| | Transfer | | | 17 -05 -2019 | 25,368 | 24,80,843 | 1.0461 |
| | Transfer | | | 24 -05 -2019 | 46,674 | 25,27,517 | 1.0658 |
| | Transfer | | | 31 -05 -2019 | (4,569) | 25,22,948 | 1.0639 |
| | Transfer | | | 07 -06 -2019 | (532) | 25,22,416 | 1.0636 |
| | Transfer | | | 05 -07 -2019 | 18,852 | 25,41,268 | 1.0716 |
| | Transfer | | | 12 -07 -2019 | 17,354 | 25,58,622 | 1.0789 |
| | Transfer | | | 19 -07 -2019 | 11,835 | 25,70,457 | 1.0839 |

| Sr No | Name & Type of Transaction | Shareholding at the beginning of the year - 2019- 20 | | Transactions during the year - 2019-20 | | Cumulative Shareholding at the end of the year - 2019-20 | |
|---|---|---|---|---|---|---|---|
| | | No. of Shares Held | % of Total Shares of The Company | Date of Transaction | No. of Shares | No. of Shares Held | % of Total Shares of The Company |
| | Transfer | | | 26 -07 -2019 | 1,25,699 | 26,96,156 | 1.1369 |
| | Transfer | | | 30 -08 -2019 | 10,000 | 27,06,156 | 1.1411 |
| | Transfer | | | 06 -09 -2019 | (15,137) | 26,91,019 | 1.1347 |
| | Transfer | | | 18 -10 -2019 | 10,000 | 27,01,019 | 1.1390 |
| | Transfer | | | 06 -12 -2019 | 10,000 | 27,11,019 | 1.1432 |
| | Transfer | | | 13 -12 -2019 | 5,502 | 27,16,521 | 1.1455 |
| | Transfer | | | 31 -01 -2020 | (15,502) | 27,01,019 | 1.1390 |
| | Transfer | | | 14 -02 -2020 | 15,000 | 27,16,019 | 1.1453 |
| | Transfer | | | 28 -02 -2020 | 20,000 | 27,36,019 | 1.1537 |
| | Transfer | | | 06 -03 -2020 | 20,000 | 27,56,019 | 1.1621 |
| | AT THE END OF THE YEAR | | | | | 27,56,019 | 1.1621 |
| 7 | FRANKLIN BUILD INDIA FUND | 0 | 0.0,000 | | | 0 | 0.0000 |
| | Transfer | | | 12 -04 -2019 | 5,67,500 | 5,67,500 | 0.2393 |
| | Transfer | | | 19 -04 -2019 | 1,32,000 | 6,99,500 | 0.2950 |
| | Transfer | | | 26 -04 -2019 | 8,38,517 | 15,38,017 | 0.6485 |
| | Transfer | | | 03 -05 -2019 | 2,02,649 | 17,40,666 | 0.7340 |
| | Transfer | | | 10 -05 -2019 | 1,53,991 | 18,94,657 | 0.7989 |
| | Transfer | | | 17 -05 -2019 | 1,05,343 | 20,00,000 | 0.8433 |
| | Transfer | | | 06 -03 -2020 | 64,494 | 20,64,494 | 0.8705 |
| | Transfer | | | 13 -03 -2020 | 77,528 | 21,42,022 | 0.9032 |
| | Transfer | | | 20 -03 -2020 | 82,818 | 22,24,840 | 0.9382 |
| | Transfer | | | 27 -03 -2020 | 8,425 | 22,33,265 | 0.9417 |
| | AT THE END OF THE YEAR | | | | | 22,33,265 | 0.9417 |
| 8 | EMPLOYEES' RETIREMENT PLAN OF DUKE UNIVERSITY | 18,52,863 | 0.7,813 | | | 18,52,863 | 0.7813 |
| | AT THE END OF THE YEAR | | | | | 18,52,863 | 0.7813 |
| 9 | LIFE INSURANCE CORPORATION OF INDIA | 18,33,765 | 0.7,733 | | | 18,33,765 | 0.7733 |
| | AT THE END OF THE YEAR | | | | | 18,33,765 | 0.7733 |
| 10 | PRADIP NAVNITLAL MUCHHALA | 1,25,082 | 0.0,527 | | | 1,25,082 | 0.0527 |
| | Transfer | | | 12 -04 -2019 | 78,224 | 2,03,306 | 0.0857 |
| | Transfer | | | 14 -06 -2019 | 1,885 | 2,05,191 | 0.0865 |
| | Transfer | | | 21 -06 -2019 | 99,865 | 3,05,056 | 0.1286 |
| | Transfer | | | 29 -06 -2019 | 27,036 | 3,32,092 | 0.1400 |
| | Transfer | | | 05 -07 -2019 | 6,900 | 3,38,992 | 0.1429 |
| | Transfer | | | 26 -07 -2019 | 13,000 | 3,51,992 | 0.1484 |
| | Transfer | | | 30 -08 -2019 | 21,487 | 3,73,479 | 0.1575 |
| | Transfer | | | 20 -09 -2019 | 10,756 | 3,84,235 | 0.1620 |
| | Transfer | | | 29 -11 -2019 | 23,000 | 4,07,235 | 0.1717 |
| | Transfer | | | 28 -02 -2020 | 90,000 | 4,97,235 | 0.2097 |
| | Transfer | | | 06 -03 -2020 | 49,045 | 5,46,280 | 0.2304 |
| | AT THE END OF THE YEAR | | | | | 5,46,280 | 0.2304 |

Note:
1. Paid up Share Capital of the Company (Face Value ₹5.00) at the end of the year is 237149686 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

## v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | Name of the Director and Key Managerial Personnel | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|
| | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | A. Directors | | | | | |
| 1 | Mr.Ravi Puravankara | At the beginning of the year | 17,78,52,904 | 75.00 | 17,78,52,904 | 75.00 |
| | | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | - | - | - | - |
| | | At the End of the year | 17,78,52,904 | 75.00 | 17,78,52,904 | 75.00 |
| 2 | Mr.Ashish Ravi Puravankara | At the beginning of the year | 4,800 | 0.00 | 4,800 | 0.00 |
| | | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | - | - | - | - |
| | | At the End of the year | 4,800 | 0.00 | 4,800 | 0.00 |
| 3 | Mr.Nani R. Choksey | At the beginning of the year | 1,920 | 0.00 | 1,920 | 0.00 |
| | | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | - | - | - | - |
| | | At the End of the year | 1,920 | 0.00 | 1,920 | 0.00 |
| 4 | Mr.RVS Rao* | At the beginning of the year | 2,000 | 0.00 | 2,000 | 0.00 |
| | | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | - | - | - | - |
| | | At the End of the year | 2,000 | 0.00 | 2,000 | 0.00 |

| | |
|---|---|
| 5 | Mr. Pradeep Guha is Independent Director and his shareholding in the company was/is NIL |
| 6 | Ms. Sonali Rastogi is an Independent Director and her shareholding in the company was/is NIL. She was appointed as Additional Director w.e.f.October 26, 2018 |
| 7 | Mr. Anup Shah is an Independent Director and his shareholding in the company was/is NIL. He was appointed as Additional Director w.e.f.July 23, 2019 |
| 8 | Mr. RVS Rao resigned as Director w.e.f. August 21, 2019* |
| | **B. Key Managerial Personnel** |
| 7 | Mr. Kuldeep Chawla is Chief Financial Officer and his shareholding in the Company was/is NIL |
| 8 | Ms. Bindu D, is Company Secretary and her shareholding in the company was/is NIL |

### vi. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment - As at 31/03/2020

| Particulars | Secured Loans excluding deposits | Unsecured loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | 2,115.49 | 55.68 | 20.00 | 2,191.17 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 3.86 | - | - | 3.86 |
| Unamortised Processing Fee | (26.55) | - | - | (26.55) |
| **Total (i+ii+iii)** | **2,092.80** | **55.68** | **20.00** | **2,168.48** |
| **Change in Indebtedness during the financial year** | | | | |
| i) Addition | 612.17 | 30.27 | - | 642.44 |
| ii) Reduction | (695.17) | (6.51) | - | (701.68) |
| iii) Unamortised Peocessing Fee adjusted | (2.48) | - | - | (2.48) |
| iv) Interest accrued but not due | 11.02 | - | - | 11.02 |
| **Net Change** | **(69.50)** | **23.76** | **-** | **(45.74)** |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | 2,032.49 | 79.44 | 20.00 | 2,131.93 |
| ii) Interest due but not paid | - | - | - | |
| iii) Interest accrued but not due | 14.88 | - | - | 14.88 |
| **iv)** Unamortised Processing fee | (24.07) | - | - | (24.07) |
| **Total (i+ii+iii)** | **2,023.30** | **79.44** | **20.00** | **2,122.75** |

### vii. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Amt (₹/Crores)

| Sl. No. | Particulars of Remuneration | Mr. Ravi Puravankara | Mr. Ashish Ravi Puravankara | Mr. Nani R Choksey |
|---|---|---|---|---|
| 1 | **Gross Salary** | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 1.09 | 1.30 | 2.22 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0.00 | 0.00 | 0.00 |
| | (c) Profits in lieu of salaryunder section 17(3) Income- tax Act, 1961 | - | - | - |
| | Others- Commission | - | - | - |
| | Others- Director Sitting Fees | - | - | - |
| | **Total** | **1.09** | **1.31** | **2.22** |

B. Remuneration to Independent Directors

Amt (₹/Crores)

| Sl. No. | Particulars of Remuneration | Mr. R V S Rao* | Mr. Pradeep Guha | Ms. Sonali Rastogi | Mr. Anup S. Shah** |
|---|---|---|---|---|---|
| 1 | Gross Salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 | - | - | - | - |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - | - | - | - |
| | Others- Commission | 0.05 | 0.12 | 0.12 | 0.08 |
| | Others- Director Sitting Fees | 0.03 | 0.04 | 0.02 | 0.04 |
| | **TOTAL** | **0.08** | **0.16** | **0.14** | **0.12** |

*Mr. RVS Rao, Independent Director resigned as Director w.e.f. August 21, 2019

** Mr. Anup S. Shah was appointed as Independent Director w.e.f. July 23, 2019

C. Remuneration to Key Managerial Personnel

Amt (₹/Crores)

| Sl. No. | Particulars of Remuneration | Ms. Bindu D | Mr. Kuldeep Chawla |
|---|---|---|---|
| 1 | Gross Salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 0.23 | 1.41 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - |
| | Others- Commission | - | - |
| | Others- Director Sitting Fees | - | - |
| | **TOTAL** | **0.23** | **1.41** |

viii. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compunding fees imposed | Authority [RD / NCLT / COURT] | Appeal made if any (give Details) |
|---|---|---|---|---|---|
| A. Company | NIL | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. Directors | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. Other Officers in Default | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

**For and on behalf of the Board of Directors of Puravankara Limited**

**Ashish Ravi Puravankara**
*Managing Director*
*DIN: 00504524*

**Nani R Choksey**
*Vice Chairman*
DIN: 00504555

**Kuldeep Chawla**
*Chief Financial Officer*

**Bindu D**
*Company Secretary*

*Annexure VII to the Directors' Report*

## Details of Ratio of Remuneration of Director[Section 197(12), r/w Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014

| | | | |
|---|---|---|---|
| I. | The ratio of the remuneration of each whole-time director to the median remuneration of the employees of the company for the financial year; | **Name** | **Ratio to the median** |
| | | Mr. Ravi Puravankara | 16.29% |
| | | Mr. Ashish Ravi Puravankara | 18.26% |
| | | Mr. Nani R. Choksey | 33.53% |
| II. | The percentage increase in remuneration of each whole-time director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year | **Name** | **% Increase** |
| | | Mr. Ravi Puravankara | 0.00% |
| | | Mr. Ashish Ravi Puravankara | 0.00% |
| | | Mr. Nani R. Choksey | 9.07% |
| | | Mr. Kuldeep Chawla | 6.99% |
| | | Ms. Bindu D | 11.64% |
| III. | The percentage increase in the median remuneration of employees in the financial year; | The percentage increase in the median remuneration of Employees of Puravankara Limited during the financial year 2019-20 was 7.51 % (arrived at based on the median remuneration of the Financial Year 2018-19.) | |
| IV. | The number of permanent employees on the rolls of Company; | The total number of employees of Puravankara Limited as on 31 March 2020 was 592 and as on 31 March 2019 was 609. | |
| V. | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; | The average % increase was 7.77% for employees other than the managerial personnel in the last financial year who went through the compensation review cycle in the year. For the Managerial Personnel, the average % increase was 3.02%. | |
| VI. | The key parameters for any variable component of remuneration availed by the directors; | The key parameters for variable components are Company PAT,EBITDA, Revenue and share price. | |
| VII. | Affirmation that the remuneration is as per the remuneration policy of the company. | Yes. the remuneration is as per the remuneration policy of the company. | |

# Information as required under Rule 5(2), Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and forming part of the Director's Report for the Financial Year ended March 31, 2020.

Names of top ten employees in terms of remuneration drawn and the name of every employee employeed throughout the 12 months period and who were in receipt of remuneration which in aggregate was not less than ₹1.02 crore for the year ended March 31, 2020

| Employee Name | Designation In the Company | Qualification | Age | Previous Employer | Total Expe-rience | Designation at previous employment | Date of Joining | 2019-20 |
|---|---|---|---|---|---|---|---|---|
| Mr. Ashish Ravi Puravankara | Managing Director | BBA, MBA | 41 | - | 20 | N.A. | 14-Jul-2010 | 1.30 |
| Mr. Ravi Puravankara | Chairman | | 68 | - | 45 | N.A. | 1986 Promoter | 1.16 |
| Mr. Nani R. Choksey | Joint Managing Director | B.Com | 69 | - | 44 | N.A. | 1986 | 2.40 |
| Mr. Vishal K Mirchandani | Chief Business Officer - Commercial & Retail | Masters in Marketing Management | 52 | Brigade Enterprises Limited | 31 | CEO Commercial & Retail | 16-Nov-2018 | 2.00 |
| Mr. Kuldeep Chawla | Chief Financial Officer | MBA | 55 | Mile Stone Capital | 31 | Managing Partner | 01-Mar-2017 | 1.87 |
| Mr. Sanjay Sharma | President - Technical | B Tech (Civil) | 56 | Emmar India (Emmar MGF) | 30 | COO Projects | 21-Sep-2018 | 1.69 |
| Mr. Patil D S | Sr. Vice President Land Acquisition | B.E,.(Mech), Dip Finance , LLB, LLM | 59 | Sobha Developers Limited | 36 | Vice President | 01-Oct-2013 | 1.51 |
| Mr. Jagadeesh K S | President - MD Office | MSW | 55 | Gennex Ventures - Reliance Industries Ltd. | 32 | Operating Partner | 02-Feb-2016 | 1.67 |
| Mr. Vishnumoorthi H | Sr. Vice President-Properties & Risk Control | B.Com, FCA | 54 | Consultant | 32 | Consultant | 01-Feb-2007 | 1.21 |
| Mr. Anand Basal | Sr VP & Regional Technical Head | BE (Civil), Post Graduate in Project Management & Communications | 52 | Prestige Constructions | 26 | VP- Projects | 15- Mar-2018 | 1.20 |
| Mr. Srikanth Srinivasan | President-Purchase | BE (Industrial & Production Engineering) | 47 | Sobha Group | 24 | AVP - Operations | 06-Jul-2012 | 1.21 |
| **Persons employed for the part of the financial year who were in receipt of remuneration at a rate which in aggregate was not less than ₹8.5 lakh per month** | | | | | | | | |
| Mr. Abhisek Kapoor | Chief Operating Officer-Residential | Diploma In Business Finance & Masters in Marketing Management | 45 | Radius Developers | 23 | CEO Business | 11-Sep-2019 | 1.60 |

# EXTRACT FROM NOMINATION AND REMUNERATION POLICY

## Policy on Appointment and Removal of Directors, Key Managerial Personnel and Senior Management:

### A. APPOINTMENT CRITERIA AND QUALIFICATIONS:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

3. The Company shall not appoint or continue the employment of any person as Managing Director / Whole-time Director / Manager who has attained the age of 70 (seventy) years. Provided that the term of the person holding this position may be extended beyond the age of 70 (seventy) years with the Approval of shareholders by passing a Special Resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond 70 (seventy) years.

4. Each Director / KMP / Senior Officials is required to sign the letter of appointment with the Company containing the terms of appointment and the role assigned in the Company.

### B. TERM / TENURE:

### MANAGING DIRECTOR/ WHOLE-TIME DIRECTOR/ (MANAGERIAL PERSON)

The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding 5 (five) years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

### C. MATTERS CONNECTED TO INDEPENDENT DIRECTORS:

### TERM OF APPOINTMENT

An Independent Director shall hold office for a term upto 5 (five) consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a Special Resolution by the Company, for an additional term of 5 (five) consecutive years.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to 7 (seven) listed companies as an Independent Director and 3 (three) listed companies as an Independent Director.

With effect from April 1, 2019, the reappointment/ continuance of any Non-Executive Director who has attained the age of 75 years shall be subject to approval of the shareholders by way of a Special Resolution.

### COMMITTEES

Independent Directors may be required to serve on one or more of the Committees of the Board (Existing or those which may be constituted in future) as may be decided by the Board from time to time. The existing Committees of the Board are Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee and Independent Directors Committee. The role of those aforesaid Committees of the Board would be as may be determined by the Board of Directors of the Company, from time to time.

The Board of Directors of the Company may decide to constitute such other Committees of the Board as may be necessary for effective functioning of the Organisation.

(1) A director shall not be a member in more than ten committees or act as chairperson of more than five committees across all listed entities in which he is a director which shall be determined as follows:

  (a) the limit of the committees on which a director may serve in all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 shall be excluded;

(b) for the purpose of determination of limit, chairpersonship and membership of the audit committee and the Stakeholders' Relationship Committee alone shall be considered.

## APPOINTMENT ON THE BOARD OF THE WHOLLY OWNED SUBSIDIARIES OF THE COMPANY

As a sequence to the Compliance to the Companies Act, 2013 and / or the Listing Regulations, the Company may endeavour to appoint Independent Directors with their express consent, as a Director of one / more of the Wholly-owned Subsidiaries of the Company.

## FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

a) The Company shall familiarize the Independent Directors with the company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the company, etc., through various programs.

b) The details of such familiarization programs shall be disclosed on the Company's website and a web link thereto shall also be given in the Annual Report.

## TRAINING

Newly Appointed Directors would be entitled to the benefit of a Training Program to familiarize themselves with the business and affairs of the Company, growth plans, the peculiarities of the industry in which the Company operates, its goals and expectations and long term plans and objectives.

All directors are expected to remain current on how best to discharge their responsibilities as directors of the Company including keeping abreast of changes and trends in economic, political, social, financial and legal climates and governance practices.

Additional Training Programs would be finalized based on the specific requirements of the Independent Directors.

The details of such familiarization programs shall be disclosed on the company's website and a web link thereto shall also be given in the Annual Report.

## D. CRITERIA FOR MAKING PAYMENT TO DIRECTORS (NON-EXECUTIVE AND EXECUTIVE) AND SENIOR MANAGEMENT PERSONNEL / KEY MANAGERIAL PERSONNEL

- **DIRECTORS:**

Directors in a Company can be classified as Executive Directors/ Non-Executive Directors.

Executive Directors are the Directors on the Board of a Company who are additionally Employees of the Company / are on the Rolls of the Company.

Non-Executive Directors are Directors on the Board of the company who are not Employees of the Company / are on the Rolls of the Company. Non-Executive Directors can further be classified as Independent & Non Independent.

- SENIOR MANAGEMENT PERSONNEL:

Senior Management Personnel also known as Key Managerial Personnel (KMP)

"Key Managerial Personnel (KMP)" in relation to a company, means

i. the Chief Executive Officer or the Managing Director or the Manager;

ii. the Company Secretary;

iii. the Whole-Time Director;

iv. the Chief Financial Officer; and

v. such other officer as may be prescribed; [Section 2(51) of the Companies act, 2013]

## CRITERIA OF MAKING PAYMENTS CAN FURTHER BE CLASSIFIED AS:

a) Criteria of Making Payments to Non-Executive Directors

b) Criteria of Making Payments to Executive Directors [Sec 197 of the Companies Act, 2013].

c) Criteria of Making Payments to Senior Management Personnel / Key Managerial Personnel.

## a) CRITERIA OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:

Non-Executive Independent Directors' (NEID) of the Company play an important role as a part of the Board. They bring in external and wider perspective to the decision-making by the board and provide leadership and strategic guidance, while maintaining objective judgment. They also help the Company in ensuring that all legal requirements and Corporate Governance are well taken care of.

The responsibilities and obligations imposed on the Non-Executive Independent Directors' have increased manifold in the recent years on account of a number of factors, including the growth in the activities of the

Company and the rapid evolution arising out of legal and regulatory provisions and requirements.

Non-Executive Independent Directors' (NEID) of the Company are entitled to:

a) Sitting Fees for the meetings of the Board of Directors attended by them.

b) Commission on an Annual Basis, within the ceiling specified under the Companies Act, 1956 / Companies Act, 2013, based on the necessary approval of the Shareholders.

c) Reimbursement of Travelling Expenses for their attending the Board and Committee Meetings. No payment by way of Bonus, Pension, Incentives etc. is paid to any of the Non-Executive Independent Directors'.

d) The Company presently has no Stock Option Plans

**b) CRITERIA OF MAKING PAYMENTS TO EXECUTIVE DIRECTORS [Sec 197 of the Companies Act, 2013]:**

The Board on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Executive Directors of the company within the overall Limits approved by the shareholders.

Executive Directors (ED) of the Company are entitled to a Remuneration which shall include one or more of the following components:

Annual salary which includes:

a) Basic Salary and Variable Pay;

b) House Rent Allowance / Company Leased Accommodation;

c) Conveyance;

d) Food Coupons;

e) Special Allowance, if any; or ex-gratia not exceeding a sum of ₹15,00,000 per annum;

f) Corporate Bonus;

g) Reimbursement of Medical Expenses for Self and Family as per Company's policy / Medical Allowance ("Family" means the spouse, the dependent children and dependent parents.);

h) Reimbursement of Leave Travel Expenses for Self and Family as per Company's policy / Leave Travel Allowance.

The allowances mentioned above which are not fully utilised by the Director would be paid as taxable salary.

a) Car: Use of Company's car with driver including fuel and maintenance expenses as per Company's policy.

b) Medical Insurance: As per Company's policy.

c) Provident Fund Contribution: As per Company's policy.

d) Gratuity: As per Company Rules.

e) Encashment of Leave: As per Company Rules.

f) Pension: As decided by the Board from time to time.

g) Clubs: As decided by the Board from time to time.

In addition to this:

Relocation Expenses: If the Director needs to relocate outside Bangalore, he shall be entitled for expenses incurred for self and family relocating from Bangalore to such other place/s.

The Remuneration to Executive Directors (Managing Director, Joint Managing Director & Deputy Managing Director) is paid subject to the Maximum Limits approved by the Shareholders a General Meeting.

**c) CRITERIA OF MAKING PAYMENTS TO KEY MANAGERIAL PERSONNEL:**

The Board on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Senior Management Personnel/Key Managerial Personnel of the company.

Senior Management Personnel/Key Managerial Personnel are entitled to a Remuneration which shall include one or more of the following components:

a) Basic Salary

b) Perquisites and Allowances

c) Annual Performance Bonus (if any)

The Annual Plan and Objectives for Executive Directors and Senior Executives (Executive Committee) shall be reviewed by the Nomination Committee.

## LIMITS IN CONNECTION WITH MANAGERIAL REMUNERATION TO EXECUTIVE DIRECTORS / INDEPENDENT DIRECTORS

Section 197(1) of the Companies Act, 2013 provides for the total managerial remuneration payable by the Company to its directors, including Managing Director and Whole-time director in respect of any financial year shall not exceed 11% (eleven) of the Net Profits of the Company computed in the manner laid down in Section 198 of the said Act.

a) The Company with the Approval of the Shareholders and Central Government may authorise the payment of remuneration 11% (eleven) of the Net Profits of the Company, subject to the provisions of Schedule V, of the said Act.

b) The Company may with the approval of the shareholders authorise the payment of remuneration upto 5% (five) of the Net Profits of the Company to its anyone Managing Director/ Whole Time Director and upto 10% (ten) in case of more than one such Director.

c) The Company may pay remuneration to its directors (other than Managing Director and Whole Time Director) upto 1% (one) of the Net Profits of the Company, if there is a Managing Director or Whole-Time director or manager and 3% (three) of the Net Profits in any other case.

d) The Net Profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Companies Act, 2013.

B. Notwithstanding anything mentioned herein above about the remuneration, in the absence of profits or inadequate profits, pursuant to Article 128 of the Articles of Association of the Company and the provisions of Section 197 read with Schedule V and other applicable provisions, if any, of the Act, and subject to the approval of Central Government:

i. be paid remuneration as approved by the Central Government; or

ii. be paid minimum remuneration as stipulated in Schedule V of the Act, without the approval of the Central Government,

## E. OTHER MATTERS:

### EVALUATION OF PERFORMANCE:

The Committee shall carry out Evaluation of Performance of every Director, KMP and Senior Management at regular interval (yearly).

### REMOVAL:

Due to reasons for any disqualification mentioned in the Companies Act,2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

### RETIREMENT:

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### CODE OF CONDUCT:

(a) All the Directors of the Company, shall be required to comply with the provisions of Puravankara's Code of Conduct for Insider Trading, as adopted by the Board. They shall also be required to affirm annually, compliance with the said Code of Conduct.

(b) Unless specifically authorised by the Company, they shall not disclose information in respect of the Company's affairs to the media, the financial community, the employees, the members, or to any other person. The Directors obligation of confidentiality shall survive the cessation of directorship in the Company.

(c) Directors attention is also drawn to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as may be applicable from time to time and the Puravankara's Code of Conduct for Insider Trading for Prevention of Insider Trading, prohibiting disclosure or use of Unpublished Price Sensitive Information (UPSI).

(d) Directors shall also not engage in any activity which might impede the application of their independent judgment in the best interest of the Company.

### DIRECTORS AND OFFICERS (D&O) INSURANCE COVER:

The Company covers all its Directors & Officers (D&O) with a D&O Policy and pays the premium accordingly. The said Policy is intended to pay for the Personal Liability of Directors and Officers for claims (if any), made against them, while serving on the Board and / or as an Officer of the Company. The copy of the said D&O Policy can be furnished if necessary.

### DEALING IN SHARES:

Directors are prohibited from dealing in the Company's shares during the period when the Trading Window is closed. Further, directors, being designated officers of the Company for the purpose of insider trading guidelines, are required to obtain Pre-clearance for all Trades (buy/sell/gift) from the Company Secretary and the Compliance Officer of the Company. All Directors are required to comply with the applicable insider trading laws and regulations.

## CONFLICT OF INTEREST:

(a) It is accepted and acknowledged that Directors may have business interests other than those of the Company. They are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form.

(b) During their term, they agree to promptly provide a declaration under Section 149(7) of the Act, upon any change in the circumstances which may affect their status as an Independent Director, wherever applicable. Further, they shall also agree to confirm compliance with the said criteria of independence on a Financial yearly basis, wherever applicable.

## DISCLOSURE REQUIREMENTS:

As required under regulation 34, 46 of the Listing Regulations the terms and conditions of appointment of Independent Directors, criteria of making payments to non-executive directors, shall be disclosed on the website of the Company.

## TAXATION:

All taxes shall be deducted by the Company as per Income Tax Act and other applicable Act, and it is the sole responsibility of the Director to file the Tax Returns.

## CONFIDENTIALITY:

Directors may/will have access to confidential information, whether or not the information is marked or designated as "Confidential" (or) "Proprietary", relating to the Company and its business including legal, financial, technical, commercial, marketing and business related records, data, documents, reports, etc., client information, intellectual property rights (including trade secrets), ("Confidential Information").

Directors shall use reasonable efforts to keep such information confidential and to not disclose to any third party. If any Confidential Information is required to be disclosed by them in response to any summons or in connection with any litigation, or in order to comply with any applicable law, order, regulation or ruling, then any such disclosure should be, to the extent possible, with the prior consent of the Board.

*Annexure IX to the Directors' Report*

# BUSINESS RESPONSIBILITY REPORT

This report is comprised of four sections to assess compliance with Environmental, Social and Governance Norms based on the following principles:

- Principle 1 (P1): Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- Principle 2 (P2): Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- Principle 3 (P3): Businesses should promote the well-being of all employees.
- Principle 4 (P4): Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- Principle 5 (P5): Businesses should respect and promote human rights.
- Principle 6 (P6): Business should respect, protect and make efforts to restore the environment.
- Principle 7 (P7): Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- Principle 8 (P8): Businesses should support inclusive growth and equitable development.
- Principle 9 (P9): Businesses should engage with and provide value to their customers and consumers in a responsible manner.

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

| | | |
|---|---|---|
| 1. | Corporate Identity Number (CIN) of the Company | L45200KA1986PLC051571 |
| 2. | Name of the Company | PURAVANKARA LIMITED |
| 3. | Registered address | 130/1, Ulsoor Road, Bangalore - 560042 |
| 4. | Website | www.puravankara.com |
| 5. | E-mail id | investors@puravankara.com |
| 6. | Financial Year reported | 2019-20 |
| 7. | Sector(s) that the Company is engaged in (industrial activity code-wise) | Real Estate Development, Construction, of Commercial and Residential Property NIC: 41001 |
| 8. | List three key products/ services that the Company manufactures/provides (as in balance sheet) | Construction, Sale and Leasing of Property |
| 9. | Total number of locations where business activity is undertaken by the Company | |
| | (a) Number of International Locations (Provide details of major 5) | (a) Marketing office at UAE and representative office at Sri Lanka |
| | (b) Number of National Locations | (b) same as below mentioned in point 10 |
| 10. | Markets served by the Company – Local/State/ National/International | The Company has projects in Bengaluru, Hyderabad, Chennai, Mumbai, Pune, Goa, Kochi, Coimbatore, Mangalore, Sri Lanka |

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

| | | |
|---|---|---|
| 1. | Paid up Capital (INR) | 118.58 crores |
| 2. | Total Turnover (INR) | 1,271.36 crores |
| 3. | Total profit after taxes (INR) | 30.51 crores |
| 4. | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | 0.044% (spending during 2019-20 as % of profit after tax of 2018-19) |
| 5. | List of activities in which expenditure in 4 above has been incurred:- | Annexure- V of the Directors' Report |
| | (a) | Environment sustainability |

## SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?
   Yes
2. Do the Subsidiary Company/Companies participate in the Business Responsibility (BR) Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).
   Two material subsidiaries and one other major subsidiary undertake the BR initiatives. The Company endeavors to include other subsidiaries in the initiative, in due course.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]
   No

## SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

1. DIN : 00504555
2. Name: Mr. Nani R.Choksey
3. Designation: Vice-Chairman

(b) Details of the BR head

| No. | Particulars | Details |
|---|---|---|
| 1 | DIN (if applicable) | 00504555 |
| 2 | Name | Mr. Nani R.Choksey |
| 3 | Designation | Vice-Chairman |
| 4 | Telephone number | 080-43439999 |
| 5 | e-mail id | investors@puravankara.com |

## 2. Principle-wise (as per NVGs) BR Policy/policies:

(a) Details of compliance (Reply in Y/N)

| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. | Do you have a policy/ policies for.... | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 2. | Has the policy being formulated in consultation with the relevant stakeholders? | The policies are in accordance with applicable regulations. The policies are framed in the interest of the stakeholders | | | | | | | | |
| 3. | Does the policy conform to any national / international standards? If yes, specify? (50 words) | The policies are in due compliance of the applicable Indian Laws. The policies/ practices broadly confirms to the National Voluntary Guidelines issued by the Ministry of Corporate Affairs. | | | | | | | | |
| 4. | Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? | The approval of the Board has been taken on mandatory policies and is signed by respective process owners of each of the respective policies. | | | | | | | | |
| 5. | Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? | The Head of the respective Departments oversee the implementation of the policies. | | | | | | | | |
| 6. | Indicate the link for the policy to be viewed online? | www.puravankara.com | | | | | | | | |
| 7. | Has the policy been formally communicated to all relevant internal and external stakeholders? | Yes. The internal stakeholders are made aware of the policies through the intranet. External stakeholders are communicated to the extent applicable. Please also refer to point 6, hereinabove. | | | | | | | | |
| 8. | Does the company have in-house structure to implement the policy/ policies. | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 9. | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 10. | Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | Y* | Y* | Y* | Y* | Y* | Y* | Y* | Y* | Y* |

*internal agency

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) – NOT APPLICABLE

## 3. Governance related to BR

| | | |
|---|---|---|
| (a) | Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year | Business responsibility is an essential constituent of business of the Company and the reviews by the Board and its Committee, CEO is on a quarterly basis or if required more frequently. |
| (b) | Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? | The Company Annual report along with the Business Report is placed on the website of the company www.puravankara.com |

## Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs / Others?

   **Yes. The policy is applicable to all the employees of the Company, its subsidiaries and group companies.**

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   **The Customer relationship management reviews the complaints of our customers. The Stakeholders Relationship Committee review the shareholders complaints and the redressal measures taken by the Registrar & Transfer Agents/ Company. No complaints were received from shareholders.**

## Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   **(a). Using STP (sewage treatment plant) treated water (recycled) for toilet flushing and for irrigating the landscaped areas.**

   **(b). Utilization of natural resource like solar energy for heating purpose & lighting of all common areas and street lights instead of conventional lights and use of LED to lower the consumption of electricity.**

   **(c). Efficient solid waste management is employed in the projects. Every project has an organised process of segregating the organic and non-organic waste. The organic waste is converted to manure, utilising environment friendly organic waste converters, thereby ensuring cleaner project premises. The manure is used for landscaping.**

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

   **(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

   **(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

   **Efficient sourcing of materials locally available is part of our procurement process. Our designs incorporate the use of solar water heaters and lighting. The technology is very evolved and are virtually maintenance free. The toilet fixtures used by us in our projects are efficient and we encourage waterless urinals in our commercial projects. It is difficult to quantify the reduction achieved.**

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

   **(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

   **Effort is made to source most of the products from nearby regions in order to reduce the carbon footprint and reduction in consumption of fossil fuels. 60-70% of the products are sourced from nearby manufacturing units. This results in reduced transportation and reduction in consumption of Diesel/ Petrol.**

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

   **(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   **Quite a few products like Electrical panels, Aggregates, pre-fabricated steel items, grills etc., ready mixed concrete, solid concrete blocks, Doors are sourced from local SME / MSME vendors are sourced from SME / MSME vendors. We have close to 50 active SME / MSME vendors listed with us. We have been working closely with them to provide technical inputs and upgrade their capabilities.**

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   - The company provides for sustainable products in the projects which have the ability to recycle and this enables the collection of waste water generated in the wash rooms / toilets/ kitchens and is treated to acceptable quality. Every project has Sewage Treatment plant (STP)

   - Such treated water is utilised for flushing of the toilets – which reaches the STP and gets recycled. The excess treated water from STP is used for irrigating the plants in the landscape areas.

- The recycled component of water could be 90%
- The Organic waste converter results in manure – generation which could be an indirect recycling to an extent of 20%.

## Principle 3

1. Please indicate the Total number of employees.
   **592 employees in total.**
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.
   **21 employees.**
3. Please indicate the Number of permanent women employees.
   **167 women employees.**
4. Please indicate the Number of permanent employees with disabilities.- **NIL .**
5. Do you have an employee association that is recognized by management.- **NO.**
6. What percentage of your permanent employees is members of this recognized employee association? - **Not applicable.**
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.
   **The company does not employ child labour, forced labour or involuntary labour. One complaint of sexual harassment was received and has been resolved.**
8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
   (a) Permanent Employees
   **Site Safety & Fire Evacuation – 100%**
   **Skill Up-gradation - 50%**
   (b) Permanent Women Employees
   **Site Safety & Fire Evacuation – 100%**
   **Skill Up-gradation - 50%**
   (c) Casual/Temporary/Contractual Employees
   **Site Safety & Fire Evacuation – 100%**
   (d) Employees with Disabilities – N.A.

## Principle 4

1. Has the company mapped its internal and external stakeholders? **Yes**
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.
   **All stakeholders are equally significant to the Company.**
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.
   **Special initiatives are not taken for any category of stakeholders as all stakeholders are equal.**

## Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures / Suppliers / Contractors / NGOs / Others?
   **It is the policy of the company and practice as well to ensure protection of human rights which is non-engagement of child labor, assuring safety measures etc. The same principle is applied not only to the Company but also to the subsidiaries and external stakeholders like contractors.**
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?
   **The Company has not received any human rights complaints.**

## Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.
   **The policy covers the Company and the practice includes the Company and the group companies.**
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.
   **The company implements green initiatives in its activities. The requirements of state Pollution Control Board and Ministry of Environment & Forests are stringent and address the environmental issues and all projects are detailed to the requirements/guidelines laid out by these agencies. Efforts are made to ensure that any commercial ventures are certified for LEED where ever feasible as an initiative to implement environmentally friendly designs/ construction. The company implements green initiatives in its activities.**
3. Does the company identify and assess potential environmental risks? Y/N
   **Yes**
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?
   **The Company has implemented Precast technology in some of its projects & accordingly,**

is in process of achieving clean development mechanism.

**The procedures adopted for construction ensure reduced pollution with the use of pre-cut stones to reduce noise pollution and dust including reduced waste at site. Also Prefabricated reinforcement Steel cages from factory, use of ready-mix concrete reduce the noise pollution, dust and reduced scrap at site.**

**Some of the projects are Plotted developments – implemented in the recent times – which involves practically emission free works at the project.**

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   **Yes and as stated under Principle 2 and hereinabove. Also measures to conserve energy, water are an integral part of our projects. Measures have been undertaken to adopt clean technology which are energy efficient. As regards renewable energy –our projects utilise solar energy as an initiative. The projects are equipped with STP ensures recycled water to conserve natural resource, LED lights to conserve energy etc.**

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   **Yes**

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   **Nil**

## Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

   **(a). Confederation of Indian Industry (CII)**

   **(b). Confederation of Real Estate Developers Association of India (CREDAI)**

   **(c). Bangalore Chamber of Industry and Commerce (BCIC)**

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   **Yes. Governance and Administration, Economic Reforms, Inclusive Development Policies.**

## Principle 8

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

   **Yes. The details are provided in Annexure- V of the Directors Report.**

2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?

   **It is a combination of in-house team and external organization.**

3. Have you done any impact assessment of your initiative?

   **The expenditure on CSR activities and the impact of such expenditure is periodically monitored by the CSR committee of the Board.**

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

   **INR 0.04 crores were spent on CSR activity relating to Environment sustainability.**

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   **The details are provided in Annexure- V of the Directors Report.**

## Principle 9: CUSTOMER VALUE

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

   **80 consumer cases were pending at the end of the financial year 2019-20.**

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks (additional information)

   **Product related information is part of the advertisement, application form, agreements and other relevant documents as per the requirement of local laws.**

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   **No**

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   **Yes**

*Annexure X to the Directors' Report*

# Corporate Governance Compliance Certificate

To
The Members,
Puravankara Limited,
No.130/1, Ulsoor Road,
Bengaluru – 560 042

I have examined the compliance of the conditions of Corporate Governance by Puravankara Limited ('the Company') for the year ended on March 31, 2020, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub- regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2020.

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

**Nagendra D. Rao**
*Practicing Company Secretary*
FCS No: 5553CP No: 7731
UDIN: F005553B000635512

543/A, 7th Main,
3rd Cross, S.L.Byrappa Road,
Hanumanthanagar,
Bengaluru – 560 019

Place : Bengaluru
Date : September 2, 2020

# REPORT ON CORPORATE GOVERNANCE

## CONTENTS:



## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes that good corporate governance is essential for achieving long-term corporate goals and enhancing value for all stakeholders. The philosophy of the Company on corporate governance is to attain a high level of accountability, transparency and fairness in its functioning and conduct of business with due emphasis on statutory compliances in letter and spirit. The executive management acknowledges and appreciates its responsibility towards the 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 for all stakeholders. 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. STRUCTURE: Board and its Committees

**Board of Directors**

Mr. Ravi Puravankara, Chairman (Promoter)

Mr. Ashish Ravi Puravankara, Managing Director and CEO (Promoter)

Mr. Nani R. Choksey, Vice-Chairman^

Mr. RVS Rao, Non-Executive Independent Director*

Mr. Pradeep Guha, Non-Executive Independent Director**

Ms. Sonali Rastogi, Non-Executive Independent Director

Mr. Anup Shah Sanmukh, Non-Executive Independent Director***

**Committees of the Board**

**Mandatory**

- Audit Committee
- Stakeholders' Relationship Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility

**Committees of the Board**

**Non-Mandatory**

- Management Sub-Committee
- Risk Management Committee

^ *Joint Managing Director, Mr. Nani R. Choksey was re-designated as Vice-Chairman w.e.f. September 2, 2020*

* *Mr. RVS Rao resigned as Director on August 21, 2019 owing to personal reasons and has confirmed that there are no other material reasons other than those provided.*

** *Mr. Pradeep Guha was appointed in his second term as Independent Director w.e.f.September 22, 2019*

*** *Mr. Anup Shah Sanmukh was appointed as Independent Director of the Company w.e.f. July 23, 2019*

## 3. BOARD OF DIRECTORS

The composition of the Board of Directors (Board) of the Company is in accordance with the requirements of the Companies Act, 2013 ("Act") and is also in compliance with the requirements of Regulation 17 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations"). The Board comprises of a balanced combination of Executive Directors & Independent Directors. The Board of Directors of the Company comprises of six Directors, of which three are Executive Directors & three are Non-Executive Independent Directors, including a woman director, being eminent persons with considerable professional expertise & experience in their respective fields.

Matters of policy and other relevant and significant information are furnished regularly to the Board. To provide better corporate governance & transparency, your Board has constituted an Audit Committee, a Stakeholders' Relationship Committee, a Nomination and Remuneration Committee, a Corporate Social Responsibility Committee, a Risk Management Committee & a Management Sub-Committee. The composition and scope of each of the committees is in accordance with the provisions of the Act, the Listing Regulations and business requirements. The committees regularly look into various aspects, for which they have been constituted.

Mr. Ashish Ravi Puravankara is the son of Mr. Ravi Puravankara. There are no other inter-se relationships between the Directors of the Company.

In compliance to the Companies Act, 2013 and / or the Listing Regulations, as applicable, the Board's approvals are obtained and Minutes of the Committee meetings, as well as Minutes of the subsidiaries meetings are regularly placed before the Board. Further, matters which are of significant importance are also placed before the Board.

According to Section 165 of the Companies Act, 2013, no person shall, after the commencement of this

Act, hold office as a Director, including any alternate directorship, in more than twenty companies at the same time. Provided that the maximum number of public companies in which a person can be appointed as a Director shall not exceed ten. For reckoning the limit of public companies in which a person can be appointed as a Director, directorship in private companies that are either a holding company or a subsidiary company of a public company shall be included. Further, to an amendment of the Listing Regulations, and pursuant to regulation 17A, the maximum number of directorships is restricted to not more than (a) eight listed entities with effect from April 1, 2019, and (b) seven listed entities with effect from April 1, 2020.

Further, under Regulation 17A of the Listing Regulations, a person shall not serve as an Independent Director in more than seven listed companies. Any person who is serving as a Whole Time Director of any listed company shall serve as an Independent Director in not more than three listed companies.

Also, under Regulation 26 of the Listing Regulations, Directors can hold membership of not more than ten Committees or act as a Chairperson of not more than five Committees across all listed entities. Further, for the purpose of determination of such limit, chairpersonship and membership of the Audit Committee and the Stakeholders' Relationship Committee alone shall be considered.

Independent Director(s) of the Company have been appointed in terms of specified criteria of 'independence' and/or 'eligibility', as specified under Regulation 16(1)(b) & 17 of the Listing Regulations.

The Board and its committees are constituted in compliance with the provisions of the Companies Act, 2013 and the Listing Regulations. On the basis of written representations received from the Directors as on March 31, 2020, and taken on record by the Board of Directors, read with the National Company Law Tribunal order dated March 13, 2018 with respect to a Director of the Company, as on March 31, 2020, none of the Directors of the Company are disqualified in terms of section 164 (2) of the Act, read together with the Companies (Appointment & Qualification of Directors) Rules, 2014.

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

At the meeting held on September 2, 2020, the Board of Directors designated Mr. Nani R. Choksey, Joint Managing Director as Vice-Chairman of the Company.

Composition of the Board and Directorship held as on March 31, 2020

| Director's Name (DIN) | Designation | Directorships€ | Committee Memberships# | Chairmanship of Committees# | Other Listed entities on which the Director is a NEID |
|---|---|---|---|---|---|
| Mr. Ravi Puravankara (00707948) | Chairman€ | 1 | 1 | - | - |
| Mr. Ashish Ravi Puravankara (00504524) | Managing Director€ | 10 | 2 | - | - |
| Mr. Nani R. Choksey (00504555) | Vice-Chairman€ | 10 | 1 | - | - |
| Mr. Pradeep Guha (00180427)** | Independent Director (NEID) | 13 | 6 | - | Raymond Limited ; Pritish Nandy Communication Limited |
| Ms. Sonali Rastogi (00371091) | Independent Director (NEID) | 2 | 1 | - | - |
| Mr. Anup S. Shah*** (00317300) | Independent Director (NEID) | 5 | 4 | 2 | Sobha Limited |

*E Executive Director, NEID – Non- Executive Independent Director*
*€ Denotes Directorships in public companies and private companies pursuant to Section 165 of the Companies Act, 2013*
*# Denotes Memberships of Audit Committee and Stakeholders' Relationship Committee only of Indian public limited companies listed / unlisted pursuant to Regulation 26 of the Listing Regulations, Chairmanship of Audit Committee and Stakeholders' Relationship Committee only of Indian listed companies*
** Mr. RVS Rao resigned as Director on August 21, 2019*
*** Mr. Pradeep Guha was appointed in his second term as Independent Director w.e.f. September 22, 2019*
**** Mr. Anup S. Shah was appointed as Independent Director of the Company w.e.f. July 23, 2019*

## Meetings - Board of Directors

According to Section 173 of the Companies Act, 2013, four Board Meetings are required to be held every year in such a manner that not more than 120 days shall intervene between two consecutive meetings.

According to Regulation 17(2), the maximum time gap between any two Board Meetings cannot be more than 120 days, which has been complied with. Further, the quorum for the Board Meeting is one-third (1/3rd) of the total strength (excluding interested Directors, if any) or 3 Directors, whichever is higher, including at least one independent director.

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

During the year 2019-20, 6 Meetings of the Board of Directors were convened. The meetings of the Board vis-a-vis attendance of the Directors are provided herein below:

### Board Meetings (BM) / Annual General Meeting (AGM) during the Financial Year

| Sl. No. | BM Date | BM held at | Mr. Ravi Puravankara | Mr. Ashish Ravi Puravankara | Mr. Nani R. Choksey | Mr. RVS Rao* | Mr. Pradeep Guha** | Ms. Sonali Rastogi | Mr. Anup S. Shah*** | Total Board Strength | No. of Directors Present |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1. | April 5, 2019 | Bengaluru | X | √ | √ | √ | X | X | NA | 6 | 3 |
| 2. | May 18, 2019 | Bengaluru | X | √ | √ | √ | √ | √ | NA | 6 | 5 |
| 3. | July 26, 2019 | Bengaluru | X | √ | √ | √ | √ | X | √ | 7 | 5 |
| 4. | November 7, 2019 | Bengaluru | √ | √ | √ | NA | X | √ | √ | 6 | 5 |
| 5. | November 15, 2019 | Bengaluru | X | √ | √ | NA | X | √ | √ | 6 | 3 |
| 6. | February 14, 2020 | Bengaluru | √ | √ | √ | NA | √ | √ | √ | 6 | 6 |
| No. of meetings held | | | 6 | 6 | 6 | 3 | 6 | 6 | 4 | | |
| No. of meetings attended | | | 2 | 6 | 6 | 3 | 4 | 2 | 4 | | |
| Attendance at the last AGM held on September 27, 2019 | | | X | √ | √ | NA | X | √ | √ | | |

*BM - Board Meeting; AGM – Annual General Meeting*

**Mr. RVS Rao resigned as Director on August 21, 2019*

***Mr. Pradeep Guha was appointed in his second term as Independent Director w.e.f. September 22, 2019*

****Mr. Anup S. Shah was appointed as Independent Director of the Company w.e.f. July 23, 2019*

### Circular Resolutions passed by the Board of Directors and its Committees

| Sl. No. | Authority passing the Resolution | Date of Resolution | Item of Business | Passed on |
|---|---|---|---|---|
| 1. | Nomination & Remuneration Committee | July 23, 2019 | Recommendation to the Board to appoint Mr. Anup S. Shah in the capacity of Non-Executive Independent Director | July 23, 2019 |
| 2. | Board of Directors | July 23, 2019 | Appointment of Mr. Anup S. Shah as an Additional Director in the capacity of Non-Executive Independent Director and reconstitution of the Committees of the Board. | July 23, 2019 |
| 3. | Nomination & Remuneration Committee | August 20, 2019 | Recommendation to the Board to re-appoint Mr. Pradeep Guha in the capacity of Non-Executive Independent Director | August 21, 2019 |
| 4. | Board of Directors | August 21, 2019 | Re-appointment of Mr Pradeep Guha as Independent Director<br>Taking note of the resignation of Mr RVS Rao as a Director of the Company<br>Re-constitution of the Committees of the Board<br>Approval of the revised notice of Annual General Meeting | August 21, 2019 |
| 5. | Corporate Social Responsibility Committee | September 06, 2019 | Approval to contribute towards CSR activities. | September 06, 2019 |
| 6. | Nomination & Remuneration Committee | September 26, 2019 | Recommendation to the Board to appoint Mr. Abhishek Nirankar Kapoor as COO-Residential of the Company | September 26, 2019 |
| 7. | Board of Directors | September 26, 2019 | Appointment of Mr. Abhishek Nirankar Kapoor as COO-Residential of the Company | September 26, 2019 |

### Core Skills / Expertise / Competencies

The Core Skills / Expertise / Competencies required in the context of its Business(es) and Sector(s) for the Board to function effectively have been identified by the Board of Directors.

The Board has identified below-mentioned expertise which the Directors of the Company are required to possess in the context of the business:

1. Expertise in the field of construction, real estate, technology, architecture, interior design: Expertise with respect to business-specific technologies, R&D, focus on environment and sustainability, future ready skills such as e-commerce, use of digital technology, etc;
2. Expertise in general corporate management, diversity of perspective: Enabling diversity of views to the Board that is valuable to manage our consumers, employees, key stakeholders or shareholders; as well as experience in human resource management, such that they bring a considered approach to the effective management of people in an organisation.
3. Expertise in the field of marketing: Expertise with respect to the geography in which the organisation operates, as well as deep understanding of the macro-economic environment, the nuances of the business, consumers and trade in the geography, and knowledge of the regulations & legislations of the markets the business operates in.
4. Expertise in the field of finance, taxation, accounts and strategy: An understanding of the law and application of corporate governance principles in a commercial enterprise of a similar scale and size. Capability to provide inputs for strategic financial planning, assessing financial statements and overseeing budgets for the efficient use of resources. Ability to identify key risks for the business in a wide range of areas, including legal and regulatory.

### Performance Evaluation

The competencies of the Board of Directors is stated in the "Our Board" section of this Annual Report. The evaluation of Independent Directors by the entire Board of Directors was based on the following:

(a) performance of the Directors; and

(b) fulfillment of the independence criteria, as specified in these regulations and their independence from the management:

The performance evaluation of Independent Directors was done by the entire Board of Directors and in such evaluation, the Directors who are subject to evaluation had not participated.

The criteria for performance evaluation covered the areas relevant to the functioning as Independent Directors, such as preparation, participation, conduct and effectiveness.

### Confirmation

In the opinion of the Board, the Independent Directors fulfill the conditions specified in the regulations and are independent of the management.

### Meeting of Independent Directors

During the year, meeting of the Independent Directors was held on February 13, 2020. All Independent Directors attended the said meeting without the attendance of non-Independent Directors (except for the agenda item relating to briefing on the performance of the non-Independent Directors).

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

At the 29th Annual General Meeting of the Company held on September 24, 2015, the Members of the Company approved the remuneration and re-appointment of the Chairman, Managing Director and Joint Managing Director of the Company for a period of 5 years commencing from April 1, 2016 – March 31, 2021. The shareholders have approved the remuneration payable upto March 31, 2021 vide special resolution passed on 30.08.2020.

### Remuneration to Whole-time Directors & Independent Directors

Remuneration to the Managing Director and Whole-time Directors and Independent Directors for the financial year 2019-20 is as tabulated below.

Payment of remuneration to the Managing Director and Whole-time Directors is governed by the resolution recommended by the Board and approved by the shareholders.

Pecuniary Relationship of Non-Executive Directors: The Company has no material pecuniary relationship or transaction with its Non-Executive & Independent Directors other than payment of sitting fees to them for attending Board and Committee meetings and Commission, as approved by members for their invaluable services to the Company.

During the financial year April 1, 2019 to March 31, 2020, on attending Meetings of the Board of Directors & its Committees during a day, each Independent Director was paid ₹1,00,000/- as sitting fees.

### Summary of Compensation paid to Directors for the Financial Year 2019-20

₹ crores

| Name | Total Gross Remuneration | Contribution to Provident Fund | Incentive / Commission** | Sitting Fee | Total |
|---|---|---|---|---|---|
| Mr. Ravi Puravankara# | 1.16 | 0.07 | - | - | 1.17 |
| Mr. Ashish Ravi Puravankara# | 1.31 | - | - | - | 1.31 |
| Mr. Nani R Choksey# | 2.22 | 0.18 | - | - | 2.40 |
| Mr. RVS Rao | - | - | 0.047 | 0.030 | 0.077 |
| Mr. Pradeep Guha | - | - | 0.120 | 0.042 | 0.162 |
| Ms. Sonali Rastogi | - | - | 0.120 | 0.022 | 0.142 |
| Mr. Anup S. Shah | 0.083 | 0.042 | 0.122 | | |
| Total | 5.49 | 0.25 | 0.370 | 0.136 | 7.380 |

** *Amount outstanding*

# *Executive Directors are not eligible as per shareholders' resolution to receive commission / sitting fees and hence they are not paid the same*

* *Mr. RVS Rao resigned as Director on August 21, 2019*

** *Mr. Pradeep Guha was appointed in his second term as Independent Director w.e.f. September 22, 2019*

*** *Mr. Anup S. Shah was appointed as Independent Director of the Company w.e.f. July 23, 2019*

The total of the shares issued by the Company as on March 31, 2020 are 23,71,49,686 shares. Mentioned below is the shares and stock options held by Directors as on March 31, 2020.

### Shares & Stock Options held by Directors as on March 31, 2020

| Name | Equity Shares | Percentage of Shareholding | Stock Options |
|---|---|---|---|
| Mr. Ravi Puravankara | 17,78,52,904 | 74.9960% | N.A |
| Mr. Ashish Ravi Puravankara | 4,800 | 0.0020% | N.A |
| Mr. Nani R. Choksey | 1,920 | 0.0008% | N.A |
| Mr. RVS Rao* | 2,000 | 0.0008% | N.A |
| Mr. Pradeep Guha | Nil | N.A | N.A |
| Ms. Sonali Rastogi | Nil | N.A | N.A |
| Mr. Anup S. Shah | | | |

** Held jointly with spouse, Mrs. Lakshmi R. Rao. Mr. RVS Rao resigned as Director on August 21, 2019*

### 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 placed on the website of the Company. All the Board members and the Senior Management have affirmed compliance with the Code for the year ended March 31, 2020.

Declaration by the Managing Director & Chief Executive Officer and Chief Financial Officer is annexed to this report.

### Whistle Blower Policy

During October, 2013, the Board adopted the Whistle Blower 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 employees within the organisation. We further affirm that no employee has been denied access to the Audit Committee during the fiscal year 2019-20.

## 4. COMMITTEES OF THE BOARD OF DIRECTORS

**The Company has the following committees of the Board:**

i. Audit Committee

ii. Stakeholders' Relationship Committee

iii. Nomination & Remuneration Committee

iv. Corporate Social Responsibility Committee

v. Management Sub-Committee

vi. Risk Management Committee

The Company Secretary of the Company acts as the Secretary of the Committees.

### i. Audit Committee:

The Audit Committee was constituted on April 9, 2003 & its meetings are normally held at the Corporate Office of the Company located at Bengaluru, and precedes the meeting of the Board of Directors.

According to Regulation 18 of the Listing Regulations and u/s 177 of the Companies Act, 2013, every listed company is required to constitute an Audit Committee to review the Quarterly, Half-yearly and Annual Financial statements.

According to Regulation 18(2)(a) of the Listing Regulations, the Audit Committee should meet at least four times in a year and not more than 120 days shall elapse between two meetings, which has been complied with.

Regulation 18 of the Listing Regulations makes it mandatory to constitute an Audit Committee. The Audit Committee reviews information as per the role stated in the Listing Regulations and the broad role of the said Committee is to review:

i. financial reporting process;

ii. adequacy of internal control systems;

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

iv. the performance of statutory and internal auditors.

v. review as per mandatory requirement stated in the Listing Regulations.

The Committee comprised of Mr. RVS Rao, Mr. Pradeep Guha, Mr. Ravi Puravankara and Ms. Sonali Rastogi as the members with Mr. RVS Rao as its Chairman. Mr. Anup S. Shah was appointed as member of the Committee w.e.f. July 23, 2019. Further to Mr. RVS Rao's resignation as Director, Mr. Anup S. Shah was appointed as Chairman of the Audit Committee w.e.f. August 21, 2019. Under Regulation 18(2)(a) of the Listing Regulations, the quorum for the Meeting is one-third of the Members on the Committee (or) two Members, whichever is higher and further that at least two Independent Members should be present.

During the year, four Audit Committee Meetings were convened and held on May 18, 2019, July 26, 2019, November 07, 2019 and February 14, 2020. 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 September 27, 2019.

#### Audit Committee Meetings (ACM) during the Financial Year

| Sl. No. | ACM Date | ACM held at | Mr. Ravi Puravankara | Mr. RVS Rao* | Mr. Pradeep Guha | Ms. Sonali Rastogi | Mr. Anup S. Shah** | Total Committee Strength | No. of Members Present |
|---|---|---|---|---|---|---|---|---|---|
| 1. | May 18, 2019 | Bengaluru | X | √ | √ | √ | NA | 4 | 3 |
| 2. | July 26, 2019 | Bengaluru | X | √ | √ | X | √ | 3 | 3 |
| 3. | November 07, 2019 | Bengaluru | √ | NA | √ | X | √ | 4 | 3 |
| 4. | February 14, 2020 | Bengaluru | √ | NA | √ | √ | √ | 4 | 4 |
| No. of ACM held | | | 4 | 2 | 4 | 4 | 3 | | |
| No. of ACM attended | | | 2 | 2 | 4 | 2 | 3 | | |

*Mr. RVS Rao resigned as Director on August 21, 2019

**Mr. Anup S. Shah was appointed as Independent Director of the Company w.e.f. July 23, 2019

### ii. Stakeholders' Relationship Committee (SRC):

The Stakeholders' Relationship Committee (formerly Investor Grievance Committee) was constituted on December 26, 2006. Its meetings are normally held at the Corporate Office of the Company located at Bengaluru, before the Board Meeting. The Company Secretary has been designated as the Compliance Officer.

The Committee comprised of Mr. RVS Rao as the Chairman of the Committee, Mr. Nani R. Choksey and Mr. Ashish Ravi Puravankara as the members. Mr. Anup S. Shah was appointed as member of the Committee w.e.f. July 23, 2019 and as Chairman of the Committee on August 21, 2019. Mr. RVS Rao ceased to be a Member of the Committee on September 22, 2019. Further, the quorum for the Stakeholders' Relationship Committee Meetings is 2 Members and shall include an Independent Director.

According to Regulation 20 of the Listing Regulations, it is mandatory to constitute a Stakeholders' Relationship Committee. The basic function of the Stakeholders' Relationship Committee is to consider and resolve grievances of the security-holders of the listed entity, including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends, issue of new / duplicate certificates, general meetings, etc.

During the year, four meetings of the Stakeholders' Relationship Committee were convened and held on May 18, 2019, July 26, 2019, November 07, 2019 and February 14, 2020. The meetings of the Stakeholders' Relationship Committee vis-a-vis attendance of the members are provided herein below.

**Stakeholders' Relationship Committee Meetings during the Financial Year**

| Sl. No. | SRC Meeting Date | SRC Meeting held at | Mr. Ashish Ravi Puravankara | Mr. Nani R Choksey | Mr. RVS Rao* | Mr. Anup S. Shah** | Total Committee Strength | No. of Members Present |
|---|---|---|---|---|---|---|---|---|
| 1. | May 18, 2019 | Bengaluru | √ | √ | √ | NA | 3 | 3 |
| 2. | July 26, 2019 | Bengaluru | √ | √ | √ | √ | 4 | 4 |
| 3. | November 07, 2019 | Bengaluru | √ | √ | NA | √ | 3 | 3 |
| 4. | February 14, 2020 | Bengaluru | √ | √ | NA | √ | 3 | 3 |
| No. of SRC meetings held | | | 4 | 4 | 2 | 3 | | |
| No. of SRC meetings attended | | | 4 | 4 | 2 | 3 | | |

*SRC – Stakeholders' Relationship Committee*

**Mr. RVS Rao resigned as Director on August 21, 2019*

***Mr. Anup S. Shah was appointed as Independent Director of the Company w.e.f. July 23, 2019*

Brief summary on stakeholders grievances are summarised hereunder:

**Stakeholders Grievances - Sources of Complaints:**

| Particulars | Balance as on April 1, 2019 | Received during the year | Resolved during the year | Balance as on March 31, 2020 |
|---|---|---|---|---|
| Complaints Received | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 |

### iii. Nomination & Remuneration Committee (NRC):

The Nomination & Remuneration Committee (formerly Compensation Committee) was constituted on 28 June 2006. This Committee comprises of Mr. Ravi Puravankara, Mr. Pradeep Guha and Ms. Sonali Rastogi, and Mr. Anup S. Shah as the Members. Mr. Anup S. Shah was appointed as a Member of the Committee w.e.f. July 23, 2019. Mr. RVS Rao ceased to be a Member w.e.f. August 21, 2019.

Mr. Pradeep Guha acts as the Chairman of the Nomination & Remuneration Committee. The quorum for the Nomination & Remuneration Committee Meeting is 2 members and shall include an Independent Director.

### OBJECTIVES OF THE NOMINATION AND REMUNERATION POLICY

The Committee assists the Board in establishing remuneration policies and practices broadly relating to:

a) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, key managerial personnel and other employees;

b) Formulation of criteria for evaluation of Independent Directors and the Board;

c) Devising a policy on Board diversity;

d) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;

e) Whether to extend or continue the term of appointment of the Independent Director on the basis of the report of performance evaluation of Independent Directors;

f) Recommend to the Board all remuneration, in whatever form, payable to the senior management.

Nomination & Remuneration Policy is placed on the Company's website - www.puravankara.com

During the year, two meetings of the Nomination and Remuneration Committee were convened and held on July 26, 2019 and February 14, 2020. The meetings of the Nomination and Remuneration Committee vis-a-vis attendance of the members are provided herein below.

### Nomination and Remuneration Committee (NRC) Meetings during the Financial Year

| Sl. No. | NRC meeting Date | NRC meeting held at | Mr. Ravi Puravankara | Mr. RVS Rao* | Mr. Pradeep Guha | Ms. Sonali Rastogi | Mr. Anup S.Shah** | Total Committee Strength | No. of Members Present |
|---|---|---|---|---|---|---|---|---|---|
| 1. | July 26, 2019 | Bengaluru | X | X | √ | X | √ | 5 | 3 |
| 2. | February 14, 2020 | Bengaluru | √ | NA | √ | √ | √ | 4 | 4 |
| No. of meetings held | | | 2 | 1 | 2 | 2 | 2 | | |
| No. of meetings attended | | | 1 | 1 | 2 | 1 | 2 | | |

*NRC -Nomination and Remuneration Committee*

**Mr. RVS Rao resigned as Director on August 21, 2019*

***Mr. Anup Shah Sanmukh was appointed as Independent Director of the Company w.e.f. July 23, 2019*

### iv. Corporate Social Responsibility (CSR) Committee

At the meeting of its Board of Directors held on August 7, 2014, the CSR Committee was constituted. The CSR Committee is currently constituted with the following Directors:

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

Mr. Anup S. Shah was appointed as a Member of the CSR Committee w.e.f. July 23, 2019. Mr. RVS Rao ceased to be a Member of the CSR Committee w.e.f. August 21, 2019.

The terms of reference of the CSR Committee is:

(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.

The Policy on Corporate Social Responsibility as approved by the Board may be accessed on the Company's website at the link: http://www.puravankara.com

During the year, one meeting of the Corporate Social Responsibility Committee was convened and held on May 18, 2019.

### Corporate Social Responsibility Committee Meetings during the Financial Year

| Sl. No. | CSR Meeting Date | CSR Meeting held at | Mr. Ashish Ravi Puravankara | Mr. RVS Rao | Mr. Nani R. Choksey | Mr. Anup S. Shah | Total Committee Strength | No. of Members Present |
|---|---|---|---|---|---|---|---|---|
| 1. | May 18, 2019 | Bengaluru | √ | √ | √ | NA | 3 | 3 |
| No. of meetings held | | | 1 | 1 | 1 | NA | | |
| No. of meetings attended | | | 1 | 1 | 1 | NA | | |

*CSR –Corporate Social Responsibility Committee*

**Mr. RVS Rao resigned as Director on August 21, 2019*

***Mr. Anup S. Shah was appointed as Additional Director of the Company w.e.f. July 23, 2019*

### v. Management Sub-Committee

The Management Sub-Committee was constituted on March 29, 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 Ravi Puravankara as the Members. 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, statutory compliances and other routine business activities.

### vi. Risk Management Committee

The Risk Management Committee is comprised of the following members:

1. Mr. Ashish Ravi Puravankara
2. Mr. Nani R. Choksey
3. Mr. Anup S. Shah
4. Mr. Pradeep Guha

Mr. Anup S. Shah was appointed as a Member of the Committee w.e.f. July 23, 2019. Mr. RVS Rao ceased to be a Member of the Committee on August 21, 2019.

The Risk Management Committee is entrusted with the responsibility to assist the Board by:

a) Ensuring that all the Current and Future Material Risks of the Company are Identified, Assessed / Quantified and effective steps are taken to Mitigate / Minimise the effects emanating from such Risks to assure business growth with financial stability.

b) Enabling compliance with appropriate regulations, wherever applicable.

Listing Regulations require the top-500 (by criteria of market capitalisation) listed companies to have a Risk Management Committee. The Company is not under the said list.

During the year, one meeting of the Risk Management Committee was convened and held on February 14, 2020. All members attended the meeting.

## 5. GENERAL BODY MEETINGS:

**Details of Annual General Meetings (AGMs) held during the last 3 years are as follows:**

| Financial Year | Nature of Meeting | Day, Date & Time | Venue | Special Resolutions |
|---|---|---|---|---|
| 2018-19 | 33rd AGM | Friday, September 27, 2019 at 11.30 am | The Taj West End Hotel, # 25, Race Course Road, | 1. To approve the appointment of Mr. Pradeep Guha in his second term as Non-Executive Independent Director<br>2. To issue non-convertible debentures on a private placement basis |
| 2017-18 | 32nd AGM | Wednesday, September 26, 2018 at 11.30 am | The Taj West End Hotel, # 25, Race Course Road, Bengaluru - 560 001. | 1. To fix the borrowing powers of the Board upto ₹4,500 crores<br>2. To grant approval for creation of charge / mortgage on the assets of the Company<br>3. To issue non-convertible debentures on a private placement basis<br>4. To approve the continuation of current term of Mr. RVS Rao, Non-Executive Independent Director |
| 2016-17 | 31st AGM | Tuesday, August 29, 2017 at 11.30 am | | Nil |

### Extraordinary General Meeting (EGM):

During the year, no Extraordinary General Meeting (EGM) was held.

### Passing of Resolutions by Postal Ballot:

During the year 2019-20, no resolution was passed by Postal Ballot.

On 30.08.2020, the Members passed a special resolution and approved the remuneration payable upto March 31, 2021 to the Executive Directors.

## 6. COMPLIANCE & DISCLOSURES

1. The Company has complied with all the requirements to the best of its knowledge and understanding of the regulations & guidelines issued by the Securities Exchange Board of India (SEBI). The stock exchanges, SEBI or any other statutory authority have not imposed any penalties or strictures relating to capital market transaction since the listing of the equity shares of the Company.
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 transactions. There are no penalties imposed nor any strictures passed against the Company during the last three years.
4. The Consolidated Auditors' Report and the Standalone Auditors' Report to the shareholders for the year ended March 31, 2020, is an unmodified report.
5. The policy for determining material subsidiaries dealing with related party transactions and other applicable policies are displayed on the Company's website www.puravankara.com. The details of familiarisation programmes imparted to Independent Directors are also disclosed on the Company's website.

6. The mandatory requirements laid down in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for Corporate Governance have been duly complied with by your Company and the status on adoption of non-mandatory requirements are as follows:

   a. The Company has an Executive Chairman.

   b. 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.

   c. Mr. Ravi Puravankara continues as Chairman of the Company. Mr. Ashish Ravi Puravankara was appointed as the Managing Director of the Company w.e.f. May 15, 2015. Mr. Ashish Ravi Puravankara also holds the office as the Chief Executive Officer of the Company. The tenure of office of the Executive Directors was completed on March 31, 2016. The Members of the Company at their meeting held on September 24, 2015, approved the reappointment of Mr. Ravi Puravankara, Chairman, Mr. Ashish Ravi Puravankara, Managing Director and Mr. Nani R Choksey, Joint Managing Director for a period of 5 years w.e.f. April 1, 2016 till March 31, 2021.

   d. The Internal Auditor of the Company directly reports to the Audit Committee.

## 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 30 minutes after the completion of the respective 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 the 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/) and also updated on the Company's website.

**(c) Presentations made to Institutional Investors / Analysts**

These are disseminated through NSE (http://www.nseindia.com/) & BSE (http://www.bseindia.com/) and also updated on the Company's website.

## 8. GENERAL SHAREHOLDER INFORMATION

**Outstanding GDRs / ADRs / Warrants / any other Convertible Instruments**

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

Commodity price risk or foreign exchange risk and hedging Activities

The Company has foreign exchange risk management policies in place to manage its exposure to exchange rate fluctuations, which includes hedging contracts, as applicable.

### Plant Locations

As Puravankara is a part of the real estate development industry, we do not have any plant locations. We currently have various projects spread across Bengaluru, Chennai, Hyderabad, Kochi, Coimbatore, Mumbai, Pune and Colombo. We have our branch offices at Bengaluru, Chennai, Kochi, Mumbai, Coimbatore and representative offices in Colombo and the UAE.

### Credit Rating

The long-term rating assigned to the Company by ICRA Limited was maintained at BBB+ and improved to a positive outlook and short term rating of [ICRA] A2, in respect of the various fund and non-fund-based credit facilities of ₹3,000 crore sanctioned / to be sanctioned to the Company. The rating was issued by ICRA Limited during January 2020 and reviewed by them on an ongoing basis and the outlook for the long-term was revised to stable during April 2020.

### Certificate of Non-Disqualification of Directors

As required under clause 10(i) of para C of Schedule V of the Listing Regulations, a certificate from the Company Secretary in Practice is annexed herewith.

### Fee to Statutory Auditor & Affiliates

Total fees for the year ended March 31, 2020, for all services paid by Puravankara Limited and its subsidiaries on a consolidated basis to S.R. Batliboi & Associates LLP (statutory auditor of the Company) and other firms in the network entity of which the statutory auditor is a part, is as follows:

| Particulars | ₹ in crores |
|---|---|
| Fees for audit and related services paid to S.R. Batliboi & affiliate firms and to entities of the network of which the statutory auditor is a part | 1.20 |
| Other fees paid to S.R. Batliboi & affiliate firms and to entities of the network of which the statutory auditor is a part | 0.17 |
| **Total Fees** | **1.37** |

### Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. number of complaints filed during the financial year - 1

b. number of complaints disposed-off during the financial year - 1

c. number of complaints pending as on end of the financial year- NIL

As regards Discretionary Requirements specified in Part E of Schedule II of the SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has complied with items C, D and E.

### Share Transfer System

Share transfer is restricted to demat form and in terms of the provisions of the Listing Regulations in case of transmission and transposition.

### Transfer to IEPF account

The balance in the Unpaid / Unclaimed Dividend Account / share application account of the Company, not claimed by shareholders for a period of seven years from the date of transfer of the dividend amount to the Unpaid Dividend Account, shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

During the financial year 2019-20, the Company transferred unclaimed amount of ₹162,958/- of the unclaimed dividend of 2011-12; ₹1,29,520/- of pending share application money to the IEPF account.

Pursuant to rule 6(5) of the Investor Education and Protection Fund (Audit, Transfer and Refund) Rules, 2016, the equity shares belonging to shareholders who have not claimed dividends for a continuous period of seven years are required to be transferred to the suspense account opened by the Company.

The Company has transferred to the IEPF account 3,042 equity shares belonging to 38 shareholders. The voting rights of such equity shares remain frozen till the rightful owner claims the shares. The list of shareholders with details of the unclaimed dividends along with the names and addresses of the shareholders has been uploaded on the website of the Company. The transfer of shares is further to communication sent to each shareholder. The respective shareholders may claim the same by sending a communication to the registered office of the company or email to linkintime.co.in or investors@puravankara.com. Additional details are provided in the Notice of the AGM.

### Equity Shares in Suspense Account

As per Part F of Schedule V of the Listing Regulations, there are no equity shares lying in the suspense account.

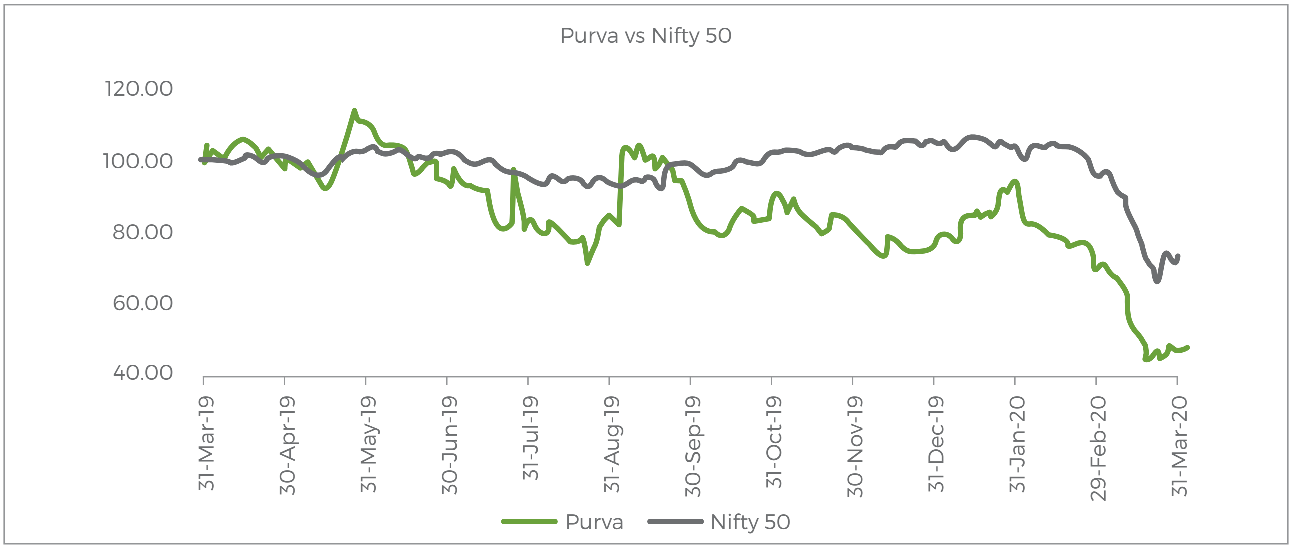
During the year 2017-18, equity shares lying in the demat account IN301549 37397596 with HDFC Bank Ltd. linked to Puravankara Projects Limited Unclaimed Suspense A/C 05230350002129, being 511 shares, as on April 1, 2017, and belonging to 21 shareholders were transferred to the IEPF account, pursuant to rule 6(5) of the Investor Education and Protection Fund (Audit, Transfer and Refund) Rules, 2016.

### DETAILS OF SHARES IN DEMATERIALISED & PHYSICAL FORM AS ON 31 MARCH 2020:

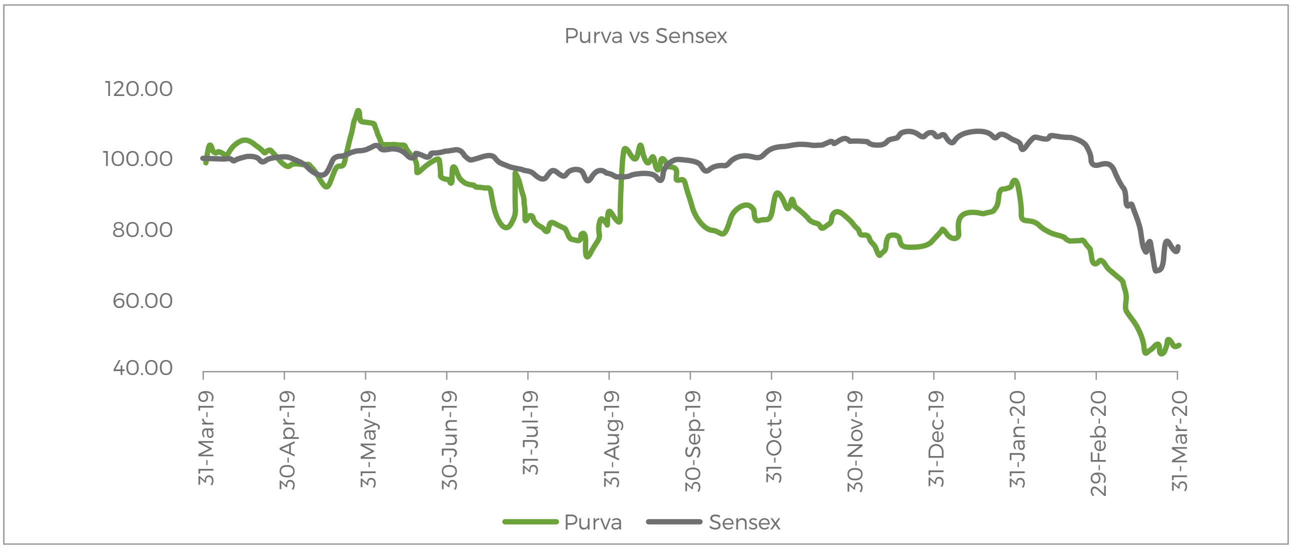
| Particulars | No. of Shareholders | No. of Shares | % of shares |
|---|---|---|---|
| NSDL | 17,101 | 23,23,63,299 | 97.98 |
| CDSL | 12,511 | 47,86,225 | 2.02 |
| Physical | 5 | 162 | 0.00 |
| **TOTAL** | **29,617** | **23,71,49,686** | **100.00** |

## Market Price Data and Performance – BSE Ltd. (BSE) / National Stock Exchange Ltd. (NSE)

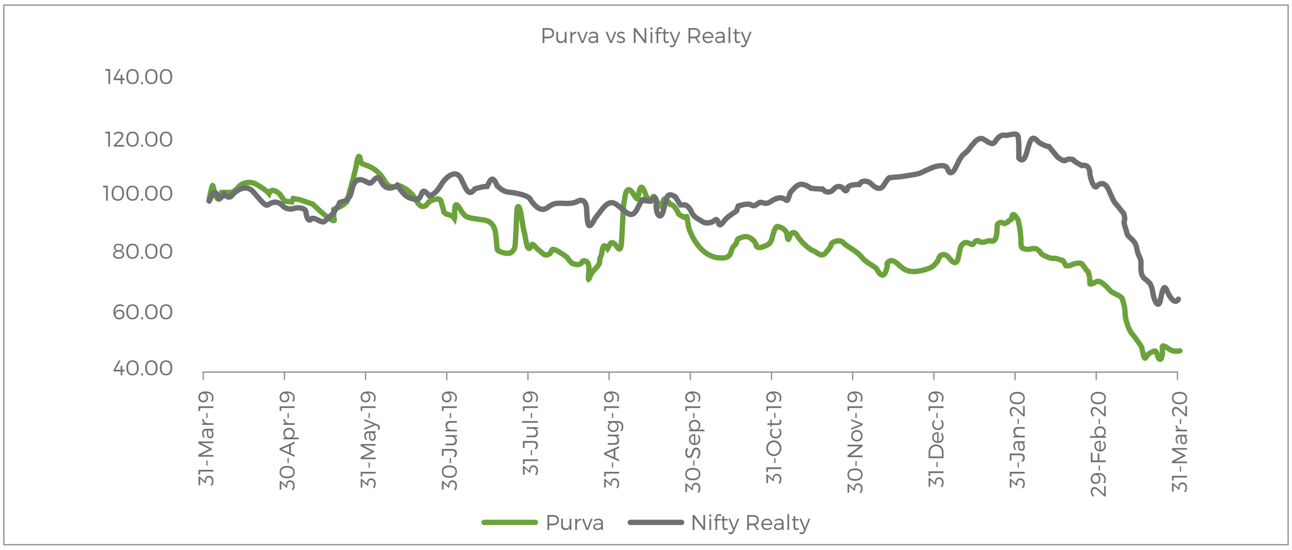
### Puravankara vs. Nifty



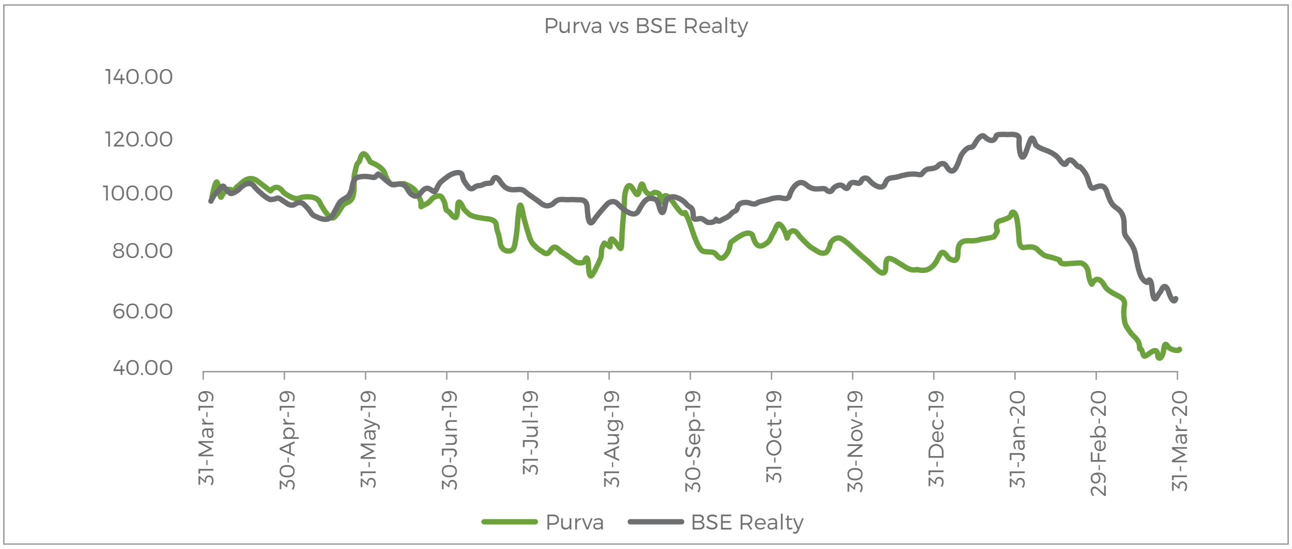

### Puravankara vs. Sensex



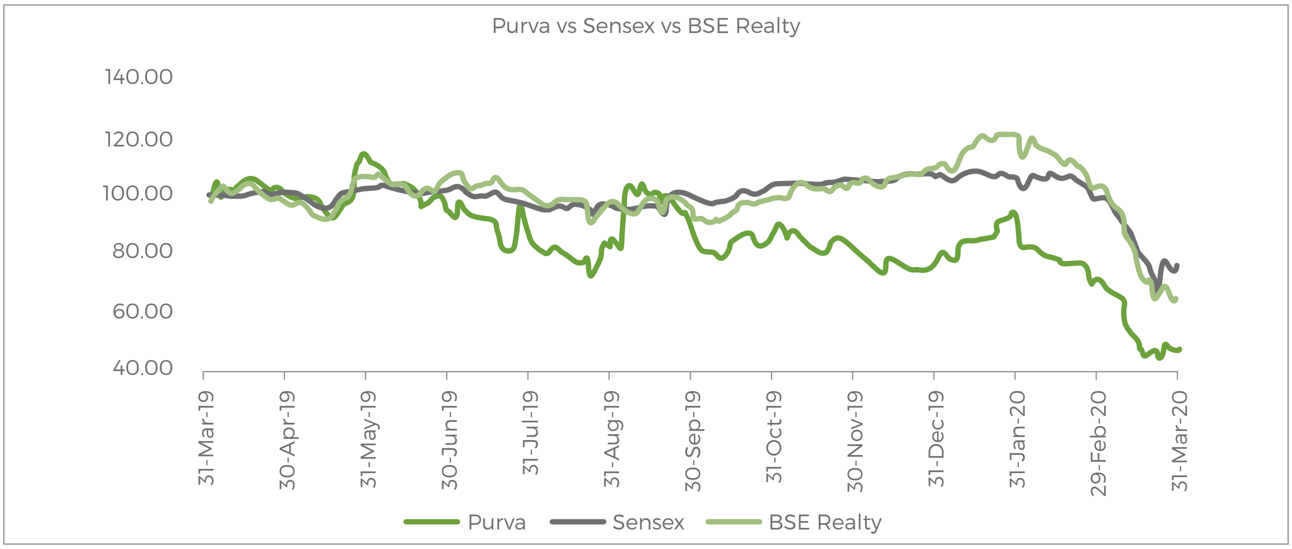

### Puravankara vs. Nifty Realty



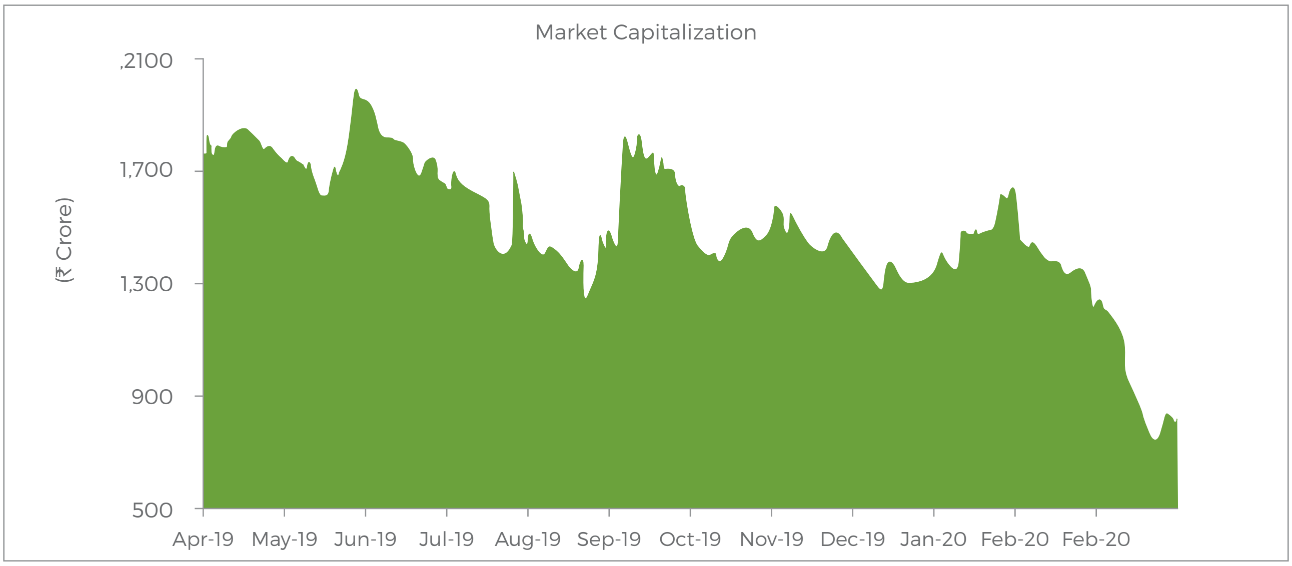
## Puravankara vs. BSE Realty

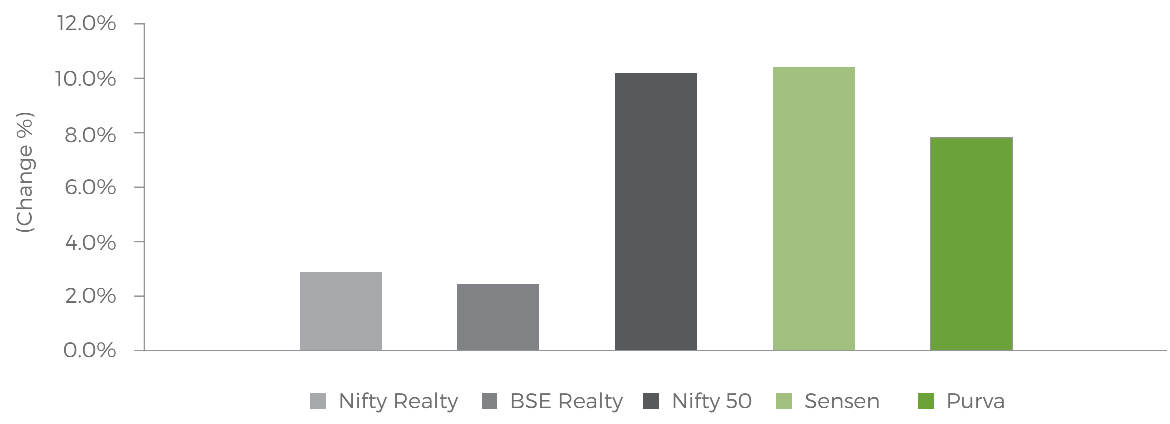



## Puravankara vs. BSE Sensex and Realty




## Market Capitalisation (NSE) for year ended March 31, 2020






## Market Price Data and Performance - BSE Ltd. (BSE)

| Date | High (₹) | Low (₹) | No of Shares | Total Turnover (₹ in lakhs) |
|---|---|---|---|---|
| Apr-19 | 79.5 | 72.35 | 2,18,914 | 166.79 |
| May-19 | 87 | 67.25 | 2,04,602 | 158.63 |
| Jun-19 | 82.5 | 69.25 | 1,58,356 | 119.45 |
| Jul-19 | 73.45 | 56.05 | 3,00,925 | 200.85 |
| Aug-19 | 63.6 | 50.8 | 2,76,344 | 164.11 |
| Sep-19 | 79.6 | 59.3 | 3,69,911 | 267.20 |
| Oct-19 | 66.9 | 57.95 | 1,92,581 | 118.81 |
| Nov-19 | 70.05 | 57.6 | 1,96,345 | 124.75 |
| Dec-19 | 61.1 | 53.25 | 1,27,661 | 72.60 |
| Jan-20 | 72.9 | 56.7 | 2,97,613 | 192.45 |
| Feb-20 | 69.15 | 49.5 | 88,215 | 51.95 |
| Mar-20 | 53.4 | 28.65 | 1,26,997 | 50.50 |

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

| Date | High (₹) | Low (₹) | No of Shares | Total Turnover (₹ in lakhs) |
|---|---|---|---|---|
| Apr-19 | 79.70 | 72.10 | 9,08,043 | 691.45 |
| May-19 | 87.00 | 66.85 | 4,71,845 | 382.78 |
| Jun-19 | 82.95 | 69.00 | 1,83,078 | 128.78 |
| Jul-19 | 74.00 | 55.95 | 13,92,076 | 970.51 |
| Aug-19 | 63.70 | 51.15 | 3,89,485 | 240.02 |
| Sep-19 | 79.60 | 59.20 | 6,77,704 | 501.97 |
| Oct-19 | 67.00 | 58.00 | 1,37,422 | 86.20 |
| Nov-19 | 69.90 | 57.00 | 3,93,743 | 247.52 |
| Dec-19 | 62.50 | 53.10 | 83,647 | 48.92 |
| Jan-20 | 71.40 | 56.00 | 7,29,942 | 476.97 |
| Feb-20 | 69.45 | 49.60 | 2,56,729 | 165.39 |
| Mar-20 | 54.95 | 28.75 | 1,30,681 | 47.85 |

## NSE and BSE data on volume and value

| DATE | Total Volume (Shares) | Total Value (₹ in lakh) |
|---|---|---|
| Apr-19 | 11,26,957 | 858.24 |
| May-19 | 6,76,447 | 541.41 |
| Jun-19 | 3,41,434 | 248.23 |
| Jul-19 | 16,93,001 | 1171.35 |
| Aug-19 | 6,65,829 | 404.14 |
| Sep-19 | 10,47,615 | 769.17 |
| Oct-19 | 3,30,003 | 205.01 |
| Nov-19 | 5,90,088 | 372.27 |
| Dec-19 | 2,11,308 | 121.52 |
| Jan-20 | 10,27,555 | 669.42 |
| Feb-20 | 3,44,944 | 217.35 |
| Mar-20 | 2,57,678 | 98.35 |

## Shareholding Pattern (SHP) as on 31 March 2020

| 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 | 16 | 38,734,977 | 16.3336 |
| Insurance Companies | 2 | 18,81,275 | 0.7933 |
| Financial Institutions / Banks | 1 | 53,444 | 0.0225 |
| Mutual Fund | 1 | 2233,265 | 0.9417 |
| **Public - Non-institutions:** | | | |
| Individual Shareholders | 27,966 | 11,208.400 | 4.7263 |
| NBFCs registered with RBI | 1 | 359 | 0.0002 |
| IEPF | 1 | 16,020 | 0.0068 |
| HUF | 716 | 555,892 | 0.2344 |
| Bodies Corporate | 264 | 1234,970 | 0.5208 |
| Clearing Members | 51 | 73085 | 0.0308 |
| Non Resident Indians (Repat) | 404 | 3087080 | 1.3017 |
| Non Resident Indians (Non Repat) | 188 | 206,735 | 0.0872 |
| Directors or Director’s Relatives | 1 | 1,920 | 0.0008 |
| **TOTAL** | **29,617** | **23,71,49,686** | **100.00** |

## Top-10 Shareholders as on 31 March 2020

| Sl. No. | Folio No | Shareholder's Name | Shares | % |
|---|---|---|---|---|
| 1. | IN30016710061500 | Ravi Puravankara | 17,78,52,904 | 74.9961 |
| 2. | IN30016710144014 | Gothic Corporation | 1,04,80,987 | 4.4196 |
| 3. | IN30016710121990 | Atyant Capital India Fund I | 89,79,282 | 3.7863 |
| 4. | IN30014210743921 | Vanderbilt University - Atyant Capital Management Limited | 70,18,740 | 2.9596 |
| 5. | IN30016710144039 | The Duke Endowment | 41,26,748 | 1.7401 |
| 6. | IN30016710145445 | Gothic HSP Corporation | 38,93,398 | 1.6417 |
| 7. | IN30154956589808 | Manhar Mooney | 24,55,475 | 1.0354 |
| 8. | IN30014210769500 | Franklin Build India Fund | 2233265 | 0.9417 |
| 9. | IN30016710144022 | Employees' Retirement Plan of Duke University | 18,52,863 | 0.7813 |
| 10. | IN30081210000012 | Life Insurance Corporation of India | 18,33,765 | 0.7733 |

## Distribution of Shareholding (DS) as on 31 March 2020

| Range of Equity Shares | No. of Shareholders | % | No. of Equity Shares | % |
|---|---|---|---|---|
| 1 - 500 | 26,440 | 89.2731 | 28,22,406 | 1.1167 |
| 501 - 1000 | 1,514 | 5.1119 | 13,54,926 | 0.5223 |
| 1001- 2000 | 796 | 2.6876 | 12,59,402 | 0.5114 |
| 2001- 3000 | 296 | 0.9994 | 7,86,055 | 0.3211 |
| 3001 - 4000 | 143 | 0.4828 | 5,96,390 | 0.2170 |
| 4001 - 5000 | 86 | 0.2904 | 5,20,139 | 0.1738 |
| 5001 - 10000 | 170 | 0.5740 | 16,57,586 | 0.5510 |
| 10001 and above | 172 | 0.5807 | 22,81,52,782 | 96.5866 |
| TOTAL | 29,617 | 100.00 | 23,71,49,686 | 100.00 |

## DIVIDEND HISTORY

| FINANCIAL YEAR | DIVIDEND (As % of paid-up capital) | DIVIDEND PER SHARE (₹) | REMARKS |
|---|---|---|---|
| March 31, 2020 | NIL | NIL | - |
| March 31, 2019 | 20% | 1.00 | Final Dividend |
| March 31, 2018 | 32% | 1.60 | Final Dividend |
| March 31, 2017 | 49.45% | 2.25 | Final Dividend |
| March 31, 2016 | 15.61% | 0.782 | Final Dividend |
| March 31, 2015 | 31.00% | 1.55 | Final Dividend |
| March 31, 2014 | 38.40% | 1.92 | Final Dividend |
| March 31, 2013 | 20.00% | 1.00 | Final Dividend |
| March 31,2013 | 50.00% | 2.50 | Interim Dividend on May10, 2013 - (To all Shareholders other than Promoters & Promoter Group) |
| March 31,2012 | 20.00% | 1.00 | Final Dividend |
| March 31,2011 | 20.00% | 1.00 | Final Dividend |
| March 31,2010 | 20.00% | 1.00 | Final Dividend |
| March 31,2009 | NIL | 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 (₹) |
|---|---|---|---|---|---|---|---|---|
| 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 | 5,00,000 | Nil |
| 20 March 1995 | 45,000 | 50,000 | 100 | 100 | Cash | Preferential Allotment to Mr. Ravi Puravankara | 50,00,000 | Nil |
| 23 June 1995 | 50,000 | 1,00,000 | 100 | 100 | Cash | Preferential Allotment to Mr. Ravi Puravankara | 1,00,00,000 | Nil |
| 23 March 2000 | 4,00,000 | 5,00,000 | 100 | 100 | Cash | Preferential Allotment to Mr. Ravi Puravankara | 5,00,00,000 | Nil |
| 29 March 2001 | 3,00,000 | 8,00,000 | 100 | Nil | Bonus Issue in ratio of 3:5 | Bonus issue | 8,00,00,000 | Nil |

| 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 | | 1,60,00,000 | 5 | Face Value per Equity Share reduced from ₹100 to ₹5 Per Equity Share[3] | | | | |
| 26 December 2006 | 17,60,00,000 | 19,20,00,000 | 5 | Nil | Bonus Issue in ratio of 1:11 | Bonus issue | 96,00,00,000 | Nil |
| 26 December 2006 | 17,455 | 19,20,17,455 | 5 | 572.92 | Cash | Preferential Allotment to Mr. Jaithirth Rao | 96,00,87,275 | 99,13,043.60 |
| 31 July 2007 | 2,14,06,880 | 21,34,24,335 | 5 | 400 | Cash | Public issue | 1,06,71,21,675 | 7,98,88,11,9155 |
| 28 May 2013 | 2,37,25,351 | 23,71,49,686 | 5 | 81 | Cash | IPP Issue[4] | 1,18,57,48,430 | 9,63,79,75,4955 |

1 *Preferential allotment of 75 Equity Shares to Mr. Ravi Puravankara and 5 Equity Shares each to Vasanti Puravankara and Satish Puravankara.*

2 *Preferential allotment of 4,885 Equity Shares to Ravi Puravankara and 5 Equity Shares each to Kunhambu Nair, Vishalakshi Puravankara and Chaula N. Choksey.*

3 *The authorised shares capital of ₹10,00,00,000 was increased to ₹1,20,00,00,000 consisting of 24,00,00,000 Shares of ₹5 each pursuant to a resolution of the shareholders passed at their EGM dated December 23, 2006.*

4 *The authorised shares capital of ₹1,20,00,00,000 was increased to ₹1,60,00,00,000 consisting of 32,00,00,000 Shares of Rs 5 each pursuant to a resolution of the shareholders passed at their EGM dated June 22, 2009.*

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

## OTHERS - SHAREHOLDER INFORMATION:

| | |
|---|---|
| Corporate Identification Number (CIN) | L45200KA1986PLC051571 |
| Address - Registered Office & Corporate Office | **Registered Office:**<br>Puravankara Limited<br>#130/1, Ulsoor Road, Bengaluru – 560042.<br><br>**Corporate Office:**<br>Puravankara Limited<br>#130/2, Ulsoor Road, Bengaluru – 560042. |
| Annual General Meeting Date, time and virtual meeting details | Monday the September 28, 2020<br>Time : 11.30 a.m. (IST)<br><br>Venue: The Company will conduct the Annual General Meeting (AGM) by means of VC / OAVM, pursuant to the MCA Circular dated May 5, 2020. Requisite details are stated in the Notice of AGM. |
| Financial year | 2019-20 |
| Date of Book closure | N.A. |
| Dividend payment date | N.A. |
| Financial Calendar (tentative) | |
| Results for Quarter Ending*: | |
| Jun 2020 | First / Second week of Sep 2020 |
| Sep 2020 | First / Second week of Nov 2020 |
| Dec 2020 | First / Second week of Feb 2020 |
| Mar 2021 | First / Second week of May 2021 |

* In addition, the Board may meet on other dates if there are Special Requirements. Calendar is subject to changes as per relaxation if any, by SEBI.

| | |
|---|---|
| Listing on Stock Exchanges | a. **BSE Ltd. (BSE)**<br>Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001.<br>Phones : 91-22-22721233/4<br>91-22-66545695<br>Fax : 91-22-22721919<br>b. **National Stock Exchange of India Ltd. (NSE)**<br>Exchange Plaza, Plot no. C/1, G Block,<br>Bandra-Kurla Complex, Bandra (E),<br>Mumbai - 400 051.<br>Phones : 91-22-26598100 - 8114<br>Fax : 91-22-26598120<br>Annual Listing Fee till the year 2019-20 has been paid with respect to both the aforesaid stock exchanges. |
| Stock Code | a. NSE – PURVA<br>b. BSE –532891 |
| ISIN of the Company | Equity shares: INE323I01011 |
| Address for Correspondence | **Puravankara Limited**<br># 130 /1, Ulsoor Road<br>Bengaluru - 560 042.<br>Tel: +91-80- 2559 9000 / 4343 9999<br>Fax: +91-80-2559 9350<br>Email: investors@puravankara.com<br>Website: www.puravankara.com |
| Registrar and Transfer Agent | **Link Intime India Private Limited**<br>C-101,247 Park, L B S Marg,<br>Vikhroli West, Mumbai-400083.<br>Phone: 022-49186000<br>Fax : 022-49186060<br>Email: rnt.helpdesk@linkintime.co.in |
| SEBI | **Securities and Exchange Board of India**<br>Plot No.C4-A,'G' Block,<br>Bandra Kurla Complex, Bandra (East),<br>Mumbai 400051.<br>Tel: +91-22-26449000 / 40459000 /<br>Toll Free: 1800 22 7575<br>Fax: +91-22-26449019-22 / 40459019-22<br>E-mail: sebi@sebi.gov.in |
| NSDL | **National Securities Depository Ltd.**<br>Trade World, 4th Floor, Kamala Mills Compound,<br>Senapati Bapat Marg, Lower Parel,<br>Mumbai - 400 013.<br>Tel: (022) 2499 4200<br>Fax: (022) 2499 4972<br>Email: listedequities@nsdl.co.in |
| CDSL | **Central Depository Services (India) Limited**<br>Trade World, 28th Floor, P.J. Towers, Dalal Street, Fort,<br>Mumbai – 400 023<br>Tel.: ( 022 ) 2272 3333<br>Fax: ( 022 ) 2272 3199<br>Email: complaints@cdslindia.com |

For and on behalf of the Board of Director

**Ashish Ravi Puravankara**
*Managing Director & Chief Executive Officer*
*DIN: 00504524*

Dubai
September 2, 2020

**Nani R Choksey**
*Vice Chairman*
DIN: 00504555

Bengaluru

# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Puravankara Limited,
No.130/1, Ulsoor Road,
Bengaluru – 560042

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Puravankara Limited having CIN L45200KA1986PLC051571 and having registered office at No.130/1, Ulsoor Road Bangalore-560042 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and report as under:

One of the independent directors viz. Mr. Pradeep Guha (DIN 00180427 ) was identified by Ministry of Corporate Affairs as a disqualified director u/s 164(2) of the Act, in the year 2017-18, due to non-filing of annual returns and annual financial statements related to another company where he was a director. Subsequently, the defaulting company was revived, and the annual returns and annual financial statements were filed in May, 2018 and regularised. The DIN status of all the directors of the Company, including the above said Mr. Guha, are now showing up as non-disqualified directors on the portal of Ministry of Corporate Affairs (i.e. www.mca.gov.in). None of the directors are debarred by Securities Exchange Board of India.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For JKS & Co.**
*Company Secretaries*

**Karthick V.**
*Partner*
Membership No. ACS – 11910
C.P. No. – 4680
UDIN : A011910B000386493

Place : Bengaluru
Date : June 26, 2020

CEO, CFO Certification pursuant to Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors
Puravankara Limited
Bengaluru

Dear Members of the Board,

We, Ashish Ravi Puravankara, Chief Executive Officer and Managing Director, and Kuldeep Chawla, Chief Financial Officer, of Puravankara Limited, hereby certify that to the best of our knowledge and belief:

1. We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2020 and
2. These statements do not contain any materially untrue statement (or) omit any material fact (or) contain statements that might be misleading and
3. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
4. No transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
5. We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and 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 they have been taken or proposed to rectify these deficiencies.
6. We have indicated to the Auditors and the Audit Committee:
   (1) significant changes in internal control over financial reporting during the year;
   (2) significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
   (3) that there are no instances of significant fraud of which we have become aware and hence no involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.
7. We further declare that all Board Members and Senior Management personnel have affirmed compliance with the code of conduct for the Financial Year 2019-20.

**Ashish Ravi Puravankara**
*Managing Director &*
*Chief Executive Officer*
DIN: 00504524

**Kuldeep Chawla**
*Chief Financial Officer*

Place: Bengaluru
Date: June 22, 2020

# Management Discussion Analysis

# MANAGEMENT DISCUSSION AND ANALYSIS

Purva Atmosphere

- Global economic overview
- Indian economic review
- Real estate industry structure and developments in India
- Puravankara – Corporate Overview
- Awards and recognitions
- Managements' discussion on risks and concerns
- Internal control systems and their adequacy
- Our people
- Opportunities and threats
- Financial review
- Cautionary statement

The Management Discussion and Analysis Report, titled 'Management Report', forms a part of this Annual Report. It includes, among others:

## 1. Global economic overview

Calendar year 2019 witnessed a slowing global economic environment, and a palpable slowdown in business activity slowed economic growth to 2.4%, against 3% recorded in 2018. The deceleration was mainly on account of geopolitical developments, including the US' skirmishes with Iran, US-China trade tensions originating out of technology IP, and the uncertainty around the way the UK would exit the European Union (EU). The level of uncertainty receded though, especially towards the end of the year, with the US and China reaching a provisional trade consensus; and a major referendum vote pointing the way to the UK's confirmed exit from the EU. Retreating uncertainty, along with expansionary fiscal policy measures, had created the platform for greater economic stability.

However, the onset of the Covid-19 health crisis in December 2019 in China and then all around the globe with rapid spread of the virulence in the first quarter of the current year shattered all expectations, bringing forth fundamental changes in the world. So much so that global economic growth is expected to collapse in the negative territory to -4.9% for the year 2020. This level is as much as 1.9 percentage points below the April 2020 World Economic Outlook (WEO) forecast of the International Monetary Fund (IMF), signifying a deteriorating macro outlook.

The Covid-19 pandemic has had a substantially more negative impact on economic activity in the first half of 2020 than anticipated, and the recovery is expected to be a slow and long-drawn process in a fragile economic environment, as against previous forecasts. That said, in 2021, global growth is projected at 5.4%, which would leave 2021 GDP growth about 6.5 percentage points lower than the pre-Covid-19 estimations of January 2020. Notably, the WEO report forecasts that the impact of the pandemic will be more severe amongst vulnerable low-income households, thus imperilling the substantive progress achieved in reducing extreme poverty in the world.

**Real GDP (% change YoY)**

| Region | 2020 (P) | 2019 (E) |
|---|---|---|
| World | -5.2 | 2.4 |
| Advanced economies | -7.0 | 1.6 |
| - United States | -6.1 | 2.3 |
| - Euro Area | -9.1 | 1.2 |
| - Japan | -6.1 | 0.7 |
| **Emerging market and developing economies (EMDEs)** | **-2.5** | **3.5** |
| - Commodity exporting EMDEs | -4.8 | 1.5 |
| - Other EMDEs | -1.1 | 4.8 |
| East Asia and Pacific | 0.5 | 5.9 |
| - China | 1.0 | 6.1 |
| Europe and Central Asia | -4.7 | 2.2 |
| Latin America and the Caribbean | -7.2 | 0.8 |
| Middle East and North Africa | -4.2 | -0.2 |
| South Asia | -2.7 | 4.7 |
| **- India** | **-3.2** | **4.2** |

Source: World Bank, June 2020

The massive slowdown in economic activity is expected to have a more acute impact on advanced economies, with growth caving in to -8% in 2020. Among these economies, deep downturns are expected in the US (-8%), the UK (-10.2%), Germany (-7.8%), Japan (-5.8%) and France (12.5%). However, the inherent resilience and intrinsic development profile of emerging and developing economies (EMDEs) is expected to somewhat limit the impact of the pandemic, with economic growth expected to be down by -3% in 2020, and eventually strengthening to 5.9% in 2021.

Yet, the ill-effects of the pandemic can be further exacerbated by the resurfacing of the US-China trade tensions, uncertainty around the US Presidential elections scheduled for later this year (November 2020), and the fallouts and associated implications of Brexit. However, the silver lining could be government stimulus and relief packages announced around the world, that could help prop up the faltering economy and spur consumption and investments. The IMF states that in addition to fiscal relief, the need of the hour is also the implementation of a stable global policy, synchronised with multilateral cooperation, thus bolstering financial resilience to fuel recovery and progressive economic normalisation.

On a further positive note, global countries have come together to combat the spread of the pandemic. The race to secure a cure, holistic policy decisions and calibrated opening-up of lockdown restrictions have led to, at least, some resumption of business activity. Fiscal measures worth USD 1 trillion have been announced around the world, which are expected to provide a major economic boost in the medium- to long-term.

## 2. Indian economic review

The Indian economy, which expanded 6.1% in 2018-19, grew by 4.2% in 2019-20, the slowest in 11 years. In Q4FY20, GDP declined to 3.1%, the lowest growth in 44 quarters, as noted by the National Statistical Office. Amongst the sectors that showed fortitude however were agriculture and mines, which recorded a growth of 5.9% and 5.2%, respectively. However, the manufacturing sector de-grew by 1.4%,and the output of this important economic constituent remained in the negative zone, impacting the overall growth level.

In 2019-20, India's IIP (Index of Industrial Production) stood at 129.2, while CPI (consumer price inflation) increased from 3.4% in 2018-19 to 4.8% in 2019-20. The combined inflation, which was 6.6% in February 2020, stood at 5.9% in March 2020.

The pandemic became the society's largest concern in India as well. India imposed one of the strictest lockdowns globally. The gradual unlocking has begun, along with fiscal stimulus measures. With the spread of the pandemic taking a toll on the economic profile of the country, estimates indicate that growth might recede to 1.1% in FY21, or even a contraction. Moreover, estimates indicate that net tax revenue is expected to fall short significantly, by a few lakh crore for the states. The revised fiscal deficit of the centre could be well over 5% of GDP (combined of the centre and states 11-12% of GDP), thus constraining the government's fiscal space. That is probably why although the stimulus package announced by the central government was ₹21 lakh crore or 10% of GDP, the fiscal spending or money that will go from the Government's accounts is only around 1% of the GDP. 40% of the total package is in the form of liquidity support, aimed at easing the credit cycle, and pump priming the economy.

India today is amongst the major developing economies of the world, and in the next 10-15 years, the country is projected to become among the top-three global economic powers. The country's fundamental long-term economic drivers continue to remain in place, driving optimism – large population, attractive demographics, rising per capita incomes and economic transformation supported by policy measures. This has positioned the country well in terms of mobilising long-term foreign investments, which is crucial in the current environment as global capital chases yields. Going into the future, India could turn out to be in a solid position in this regard, and the government could structure frameworks by which this capital could be used for the productive development of infrastructure that could advance economic recovery and growth. Already, backed by strong sectoral developments in services, telecoms, trading, construction, automobiles and computer software and hardware, FDI (foreign direct investment) inflows into the country reached over USD 469 billion between April 2000 and March 2020.

### Positive developments

IBEF analysis from a report by NASSCOM notes that India continues to be the third-largest start-up base in the world, adding 1,300 such firms in 2019, totalling around 9,300 companies overall. It is estimated that India will have 1 lakh+ start-ups by 2025, creating employment opportunities for 3.25 million people and also generating USD 500 billion in value. On the ease of doing business front, India was ranked 63 among 190 countries in the World Bank's Doing Business Report, improving its position by 14 spots over the last year. Further, India's young population creates a dynamic workforce pipeline for the future, expected to touch 170 million employable youth over the next few years, as highlighted by IBEF's analysis of a study by ASSOCHAM. Between 2015 and 2019, around 12 million jobs were created every year.

In addition, in September 2019, the Union Finance Ministry cut corporate tax rates in a concerted effort to spur investment and boost growth. The base corporate tax rate was lowered from 30% to 22% in a major simplification of the tax architecture to boost economic growth and output.

Further, the 2020 Union Budget also announced holistic short-, medium- and long-term measuresto uplift the Indian economy. Total expenditure for 2020-21 would witness an increase of 13% from the 2019-20 revised budget estimates, to USD 531.53 billion, or ₹37.14 lakh crore. The government has also announced economic packages worth ₹20 lakh crore as pandemic relief, which is almost 10% of India's GDP, thus giving a fillip to the economy.

A further upside could be in the form of soft fuel prices. With India being a key net importer of the commodity, lower petroleum prices can have a substantive impact on the country's current account deficit (CAD). India's foreign exchange reserves are at a historical high, and will help the RBI to contain any sharp weakening of the Indian rupee.

### Future growth prospects

In recent years, India has witnessed an enthusiastic focus on long-term developmental initiatives through a slew of reforms and digitalisation, and more recently, increasing focus on self-reliance. Such initiatives presage the country's aim to achieve the upper-middle income status tag and come close to its target of becoming a USD 5 trillion economy by 2025.

According to a Boston Consulting Group report, India's consumption is expected to triple to USD 4 trillion by 2025, making it the third-largest consumer economy in the world, as highlighted by a shift in expenditure patterns and consumer behaviour.

## 3. Real estate industry structure and developments in India

The Indian real estate sector, comprising housing, retail, hospitality, warehousing and commercial sub-sectors, is among the 14 major segments to impact the economy in terms of direct, indirect and induced effects. The sector supports the economy through more than 250 industries. In essence, various real estate segments have grown significantly and continue to lay a solid foundation for India's growing infrastructure needs. Further, more than 40% of the population is expected to live in urban areas by 2030, with 70-80% of the India of 2030 being yet to be built, showing promise for the accelerated development of the real estate sector in the near future (CII).

The Indian real estate sector has been in the midst of a transformation over the last few years, led by a complete overhaul of the regulatory and institutional framework, with the stated goals of customer centricity, transparency, rationalization and a sharp focus on affordable housing. Among the various measures implemented are the Real Estate Regulation Act (RERA), the Goods and Services Tax Act (GST) and reduction in GST to 1% for affordable housing.

When it comes to segmental highlights, across seven major cities, housing sales reached 2.61 lakh units in calendar 2019. Office space, driven mostly by IT, manufacturing, consulting, banking, financial services and insurance segments, recorded a growth of 27% in 2019 vs. 2018. The office sector demand with commercial leasing activity was 69.4 msft in 2019. In 2018, commercial real estate segment accounted for nearly 60% of the total investments in the sector. By 2022, Grade A office spaceis expected to cover 700 msft, with maximum demand from the Delhi-NCR region.

With the Covid-19 pandemic-induced lockdowns and accompanying closure of industries curtailing economic activity, the real estate sector is forecast to take a hit of ₹1 trillion, as per a report by KPMG. India's consumption expenditure, which stood at USD 1.92 trillion in 2018 and growing at a CAGR of 7% in the last decade or so, is expected to remain subdued post lockdown, indicating near-term challenges. As such, various estimates indicate that sale of residential units is likely to moderate from 4 lakh units in 2019-20 to 2.8-3 lakh units in 2020-21 across the top-seven cities of the country. Under-construction projects would witness a delay of 6-12 months, due to activity stoppages and supply chain disturbances. On the positive side though, consolidation is expected to accelerate significantly in this large and important segment of the real estate market in India.

The commercial real estate industry is also expected to have a mid-term impact, with social distancing norms, rigorous sanitisation measures and early gains in the work from home (WFH) concept impairing near-term demand. With malls having a near-50% decline in footfalls, the retail sector, which was likely to grow from 12% in 2019 to 25% in 2024, is expected to take a near-term hit, also because of the loss of consumer confidence and a change in the buyer behaviour to buying more on-line. On a short-term basis, new leasing activity under warehousing is also expected to witness a decline.

Overall though, the short-term effects are expected to stabilise over the medium-term. The sector will adapt with new business models, novel consumer engagement innovations and reworking the financials to optimise costs. According to research by IBEF, the real estate market will grow from USD 1.72 billion or ₹12,000 crore in 2019 to USD 9.30 billion, or ₹65,000 crore, by 2040, highlighting robust long-term sectoral potential.

### Investments

According to IBEF, the real estate sector has primarily been fuelled by increasing demand in the affordable residential sector, owing to enhanced governmental policy support to spur this sector, rise in the number of aspirational first-time homebuyers and strong financial/banking support through mortgage finance.

The real estate sector received investments to the tune of USD 6.26 billion, or ₹43,780 crore in 2019. In the same year, PE engagement in the retail sector witnessed investments of around USD 1 billion, while institutional investment was USD 712 million in the last quarter of 2019-20. Moreover, real estate investments from foreign PEs reached USD 15 billion between 2015 and 2019.

When it comes to non-resident Indian (NRI) investments in India's real estate, the sector expects robust inflows at least over the medium-term, with the Deccan triangle , notably Bengaluru and Hyderabad among the most favoured property investment destinations in the country.

### Institutional developments and outlook

With real estate being both a central and state subject, the central government is working in tandem with state governments to ensure the holistic and synchronistic development of the real estate sector.

The flagship Smart City Project to build 100 smart cities is a manifestation of the centre and state working together, and such an initiative will be the key driver of growth in the sector. The following are some of the other initiatives being taken at the central level, as noted by IBEF and KPMG.

- 1.066 crore houses have been sanctioned (and over on-third completed) in urban areas under the Pradhan Mantri Awas Yojana (Urban) scheme. This is expected to create 1.20 crore jobs and see overall investments of more than ₹15,000 crore.
- To prioritise lending shortfalls of banks and financial institutions to housing finance companies, the government has set up the Affordable Housing Fund in National Housing Bank with an initial corpus of ₹10,000 crore.
- A ₹25,000 crore alternative investment fund has been constituted to revive 1,600 stalled housing projects across the country. It has already sanctioned and disbused significant sums
- 417 special economic zones (SEZs), most of them in the IT/ITeS sector, have been approved, of which 238 are already in operation.
- The RBI (Reserve Bank of India) is rescheduling payments on term-loans outstanding on 1 March 2020, as also working capital facilities, with a 3-month moratorium to curb defaults in repayments, applicable till August 2020.
- To ensure enhanced cash flow and systemic liquidity, the RBI cut the reserve repo rate to 3.75% (as on April 2020).

Further, to facilitate sustainable investments in the real estate market, the SEBI (Securities and Exchange Board of India) has accorded approval for the Real Estate Investment Trust (REIT) platform. Such a platform would unlock opportunities worth ₹1.25 trillion in India over the next few years. Real estate developers are also innovating in project management, engineering and architecture to ensure that they enhance their relevance and meet evolving demands of consumers in the sector, across both luxury and affordable projects and properties.

The stimulus package announced thus far lacks demand boosting measures, linked as it is to the limited fiscal space available with the government. As such to revive demand, it is important to give more money in the hands of the people. Experts believe that the government may come out with further stimulus measures, based on how the pandemic unfolds.

*References: Media Reports, Press releases, Knight Frank India, VCCEdge, JLL Research, CREDAI-JL, Union Budget 2019-20*

## 4. Puravankara – Corporate overview

Puravankara Group, headquartered in Bengaluru, is a leading real estate development organisation with nearly four decades of rich legacy and heritage in contributing to fulfilling the home ownership journey of a wide cross-section of customers.

Puravankara today is among the largest property developers in south India and the only one to serve the needs of a wide range of customers through its two distinct and administratively-different real estate brands – Provident and Puravankara. While brand Provident primarily caters to aspirational homebuyers seeking value-for money homes, Puranvakara caters to discerning customers through its focus on luxury real estate, as well as office parks.

The Group, through its principal promoter Mr. Ravi Puravankara, began operations in Mumbai in the seventies. Since then, the Company has established substantive presence in the real estate industry of such metropolitan centres as Bengaluru, Hyderabad, Pune, Kochi, Chennai, Mumbai, Coimbatore, Mangalore, etc. With an expanding footprint in key gateway cities of south and west India, the group is not only well-diversified geographically, but has also displayed greater brand salience, manifest in the success of its developments in these competitive regions.

Puravankara Group has always been a first mover. It was one of the earliest adopters of automation with system-based processes as early as the late 80s. Theme based architectural design has always been a hallmark of almost all projects. One of the first to get FDI in real estate in 2005, and perhaps the only survivor, Puravankara has a 15 year old partnership with Keppel Corp of Singapore, which is owned by Government of Singapore through Temasek. Puravankara was of the first real estate companies to get ISO certification. We were also among the first to have a separate brand for affordable housing- Provident in 2009. The Group has always been ahead of the curve on adoption of technology, including wide scale deployment of pre-cast technology from 2012 onwards. We have also been among the early adopters of digital marketing/ payment gateways/ERP. It is this disruptive approach that is helping us grow and consolidate rapidly in the current environment.

The Group's integrated operations, spanning all facets of real estate development - from the identification and acquisition of land and obtaining approvals, to the design, right through to planning, execution and marketing - not only enable greater control over the supply chain, but also facilitate cost optimisation, enabling us to meet the price expectations of the market.

Today, with our strongly established brand image and successful track record in the real estate industry owing to our commitment to develop high-quality products in attractive locations that promote a sustainable lifestyle, is enabling us to package propositions that resonate with our customers.

The residential homes we develop consist of apartment complexes, villas, town houses and plotted developments, as well as affordable housing projects. Further, our commercial projects include office, retail and mixed-use developments

A majority of our completed, ongoing and upcoming projects aresituated in Bengaluru, Hyderabad, Pune, Mumbai, Kochi, Chennai, Kolkata, Coimbatore and Mangaluru. Our luxury and premium realestate projects are branded under the 'Purva' brand and our premium affordable housing projects under the 'Provident' brand. We believe that our brands give us a competitive edge that allows us to achieve sales volume momentum and premium pricing and rentals.

Further, our brands and market reputation helps us 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 consistent brand salience among our customers, while also ensuring sustained market reputation.

Provident, the group's affordable housing brand, seeks to create mid-income and mass housing projects comprising affordable homes, synchronised with the demand for aspirational homes amongst first-time homebuyers. Provident develops projects through value-engineering and extensive space and design planning, leading to compact residences that help customers maximise value per square feet. These projects also have all the facilities and amenities of a gated community, including swimming pools, club houses and multipurpose halls. These projects are situated in the heart of the city as well as in upcoming areas that demonstrate sound developmental potential and promise robust public transportation connectivity as well as easy access to social infrastructure.

Under Provident, our focus on cost optimisation along the value chain enable us to offer projects to our customers across an affordable price bandwidth by reducing the size of our residential units and by applying smart innovative construction techniques and efficient planning and design that result in both cost and time savings with standardised high quality construction and finishes. Puravankara brand is positioned as a luxury product with a higher price band, offering customers varied luxury and home automation solutions suitable for an urban contemporary lifestyle.

Some of the key strengths that position Puravankara well in the evolving market include two robust brands with differentiated positioning, large and well-located land bank, extensive diversification through, brands, geographic locations and project development stages, multi-decade experience and insights into real estate along with demonstrated execution experience, disciplined capital allocation, comprehensive control over the value chain through own pre-cast factory and other strong partnerships with contractors and vendors, and strong leadership team stewarded by a well-respected Board.

## 5. Awards and recognitions

Puravankara has been honoured with several awards over the years in recognition of being one of the most trusted builders and developers, and delivering quality apartments to its customers. A few of the awards bestowed upon us for our contribution to the real estate and construction industry during the financial year 2019-20 are listed below.

- Department of Horticulture, Government of Karnataka and Mysore Horticulture Society for the best maintenance of 10 Medians in Bengaluru - Puravankara Ltd
- Department of Horticulture, Government of Karnataka and Mysore Horticulture Society for the best maintenance of Rest House Park - Puravankara Ltd
- 11th Franchise Estate Awards 2019 - for Best Themed Project of the Year - West - Adora De Goa
- 11th Franchise Estate Awards 2019 - for Best Affordable Budget Housing Developer of the Year - South - Provident Housing Limited
- India Property Awards 2019 - For Best Developer of the Year - South - Puravankara Limited
- Global Real Estate & Business Excellence Awards 2019 – Dubai - for Best Affordable Housing Project of the Year – Provident Sunworth
- Global Real Estate & Business Excellence Awards 2019 – Dubai - for Best Developer of the Year – South India – Puravankara Limited
- Global Real Estate & Business Excellence Awards 2019 – Dubai - for Customer Choice Award – Puravankara Limited
- Construction Week Awards 2019 - Real Estate Person of the Year – Runner Up - Mr. Ashish Puravankara
- Construction Week Awards 2019 - High Rise Project of the Year – Purva Westend
- 14th Construction World Architect & Builder (CWAB) Awards 2019 - India's Top Challengers 2018-19 – Puravankara Limited
- 11th REALTY+ EXCELLENCE AWARDS 2019 – SOUTH - Developer of the Year - Provident Housing Limited
- 11th REALTY+ EXCELLENCE AWARDS 2019 – SOUTH - Affordable Housing Project of the Year - Provident Park Square
- CNBC-AWAAZ 13th Real Estate Awards - Most Trusted Real Estate Brand - Puravankara Limited
- CNBC-AWAAZ 13th Real Estate Awards - 'Special Commendation Award' for remarkable contribution to Affordable Housing sector - Provident Housing Limited
- 11th REALTY+ EXCELLENCE AWARDS 2019 – Pune - Design Project of the Year - PurvaSilversands
- CIA World Awards - Best MD of the Year - Ashish Puravankara
- CIA World Awards - Best Developer in Villas - Smiling Willows
- CIA World Awards -Best Developer for Weekend Homes - Adora De Goa

## 6. Management's discussion of risks and concerns

Risk management is a structured approach to manage uncertainties in a challenging and rapidly evolving market like India, through a process of risk identification and management. In any business enterprise, risk management includes the methods and processes used by organisations to manage risks related to the achievement of their objectives. Risk management and mitigation typically involves the following processes:

- Identifying particular events or circumstances relevant to the organisation's objectives
- Assessing them in terms of magnitude of impact
- Implementing all of the planned methods for mitigating the effect of the risks
- Assigning responsibilities and accountability clearly
- Reporting to the management

- Prioritizing risks with regard to the probabilities of their occurrence and magnitudes of their impact
- Monitoring the progress of risk mitigation and control activities to ensure identified objectives have been completed or are in progress

By identifying and proactively addressing risks and opportunities, business enterprises protect and create value for their stakeholders, including owners, employees, customers, capital providers, regulators, and the society at large. Our Company has appropriate and adequate internal control systems for its business processes and risk mitigation at all levels. The management has identified certain areas of risks to which the Company is susceptible. Listed below are the various events and their possible impacts, along with the actions taken to mitigate and control such probabilities with a view to protecting and generating risk-adjusted returns for our shareholders:

## INDUSTRY RISKS

| Sl. no. | Risk description | Business process | Impact factors | Mitigation measures |
|---|---|---|---|---|
| 1 | Slump in the real estate market/ Significant decline in property prices | Business development | • Reduction in property prices<br>• Impact on demand for properties | • Vast majority of Purva brands sold at ₹6,000 per square feet<br>• Certain flexibility in pricing has also enabled the Company to mitigate this factor<br>• Low land acquisition costs<br>• Ability to adapt to changing circumstances<br>• Low outstanding on land payments<br>• Efforts to reduce construction cost through value engineering |
| 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 ₹6,000 per square feet<br>• Flexible pricing policy<br>• Low cost affordable housing – Provident, which is fast moving |
| 3 | Compulsory land acquisition by government due to development of infrastructure projects | Land acquisition | • Delay in project completion<br>• Exposure to legal disputes and related costs<br>• 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<br>• NOC's from government prior to purchase<br>• Project commenced only after receipt of sanctions from relevant authorities |
| 4 | Loss due to natural calamities | Project execution | • Financial loss<br>• Inability to complete projects on schedule | • Appropriate insurance policies<br>• 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, among others | Business development | • Inability to grow business | • Focus on new acquisitions in other potential locations of Bengaluru<br>• Existing land bank will last for next five years |

## COMPANY SPECIFIC RISKS

| Sl. no. | Risk description | Business process | Impact factors | Mitigation measures |
|---|---|---|---|---|
| 1 | Uncertainties/ Irregularities pertaining to land titles acquired/ developed by Company due to inadequate due diligence, forged documents, JD partners not having clear titles to land, among others | Land acquisition | • Inability to transfer title<br>• Exposure to legal disputes and related costs<br>• Impact on land valuations | • Due diligence by independent and in-house counsel<br>• Representations/Encumbrance certificates<br>• Advertisements/Public notices in newspapers<br>• Suitable monetary compensation to settle disputes<br>• Experience of over 4 decades<br>• Title Insurance can be taken selectively. In any case, title insurance has to be taken as per section 17 of RERA once notified by the Govt. |
| 2 | Delays in completion of projects due to shortage of skilled labour, material, contractors and delays by contractors, among others | Project execution | • Higher construction costs<br>• Impact on reputation/Customer dissatisfaction<br>• Payment of penalties to customers | • Increased usage of mechanised equipment<br>• Supply of labour outsourced to sub-contractors<br>• Dedicated planning department with improved monitoring systems<br>• Penalty clauses for delay in agreements with contractors<br>C Usage of newer and appropriate systems, processes and technologies to minimize external dependencies |
| 3 | Sub-standard construction quality due to dependence on third parties, absence of adequate number of quality structural consultants, sub-standard quality of raw material, among others | Project execution | • Delay in project completion<br>• Impact on reputation<br>• Abortive costs<br>• Potential litigation risk<br>• Defects liability period risk | • In-house construction and quality team<br>• Use of snagging checklists<br>• Structure certified by governmental authorised consultants<br>• Defects liability insurance to be taken<br>• Expert opinion from best in class local consultants<br>• Contractual arrangements to ensure material & service quality standards |
| 4 | New territory risks arising from uncertainty in the natural parameters, inadequate knowledge of local regulations, dilution of control, among others | Project execution | • Delay in project completion due to various reasons<br>• Impact on reputation<br>• Abortive costs<br>• Project costs incorrectly estimated, rise in overall costs | • Expert opinion from best in class local consultants sought, with second opinion wherever required<br>• Location audits on process implementation effectiveness |
| 5 | Loss due to theft, accidents at site, defects, among others | Project execution | • Financial loss<br>• Impact on reputation | • Adequate insurance policies<br>• Security guards<br>• Separate stores management team<br>• Rotation of stores personnel<br>• Asset management system |
| 6 | Inability to adopt/adapt to new technologies | Project execution | • Impact on quality of construction<br>• Delay in project completion<br>• Impact on margins | • Key Management personnel understands and is abreast with the latest technology<br>• MIVAN technology sufficient for next few years<br>• Proposed pre-cast technology usage (initially) |

| | | | | |
|---|---|---|---|---|
| 7 | 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<br>• Compensation/ Litigation costs<br>• Impact on reputation | • Safety officers<br>• Safety programmes<br>• Workmen's insurance policy<br>• Workers employed through contractors are insured by the contractors<br>• Location audits<br>• Company proposes to apply for a safety award |
| 8 | 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<br>• Higher recruitment and training costs<br>• Delay in project execution | • Fast growing company - opportunities are better<br>• Site visits by HR personnel<br>• Defined appraisal system to provide career guidance and feedback<br>• Compensation benchmarking survey<br>• Innovative loyalty building programmes<br>• Introduction of best industry practices<br>• Separate department for grievances of employees and mitigating the same periodically Eg: exit interviews<br>• Skill development programmes across sites and offices |
| 9 | Significant dependence on few members of management/Loss of key management personnel | Human resources | • Loss of experience/ expertise<br>• Loss of key relationships | • Adequate systems and structure for smooth transition<br>• Introduction of succession plan for key managerial personnel |
| 10 | 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, among others | Information technology | • Loss/pilferage of confidential data | • Formal IT policy<br>• Secure connectivity systems to address data integrity through trasnmission between sites and all offices<br>• Strengthening existing controls in ERP<br>• Centralised mail server |
| 11 | Use of unlicensed software due to absence of a software usage policy, periodic monitoring mechanism, among others | Information technology | • Penalties for use of unlicensed software | • Microsoft software asset management review<br>• IT policy indicating software usage to be rolled out<br>• Periodic monitoring mechanism<br>• Group Policy Controls to prevent use of unauthorized software |
| 12 | High network downtime resulting in unavailability of data | Information technology | • Unavailability of data<br>• Delays in payments that could result in delay in Project timelines<br>• Delay in providing information to customers/potential customers | • Rollout of backup lines |

| | | | | |
|---|---|---|---|---|
| 13 | 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, among others | Information technology | • Loss/pilferage of confidential data | • Comprehensive, Well-defined controls are being practiced to regulate access to organization's Systems and Information.<br>• Secured MPLS Links & VPN Tunnels are established to ensure data integrity in transmissions between sites/offices.<br>• Secured the Web Access to ERP System through SSL Certificates.<br>• Centralized Mailing Service both on On-premise and Cloud (O365). Extensive threat protection on Email Communications through O365 and Trend Micro Suites |
| 14 | Inadequate systems security due to cyber security issues such as –<br>- hacking<br>- financial data security<br>- customer data security<br>Other business data security | Information technology-<br>- Anti-virus<br>- Firewalls<br>- Cloud safety measures<br>- Employee data transmissions | • Loss/ pilferage of confidential data | • Trend Micro Security Suite protects against integrated threats through End-points and Network Data.<br>• Redundant Firewalls are in place to secure a Network from both Internal and External Threats. Provides defense against unauthorized connections, potential attackers etc.<br>• Aruba Enterprise Wi-Fi System 7010 with Clearpass Network Access Control (CPPM) Solution secures digital workplace including WAN Traffics.<br>• All external User Access to Corporate Data is being allowed only through SSL-VPN |
| 15 | The Server Room is not fully supported with Redundant Power, Colling and Environmental Monitoring System etc. | Information technology<br>-<br>Unavailability / Inaccessible to business data, Enterprise Applications, Emails etc. | • Unavailability / Inaccessible to business data | • Revamping Project is ON and expected to close by Q4/FY19-20 |
| 16 | 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, unorganised nature of labour market, expansion into new geographies, among others, time schedules under RERA. | Compliance | • Fines/Penalties/ Imprisonment for non-compliance | • In-house expert on relevant regulations<br>• Use of best in class external consultants<br>• Periodic monitoring of checklists that list requirements of VAT, Service Tax, GST, Company's Act and Income Tax<br>• System controls for tax compliance<br>• Robust Internal audit<br>• Dedicated person to track compliance with labour laws<br>• Distribution of detailed checklists to all relevant departments<br>• Proof of compliance prior to making contractor payments<br>• Periodical internal training<br>• Continuous monitoring of project schedule to meet RERA requirements; Phase wise launches |

| | | | | |
|---|---|---|---|---|
| 17 | Customer dissatisfaction with the Sales processes due to over commitments/incorrect information provided by sales personnel, customisation requirements not being adequately addressed, delays in processing agreements, among others | Sales and marketing | • Customer dissatisfaction and hence loss of reputation<br>• Loss of potential customers<br>• Growth<br>• Margins | • Mock flats with specifications<br>• Adequate redressal system for property complaints<br>• Updates on progress of the project through website/mails<br>• Minimal customisation<br>• Projects launched only after receipt of all requisite sanctions<br>• Process of generating/executing agreements being streamlined<br>• Periodic review of complaints received and action taken |
| 18 | Customer dissatisfaction with after sales processes due to lack of a well-defined customer redressal system, disputes over cancellation charges, inadequate property management, post-sale | Sales and marketing | • Customer dissatisfaction and hence loss of reputation<br>• Loss of potential customers<br>• Growth<br>• Margins | • Dedicated customer care department. Target of 24 hours for acknowledging customer queries/complaints<br>• Cancellation charges transparently mentioned in the application forms and sale agreements<br>• PPL handles property management |
| 19 | Reduced margins due to significant escalation in material, labour costs post project commencement/ ineffective planning, among others | Project execution and sales and marketing | • Reduced margins | • Selling strategy - only a certain percentage of apartments are sold upfront<br>• 5% contingency margin in initial estimates, reviewed regularly<br>• Implementation of newer technology to reduce construction timelines<br>• Dedicated Planning department |
| 20 | Inability to anticipate and respond to consumer requirements due to inadequate market research and analysis | Business development and sales and marketing | • Lower demand for properties | • Extensive market Research<br>• Direct sales<br>• Know Your Customer initiatives<br>• Analysis of buying patterns/size of loan disbursements |
| 21 | Presence of fly-by-night operators resulting in decreased demand for Purva properties | Business development | • Loss of potential customers<br>• Educate customers and assess impact | • High quality of construction<br>• Established brand name<br>• Experience of 40+ years |
| 22 | Issues with JV partner | Business development | • Impact on types of projects that the Company undertakes<br>• Growth | • Clearly defined commercial terms for successful relationship |
| 23 | Inability to use acquired land for intended purpose due to non-compliance with permitted land uses, inability to transfer titles to land | Business development | • Exposure to legal disputes and related costs<br>• Delayed project commencement/ Project abandonment<br>• Surrender of excess land held over ceiling | • Comprehensive development plan<br>• Land in green zones/land not zoned is not purchased<br>• Agreements to sell/MoUs in Company's favour<br>• Comprehensive Due diligence process<br>• Involvement of senior management |

| | | | | |
|---|---|---|---|---|
| 24 | Inability to obtain financing/ financing on favourable terms, due to downgrading of debt rating, liquidity crunch, among others | Finance | • Higher financing costs<br>• Mismatch in cash flow | • Maintain optimum net debt-equity ratio<br>• Asset quality is standard<br>• Sell initially well to cover costs and achieve financial closure<br>• Ensure project level cost flows are positive<br>• Regular review of financing obligations, and pro-active course correction<br>• Period review of the loans portfolio with plan for restructuring |
| 25 | Risk of capturing and/or reporting incorrect /inaccurate financial information | Financial reporting | • Incorrect financial reporting | • Centralisation of accounting system, procurement, payments<br>• Audit of controls<br>• Periodic consultation with audit firms |

*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.*

## 7. Internal control and their adequacy

The Company has implemented a well-defined and adequate internal control systems framework with well documented procedures and in-built controls to ensure that all transactions are authorized, recorded and reported correctly, and that the assets are safeguarded, are, and protected against loss from unauthorized use or disposal. The systems framework includes all internal controls to ensure complete integrity of financial reporting, which also reduces the likelihood of fraud. These controls are supplemented by periodic internal audits with management reports, and tested for design of the critical processes and effectiveness, for both site and corporate functions, to ensure the adequacy of internal controls. These internal audit reports are reviewed and monitored not only by the executive management team for corrective action, but also by the Board Audit Committee as well.

We have a qualified and independent Audit Committee consisting of our Board of Directors, including Independent Board members. The Audit Committee regularly reviews the adequacy and efficiency of internal controls and suggests improvements or amendments. These internal controls ensure efficiency in operations, compliance with internal policies of the company and all applicable laws and regulations, protection of resources and accurate reporting of financial transactions.

## 8. Our people

At Puravankara, our people strategy is articulated in our ambition to make the Company the best place to work. We have always believed that delivering a differentiated customer experience relies on getting our employee experience right. This means making sure everyone at Puravankara feels engaged, committed, motivated and inspired to put in their best.

Our business is constantly shaped by fast technological change and we have continuously focused on building future capabilities and careers, with high emphasis placed on renewing our team skills, capabilities and behaviours, while creating a culture that prioritises acceptance to change.

In a dynamic business environment, the way employees look at current and prospective employers is also changing. They expect different career experiences, such as flexible working and exposure to new and upcoming frontiers, eg. digital, while what continues to remain pronounced is for their employer to share their values and ethics.

At Puravankara, with a view to succeed in a fast-paced environment keeping our people at the heart of our transformation strategy, we are changing our career planning and capability development practices in line with these trends. For example, we now outline various career options and help our colleagues get exposure to the latest practices in their chosen fields to enable them to remain relevant. We are also embracing more flexible ways of working to attract people from diverse segments of the society. In doing so, we have also more clearly articulated our purpose so people know what we stand for.

Our human resource development toolkit provides a wide range of learning, skill-building and career-transformation opportunities. Specifically, our learning offering focuses not only on technical skills, but also on broader behavioural competencies – such as resilience and adaptability. We are also focusing on incorporating new technological tools that offer greater transparency of roles, while outlining productivity-enhancing approaches for our people. All these opportunities allow our colleagues to maximise their career potential and enhance their sense of pride at the workplace.

| Employee category | 2019-20 | 2018-19 |
|---|---|---|
| Non-technical | 685 | 685 |
| Technical | 435 | 464 |
| **Total** | **1,120** | **1,149** |

### 9. Opportunity and threats

The very concept of a home and an office space has undergone a substantial directional shift, with reinforced acceptance of it as a safe and secure shelter, as well as a place for home-working, or in the case of an office a secure environment to be productive at work. The pandemic has accelerated these shifts, and customer expectations around these evolving realities are expected to stay for times to come. This requires corporations and institutions to adapt themselves to the new normal, and to be customer centric and flexible in their approach.

As a premium real estate development group of the country, Puravankara has a longstanding 45-year experience in the business, with a consistent value creation track record to show. Much of this durability and sustenance has emanated from the group's ability to perceive trends when they are nascent and transform these into viable customer-facing innovative propositions. Such adaptability has created a solid platform for opportunity capture, even as Puravankara has remained true to its fundamental beliefs of relevant offerings, exemplary customer service, product excellence and sustainable and disciplined financial management.

Today, with well-established foundations, the Group perceives sustainable opportunity in the evolving property development landscape of India.

The Group's value-for-money brand under Provident is synchronous with the needs and aspirations of a strong first-homebuyer community. With affordable pricing, excellent project locations and well-designed spaces in a secure gated community environment, brand Provident is well-positioned to leverage opportunity in India's affordable real estate industry. The Group is also planning for catering to the changed sense of hygiene and, towards this extent, is focusing on making relevant changes across project planning and development.

Similarly, brand Puravankara is also well-placed in the dynamic market environment, catering to the evolving concept of luxury among discerning buyers. Today, under Puravankara WorldHome Collection, the Company is offering the future of smart and sustainable living through home automation in projects that have all luxury conveniences and amenities, including expansive green spaces, air filtration systems etc.

Sensing long-term opportunities in commercial property development, Puravankara has identified few land parcels for commercial development. Some of the projects in this portfolio are in excellent commercial locations and the company is expected to expand this portfolio.

With the need for accelerated project development, yet considering the present-day reality of labour shortages, Puravankara has developed strong competency in the pre-cast construction technology that is at the intersection of high quality and speedy work completion, and with lower labour requirements and dependencies, especially for skilled labour. Supported by a state-of-the-art captive pre-cast factory, Starworth Infrastructure & Construction Limited, a wholly owned subsidiary, expects to fill its order book with a larger number of third-party projects, going into the future.

With its well-established regulatory and compliance frameworks and strong balance sheet, and considering evolving opportunities in industry-wide consolidation, the Group expects to forge strategic JV and partner alliances that will not only accelerate the project development lifecycle, but will also ensureless capital intensity, and therefore lower the need for incremental capital, including debt.

On the corporate front, Puravankara is focused on balance sheet strengthening and debt optimisation, which will have a further positive impact on its financial profile. The Group expects to embrace more judicious capital allocation that prioritises debt reduction, while also securing its future launch pipeline with lower capital intensity, which has been implemented in the last couple of years.

The sector faces challenges on two major counts-capital and regulatory. The availability of timely cost effective capital is critical for the success of any capital intensive business. Following the NBFC crisis triggered by IL&FS, funding to the sector has fallen by over 50%. Rate transmission from lower reference rates has not yet translated for the vast majority of developers. At the same time, regulatory hurdles and procedural delays in clearances affect the profitability of the business across the chain- from land use and acquisition to permissions and construction approvals.

With key industry developments, including consolidation, Puravankara is well-positioned for the future, especially as customers gravitate towards larger and well-established property brands that have a demonstrated track record.

## 10. Financial review

### An overview of our consolidated financial results for FY20 and FY19

According to SEBI (Listing Obligations and Disclosure requirements 2018) (Amendment) Regulations 2018, the Company is required to give details of significant changes (a change of 25% or more as compared to the immediately previous financial year, with explanations) in key sector specific financial ratios.

| Ratios | FY 2020 | FY 2019 |
|---|---|---|
| Debtors Turnover | 7.95 | 8.09 |
| Inventory Turnover | 4.71 | 5.19 |
| Interest Coverage Ratio | 1.41 | 1.52 |
| Current Ratio | 1.17 | 1.18 |
| (Net) Debt-Equity Ratio | 1.34 | 1.48 |
| Operating Profit Margin or EBITDA % | 23.10% | 24.20% |
| Net Profit Margin % | 4.10% | 5.30% |
| **Return on Net Worth** | **4.80%** | **6.30%** |

- Net Debt Equity Ratio improved mainly due to reduction in debt from repayments and prepayments of loans during the year
- Decrease in EBITDA margin is mainly on account of recognition of revenue of low margin projects during the current year and the overall lack of growth in revenue recognized due to the slowdown in handovers and registrations in the last quarter of FY19-20
- Decrease in net profit margin is largely due to lower EBIDTA during the year, due to recognition of revenue of low margin projects during the current year
- Decrease in RONW is largely due to the profit impact due to recognition of revenue of low margin projects during the current year

The following table sets forth certain items derived from our audited consolidated summary financial statements for fiscal 2020 and fiscal 2019 expressed in absolute terms and as a percentage of total revenue for the periods indicated. Amounts have been rounded to ensure percentages total to 100 per cent in a manner deemed appropriate.

| Particulars | March 31, 2020 | | March 31, 2019 | |
|---|---|---|---|---|
| | ₹ in Crore | % | ₹ in Crore | % |
| **Income** | | | | |
| Revenue from operations | 2,128.37 | 97.31% | 2,050.49 | 96.42% |
| Other income | 58.89 | 2.69% | 76.23 | 3.58% |
| **Total** | **2,187.26** | **100.00%** | **2,126.72** | **100.00%** |
| **Expenses** | | | | |
| Sub-contractor cost | 376.54 | 17.22% | 407.82 | 19.18% |
| Cost of raw materials, components and stores consumed | 76.78 | 3.51% | 109.04 | 5.13% |
| Purchase of land stock | 97.07 | 4.44% | 455.14 | 21.40% |
| (Increase)/ decrease in inventories of stock of flats, land stock and work-in-progress | 735.96 | 33.65% | 245.03 | 11.52% |
| Employee benefits expense | 139.26 | 6.37% | 123.93 | 5.83% |
| Finance costs | 343.13 | 15.69% | 328.04 | 15.42% |
| Depreciation and amortization expense | 22.79 | 1.04% | 15.06 | 0.71% |
| Other expenses | 252.35 | 11.54% | 269.17 | 12.66% |
| **Total expenses** | **2,043.88** | **93.44%** | **1,953.23** | **91.84%** |
| **Profit before share of profit/ (loss) from investment in associates and joint ventures** | **143.38** | **6.56%** | **173.49** | **8.16%** |
| Share of loss from investment in associates and joint ventures (after tax) | -3.03 | -0.14% | -1.72 | -0.08% |
| **Profit before tax** | **140.35** | **6.42%** | **171.77** | **8.08%** |
| **Tax expense** | | | | |
| Current tax | 0.05 | 0.00% | 4.48 | 0.21% |
| Deferred tax | 51.95 | 2.38% | 52.94 | 2.49% |
| **Total tax expense** | **52** | **2.38%** | **57.42** | **2.70%** |
| **Profit for the year** | **88.35** | **4.04%** | **114.35** | **5.38%** |
| **Total other comprehensive income** | **1.28** | **0.06%** | **-0.6** | **-0.03%** |
| **Total comprehensive income for the year (comprising profit and OCI)** | **89.63** | **4.10%** | **113.75** | **5.35%** |

## Income

Total income comprises revenues from operations and other incomes. Total income increased to ₹2,187.26 crore in fiscal 2020 by ₹60.54 crore, or 2.85 per cent from ₹2,126.72 crore in fiscal 2019.

## Expenses

Total expenses was ₹2,043.88 crore in fiscal 2020 compared to ₹1,923.23 crore in fiscal 2016.

## Project expenses

Project expenses increased to ₹1,286.35 crore in fiscal 2020 by ₹69.32 crore or 5.70 per cent from ₹1,217.03 crore in fiscal 2019. This is primarily due to the increase in our revenue from operations. Project expenses, as a percentage to the total income increased to 58.81 per cent in fiscal 2019 from 57.23 per cent in fiscal 2019.

## Net profit for the period

Total comprehensive income for the year (comprising profit and OCI)decreased to ₹89.63 crore in fiscal 2020 by ₹24.12 crore, or 21.20 per cent, from ₹113.75 crore in fiscal 2019.

## EBIDTA

EBIDTA stood at ₹509.30 crore in fiscal 2020 from ₹516.59 in fiscal 2019 down by 1.41 per cent.

## Reserves and surplus

Total equity attributable to equity holders of the Company

The total equity attributable to equity holders was ₹1,795.27 crore as at March 31, 2020, compared to ₹1,738.17 crore as at March 31, 2019.

### Retained earnings

Balance in retained earnings increased by ₹57.10 crores due to current year profit of ₹89.63 crore, which is offset by payment of dividend (including dividend distribution tax) of ₹27.37 crore and impact of Ind AS 116 transition of ₹5.16 crore.

### Total borrowings:

Total borrowings decreased by ₹202.40 crore to ₹2,680.27 crore for further details please refer to Notes 21 of the consolidated financial statements.

### Liquidity and capital resources

As of March 31, 2020, the Company had Cash and cash equivalents of ₹106.01 crore. 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 complete the financing of land already purchased and deposits for joint development agreements, but largely for working capital for development of our projects, many of which are being launched for sale in FY20-21. We expect to meet our working capital and liquidity requirements for the year till March 31, 2021 primarily from the cash flows from our business operations, and, if required, project specific construction finance borrowings as may be expedient.

Our growth plans will require us to incur additional expenditure in the current and future fiscals especially for new projects which have been launched recently. We expect that our acquisitions as well as the construction and development costs for our projects will be funded through a combination of internal cash flows and external capital. Our expansion plans and planned expenditure are subject to change based on various factors such as interest rates, property prices and market conditions.

### Credit rating

Credit rating agency ICRA has reaffirmed the long-term debt rating at BBB+ with outlook stable for credit facilities availed by the Company. The outlook on the long-term rating is stable. The reaffirmation in the rating reflects improvement in the Group's debt coverage indicators and the reduction of gross debt by Rs 241 crores in fiscal 2019-20, through a combination of repayment and pre-payment of loans.

## 11. Cautionary statement

Statements and reports made in the above Management Discussion and Analysis may contain forward-looking statements within the meaning of applicable security laws and regulations. These statements that address expectations or projections about the future objectives and business plans, but not limited to the company's strategy for growth, market position, expenditures and financial results, are forward-looking statements. Since these statements and reports are based on certain assumptions and expectations of future events, which are subject to a number of factors and uncertainties, the actual results could materially vary from the views expressed herein. The company cannot undertake that these are accurate or will be realised. All possible care has been taken to ensure that the views and opinions expressed by the company contain its perceptions on the material facts of the company in the normal business operations and it is not exhaustive.

# Consolidated Financial Statements

# INDEPENDENT AUDITOR'S REPORT

To the Members of
Puravankara Limited

## Report on the Audit of the Consolidated Ind AS Financial Statements

### Opinion

We have audited the accompanying consolidated Ind AS financial statements of Puravankara Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures comprising of the consolidated Balance sheet as at March 31, 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group, its associates and joint ventures in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Emphasis of Matter

(i) We draw attention to Note 38 (b) (iv) to the accompanying consolidated Ind AS financial statement in connection with an ongoing litigation. Pending resolution of the litigation, no provision has been made towards the customer's counter-claims and the underlying receivable and inventory are classified as good and recoverable in the accompanying consolidated Ind AS financial statement. Our opinion is not modified in respect of this matter.

(ii) We draw attention to Note 38 (b) (v) to the accompanying consolidated Ind AS financial statement in connection with certain ongoing litigations in the Holding and subsidiary company. Pending resolution of the litigations, based on legal opinions, no provision has been made towards any claims and the underlying recoverable, deposits and advances are classified as good and recoverable in the accompanying consolidated Ind AS financial statement. Our opinion is not modified in respect of this matter.

(iii) We draw attention to Note 2.4 to the accompanying consolidated Ind AS financial statement, which describes the management's evaluation of Covid-19 impact on the future business operations and future cash flows of the Group. In view of the uncertain economic conditions, the management's evaluation of the impact on the subsequent periods is highly dependent upon conditions as they evolve. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Recognition of Revenue from Contract with Customers** (as described in note 39 of the Consolidated Ind AS financial statements) | |
| The Group applies Ind AS 115 for recognition of revenue from real estate projects. The revenue from real estate projects is recognised at a point in time upon the Group satisfying its performance obligation and the customer obtaining control of the underlying asset, which involves significant estimates and judgement.<br><br>For revenue contract forming part of Joint Development Arrangements ('JDA') that are not jointly controlled operations, the revenue from the development and transfer of constructed area/revenue share with a corresponding land/ development rights received by the Group is measured at the fair value of the estimated construction service rendered by the Group to the land owner under JDA. Such revenue is recognised over a period of time in accordance with the requirements of Ind AS 115.<br><br>For contracts involving sale of real estate unit, the Group receives the consideration in accordance with the terms of the contract in proportion of the percentage of completion of such real estate project and represents payments made by customers to secure performance obligation of the Group under the contract enforceable by customers. The assessment of such consideration received from customers involves significant judgment in determining if the contracts with customers involves any financing element.<br><br>Application of Ind AS 115 involves significant judgment in determining when 'control' of the property underlying the performance obligation is transferred to the customer. Further, for revenue contract forming part of JDA, significant estimate is made by the Group in determining the fair value of the underlying revenue.<br><br>As the revenue recognition involves significant estimates and judgement, we regard this as a key audit matter. | Our audit procedures included, among others, the following:<br><br>- We have read the accounting policy for recognition of revenue and assessed compliance of the policy in terms of principles enunciated under Ind AS 115.<br>- We assessed the management evaluation of determining revenue recognition from sale of real estate inventory property at a point in time in accordance with the requirements under Ind AS 115.<br>- We obtained and understood the revenue recognition process and performed test of controls over revenue recognition including determination of point of transfer of control, completion of performance obligation and fair value of estimated construction service under JDA, on a sample basis.<br>- We performed test of details, on a sample basis, and tested the underlying customer/JDA contracts and sale deed/ handover documents, evidencing the transfer of control of the asset to the customer based on which the revenue is recognized at a point of time.<br>- We obtained the joint development agreements entered into by the Company and compared the ratio of constructed area/ revenue sharing arrangement between the Company and the landowner as mentioned in the agreement to the computation statement prepared by the management, on a sample basis.<br>- We obtained and tested the computation of the fair value of the construction service under JDA, on sample basis. |

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| | - We tested the computation for recognition of revenue over a period of time for revenue contracts forming part of JDA and the Group's assessment of stage of completion of projects and project cost estimates on test check basis.<br>- We assessed the disclosures made by Group in compliance with the requirements of Ind AS 115. |
| **Recording of related party transactions and disclosures** (as described in note 40 of the Consolidated Ind AS financial statements) | |
| The Group has undertaken transactions with its related parties in the ordinary course of business at arm's length. These include making new or additional investments in its associates & joint ventures and other related parties and lending and borrowing of loans; and other transactions to or from the related parties.<br><br>We identified the accuracy and completeness of the said related party transactions and its disclosure as set out in respective notes to the Consolidated Ind AS financial statements as a key audit matter due to the significance of transactions with related parties and regulatory compliance thereon. | Our audit procedures included, among others, the following:<br>- Obtained and read the Group's policies, processes and procedures in respect of identifying related parties, obtaining approval, recording and disclosure of related party transactions.<br>- Read minutes of shareholder meetings, board meetings and minutes of meetings of those charged with governance in connection with Group's assessment of related party transactions being in the ordinary course of business at arm's length.<br>- Tested, on a sample basis, related party transactions with the underlying contracts, confirmation letters and other supporting documents.<br>- Agreed the related party information disclosed in the Consolidated Ind AS financial statements with the underlying supporting documents on a sample basis. |
| **Carrying value of inventory and land advances/deposits** (as described in notes 7(a), 10(a) and 14 of the Consolidated Ind AS financial statements) | |
| As at March 31, 2020, the carrying value of the inventory of real estate projects is ₹6,092.53 crores and land advances/deposits of ₹405.98 crores.<br><br>The inventories are carried at lower of cost and Net Realisable Value (NRV). The determination of the NRV involves estimates based on prevailing market conditions and taking into account the estimated future selling price, cost to complete projects and selling costs.<br><br>On account of Covid-19 outbreak and country-wide lockdown thereon, the Group conducted its annual inventory count at a date subsequent to year-end and performed the rollback workings. | Our procedures in assessing the carrying value of the inventories/land advances/deposits included, among others, the following:<br>- We read and evaluated the accounting policies with respect to inventories/land advances/deposits.<br>- We assessed the Group's methodology applied in assessing the carrying value under the relevant accounting standards.<br>- We obtained and tested the computation involved in assessment of carrying value and the net realisable value/ net recoverable value including the effects of COVID 19 on test check basis.<br>- We compared the realisable/recoverable amount of the asset to the carrying value in books on test check basis. |

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| Deposits paid under joint development arrangements, in the nature of non-refundable amounts, are recognised as land advance under other assets and on the launch of the project, the same is transferred as land stock under inventories. Further, advances paid by the Group to the seller/ intermediary towards outright purchase of land is recognised as land advance under other assets during the course of transferring the legal title to the Group, whereupon it is transferred to land stock under inventories.<br>The aforesaid deposits and advances are carried at the lower of the amount paid/payable and net recoverable value, which is based on the Group's assessment including the expected date of commencement and completion of the project and the estimate of sale prices and construction costs of the project.<br>We identified the assessment of the carrying value of inventory and land advances/deposits as a key audit matter due to the significance of the balance to the Consolidated Ind AS financial statements as a whole and the involvement of estimates and judgement in the assessment. | - We made inquiries with the Holding Company's management to understand key assumptions used in determination of the net realisable value/ net recoverable value including the effects of COVID 19 on test check basis.<br>- On account of Covid-19 outbreak and country-wide lockdown thereon, we observed the physical verification of inventory at a date subsequent to year-end and tested the rollback procedures performed by the Group, on a test check basis. |
| **Compliance with repayment terms of borrowings** (as described in note 21 of the Consolidated Ind AS financial statements) | |
| The Group has significant borrowings as it is the key source of funds taken to finance its various real estate development projects as well as for general corporate purpose.<br>We consider compliance with repayment terms of borrowings as a key audit matter as this is a key consideration for appropriate classification of loan balances and relevant disclosures thereon in the Consolidated Ind AS financial statements. Further, compliance with repayment terms is part of Group's assessment of evaluating its gearing and liquidity profile. | Our procedures in relation to compliance with repayment terms of borrowings include, among others, the following:<br>- Obtained an understanding of the process and testing the internal controls over timely repayment of borrowings.<br>- We tested the repayments of borrowings for a sample of transactions by reading the underlying contracts for repayments schedules, comparing the actual cash flows with the repayment schedules and tracing the amounts paid as per books of account to the bank statements.<br>- Assessed the maturity profile of the borrowings to evaluate the classification and disclosure of borrowings on test check basis.<br>- Compared the balances confirmed by the lenders with the balances as per the books of accounts. |
| **Carrying value of Investments and loans made in associate and joint venture entities** (as described in note 6 and 7 of the Consolidated Ind AS financial statements) | |
| As at March 31, 2020, the carrying values of Group's investment in its associate is ₹62.98 crores and joint venture entities is ₹69.48 crores. Further, the Group has granted loans and advances to its associates amounting to ₹ 25.90 crores and joint venture entities amounting to ₹ 73.99 crores Management of the Holding Company reviews on a periodical basis whether there are any indicators of impairment of such investments and loans and advances. | Our procedures in assessing the impairment of the investment included, among others, the following:<br>- We read and evaluated the accounting policies with respect to investment.<br>- We assessed the Group's methodology applied in assessing the carrying value under the relevant accounting standards. |

| Key audit matters | How our audit addressed the key audit matter |
| --- | --- |
| For cases where impairment indicators exist, management of the Holding Company estimates the recoverable amounts of the investments, being higher of fair value less costs of disposal and value in use. Significant judgements are required to determine the key assumptions used in determination of fair value / value in use.<br><br>As the impairment assessment involves significant assumptions and judgement, we regard this as a key audit matter. | - We assessed the Group's valuation methodology and assumptions based on current economic and market conditions including effects of COVID-19 pandemic, applied in determining the recoverable amount.<br>- We compared the recoverable amount of the investment to the carrying value in books.<br>- We obtained and considered management evaluation based on current economic and market conditions including effects of COVID-19 pandemic, applied in determining the recoverability of loans and advances granted to its associates and joint venture entities.<br>- We assessed the financial condition of entities to whom loans and advances were granted by obtaining the most recent audited financial statements of such entities.<br>- We performed inquiries with the management of the Holding Company on the project status and future business plan of entities to whom loans and advances were granted to evaluate their recoverability<br>- We assessed the disclosures made in the Consolidated Ind AS financial statements regarding such investments and loans and advances. |

## Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we will perform, we conclude that there is a material misstatement of this other information, we are required to report that fact.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements.

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint venture entity and management of associate and joint venture partnership are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint venture entity and management of associate and joint venture partnership are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

## Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the

entities or business activities within the Group and its associates and joint ventures of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matter

The accompanying consolidated Ind AS financial statement includes the audited financial statements and other financial information, in respect of:

- 23 subsidiaries, whose financial statements include total assets of ₹644.41 crores as at March 31, 2020, total revenues of ₹457.46 crores, total net profit after tax of ₹62.11 crores, total comprehensive income of ₹62.11 crores and net cash outflows of ₹8.56 crores for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, which have been audited by their respective independent auditors.
- 4 associates and 1 joint venture, whose financial statements include the Group's share of net loss after tax of ₹3.03 crores and total comprehensive loss of ₹3.03 crores for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, which have been audited by their respective independent auditors.

The independent auditor's report on the financial statements and other financial information of these entities have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, its associates and joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to these subsidiaries, its associates and joint ventures, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

## Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) The matter described in Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;

(f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and joint venture company incorporated in India , none of the directors of the Group's companies, its associates companies and joint venture company incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(g) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, associate companies and joint venture company incorporated in India, refer to our separate Report in 'Annexure' to this report;

(h) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiary companies, associate companies and joint venture company incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company, its subsidiary companies, associate companies and joint venture company incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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 report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint venture, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated Ind AS financial position of the Group, its associates and joint ventures in its consolidated Ind AS financial statements – Refer Note 38 (b) to the consolidated Ind AS financial statements;

ii. The Group, its associates and joint ventures did not have any provision for material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies, associate companies and joint venture company incorporated in India during the year ended March 31, 2020.

For **S.R. Batliboi & Associates LLP**
*Chartered Accountants*
ICAI Firm Registration Number: 101049W/E300004

per Adarsh Ranka
Partner
Membership Number: 209567
UDIN: 20209567AAAADK6792

Place: Bengaluru
Date: June 26, 2020

# ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF PURAVANKARA LIMTED

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Puravankara Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Puravankara Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, associate companies and joint venture company which are companies incorporated in India, as of that date.

## Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and joint venture company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

## Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Holding Company, its subsidiary companies, associate companies and joint venture company which are companies incorporated in India, have maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to these 20 subsidiary companies and 3 associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary companies and associate companies incorporated in India.

For **S.R. Batliboi & Associates LLP**
*Chartered Accountants*
ICAI Firm Registration Number: 101049W/E300004

per Adarsh Ranka
Partner
Membership Number: 209567
UDIN: 20209567AAAADK6792

Place: Bengaluru
Date: June 26, 2020

# Consolidated Balance Sheet as at March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Note | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| (a) Property, plant and equipment | 3 | 85.13 | 63.26 |
| (b) Capital work-in-progress | 4A | - | 35.13 |
| (c) Investment property | 4 | 33.73 | 61.61 |
| (d) Intangible assets | 5 | 3.11 | 3.51 |
| (e) Intangible assets under development | 5A | 9.22 | 7.27 |
| (f) Financial assets | | | |
| (i) Investments | | | |
| Investments in associates and joint ventures | 6a | 62.98 | 60.13 |
| Other investments | 6b | 69.48 | 70.07 |
| (ii) Loans | 7a | 316.56 | 304.41 |
| (iii) Other financial assets | 8a | 38.17 | 26.40 |
| (g) Deferred tax assets (net) | 12 | 251.80 | 301.75 |
| (h) Assets for current tax (net) | 9 | 64.28 | 62.67 |
| (i) Other non-current assets | 10a | 154.41 | 166.18 |
| **Total non-current assets** | | **1,088.87** | **1,162.39** |
| **Current assets** | | | |
| (a) Inventories | 14 | 6,092.53 | 6,766.10 |
| (b) Financial assets | | | |
| (i) Trade receivables | 15 | 299.59 | 250.64 |
| (ii) Cash and cash equivalents | 16 | 106.01 | 149.12 |
| (iii) Bank balances other than (ii) above | 17 | 0.89 | 0.32 |
| (iv) Loans | 7b | 80.13 | 74.73 |
| (v) Other financial assets | 8b | 44.70 | 25.43 |
| (c) Other current assets | 10b | 365.83 | 304.83 |
| **Total current assets** | | **6,989.68** | **7,571.17** |
| **Total assets** | | **8,078.55** | **8,733.56** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| (a) Equity share capital | 18 | 118.58 | 118.58 |
| (b) Other equity attributable to: | | | |
| (i) Owners of the parent company | 19 | 1,795.27 | 1,738.17 |
| (ii) Non-controlling interest | | 1.20 | - |
| **Total equity** | | **1,915.05** | **1,856.75** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 21a | 119.84 | 435.39 |
| (ii) Other financial liabilities | 22a | 54.39 | 13.27 |
| (b) Provisions | 23a | 10.06 | 10.47 |
| (c) Deferred tax liabilities (net) | 13 | 7.79 | 8.18 |
| **Total non-current liabilities** | | **192.08** | **467.31** |
| **Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 21b | 932.00 | 693.22 |
| (ii) Trade payables | 24 | | |
| (A) Total outstanding dues of micro enterprises and small enterprises | | 9.22 | 0.48 |
| (B) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 528.33 | 467.12 |
| (iii) Other financial liabilities | 22b | 1,662.44 | 1,804.28 |
| (b) Other current liabilities | 25 | 2,834.02 | 3,434.79 |
| (c) Provisions | 23b | 5.41 | 9.61 |
| (d) Current tax liabilities (net) | 26 | - | - |
| **Total current liabilities** | | **5,971.42** | **6,409.50** |
| **Total equity and liabilities** | | **8,078.55** | **8,733.56** |
| Summary of significant accounting policies | 2.2 | | |

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

As per report of even date

For **S.R. Batliboi & Associates LLP**
*Chartered Accountants*
ICAI Firm registration number: 101049W/E300004

per **Adarsh Ranka**
*Partner*
Membership no.: 209567

Bengaluru
June 26, 2020

For and on behalf of the Board of Directors of **Puravankara Limited**

**Ashish R Puravankara**
*Managing Director*
DIN 00504524

**Nani R Choksey**
*Joint Managing Director*
DIN 00504555

**Kuldeep Chawla**
*Chief Financial Officer*

**Bindu Doraiswamy**
*Company Secretary*

Bengaluru
June 26, 2020

# Consolidated Statement of Profit & Loss for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Note | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 27 | 2,128.37 | 2,050.49 |
| Other income | 28 | 58.89 | 76.23 |
| **Total** | | **2,187.26** | **2,126.72** |
| **Expenses** | | | |
| Sub-contractor cost | | 376.54 | 407.82 |
| Cost of raw materials, components and stores consumed | 29 | 76.78 | 109.04 |
| Purchase of land stock | | 97.07 | 455.14 |
| (Increase)/ decrease in inventories of stock of flats, land stock and work-in-progress | 30 | 735.96 | 245.03 |
| Employee benefits expense | 31 | 139.26 | 123.93 |
| Finance costs | 32 | 343.13 | 328.04 |
| Depreciation and amortization expense | 33 | 22.79 | 15.06 |
| Other expenses | 34 | 252.35 | 269.17 |
| **Total expenses** | | **2,043.88** | **1,953.23** |
| **Profit before share of profit/ (loss) from investment in associates and joint ventures** | | **143.38** | **173.49** |
| Share of loss from investment in associates and joint ventures (after tax) | | (3.03) | (1.72) |
| **Profit before tax** | | **140.35** | **171.77** |
| **Tax expense** | | | |
| Current tax | 11 | 0.05 | 4.48 |
| Deferred tax | | 51.95 | 52.94 |
| **Total tax expense** | | **52.00** | **57.42** |
| **Profit for the year** | | **88.35** | **114.35** |
| **Other Comprehensive Income ('OCI')** | | | |
| Items that will not be reclassified to profit or loss | | | |
| (i) Re-measurement of gains/(losses) on defined benefit plans | | 1.96 | (0.92) |
| (ii) Income tax relating to above | | (0.68) | 0.32 |
| **Total other comprehensive income** | | **1.28** | **(0.60)** |
| **Total comprehensive income for the year (comprising profit and OCI)** | | **89.63** | **113.75** |
| **Profit for the year** | | | |
| Attributable to: | | | |
| Equity holders of the parent | | 88.35 | 114.35 |
| Non-controlling interests | | - | - |
| **Other comprehensive income** | | | |
| Attributable to: | | | |
| Equity holders of the parent | | 1.28 | (0.60) |
| Non-controlling interests | | - | - |
| **Total comprehensive income for the year** | | | |
| Attributable to: | | | |
| Equity holders of the parent | | 89.63 | 113.75 |
| Non-controlling interests | | - | - |
| **Earnings Per equity Share ('EPS')** | | | |
| (Nominal value per equity share ₹5 (March 31, 2019: ₹5) | | | |
| Basic (₹) | | 3.73 | 4.82 |
| Diluted (₹) | | 3.73 | 4.82 |
| **Weighted average number of equity shares used in computation of EPS** | | | |
| Basic - in numbers crores | | 23.72 | 23.72 |
| Diluted - in numbers crores | | 23.72 | 23.72 |
| **Summary of significant accounting policies** | 2.2 | | |

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

As per report of even date

For **S.R. Batliboi & Associates LLP**
*Chartered Accountants*
ICAI Firm registration number: 101049W/E300004

per **Adarsh Ranka**
*Partner*
Membership no.: 209567

Bengaluru
June 26, 2020

For and on behalf of the Board of Directors of **Puravankara Limited**

**Ashish R Puravankara**
*Managing Director*
DIN 00504524

**Nani R Choksey**
*Joint Managing Director*
DIN 00504555

**Kuldeep Chawla**
*Chief Financial Officer*

**Bindu Doraiswamy**
*Company Secretary*

Bengaluru
June 26, 2020

# Consolidated Statement of Cash Flow for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **A. Cash Flow from Operating Activities** | | |
| **Profit before tax** | 140.35 | 171.77 |
| Adjustments to reconcile profit after tax to net cash flows | | |
| Share of loss from investment in associates and joint ventures | 3.03 | 1.72 |
| Depreciation and amortization expense | 22.78 | 15.06 |
| Liabilities no longer required written-back | (7.10) | (26.69) |
| Profit on sale of investment property | - | (26.81) |
| Profit on sale of property, plant and equipment | (0.09) | (0.31) |
| Gain arising from financial instruments designated as FVTPL | (4.85) | (4.74) |
| Finance costs | 343.13 | 328.04 |
| Interest income | (23.71) | (29.83) |
| **Operating profit before working capital changes** | **473.54** | **428.21** |
| Working capital adjustments: | | |
| (Increase)/ decrease in trade receivables | (48.95) | 24.31 |
| (Increase)/ decrease in inventories | 734.23 | 258.78 |
| Decrease/(increase) in loans | (6.59) | (43.83) |
| Decrease/(increase) in other financial assets | (19.27) | 45.57 |
| Decrease/(increase) in other assets | (32.58) | (2.73) |
| Increase/ (decrease) in trade payables | 69.96 | 53.39 |
| Increase/ (decrease) in other financial liabilities | 13.28 | 24.37 |
| Increase/ (decrease) in other liabilities | (587.22) | (883.46) |
| Increase/ (Decrease) in provisions | (4.61) | (7.49) |
| **Cash received from/ (used in) operations** | **591.79** | **(102.88)** |
| Income tax paid (net) | (13.62) | (28.02) |
| **Net cash flows from/ (used in) operating activities** | **578.17** | **(130.90)** |
| **B. Cash flows from investing activities** | | |
| Purchase of property, plant and equipment (including capital work in progress and capital advances) | (19.34) | (19.79) |
| Purchase of intangible assets | (0.81) | (1.65) |
| Purchase of Intangible assets under development | (1.95) | (7.27) |
| Proceeds from sale of property, plant and equipment | 4.30 | 2.33 |
| Proceeds from sale of investment property | - | 35.60 |
| Proceeds from sale of shares of subsidiaries | - | 0.01 |
| Investments in shares of associate | (5.15) | - |
| Loans given to associates and joint ventures | (6.05) | (12.54) |
| Loans repaid by associates and joint ventures | 3.06 | 2.93 |
| Investment in bank deposits (original maturity of more than three months) | (42.98) | (46.54) |
| Redemption of bank deposits (original maturity of more than three months) | 30.65 | 41.86 |
| Interest received | 15.75 | 9.73 |
| **Net cash flows from / (used in) investing activities** | **(22.52)** | **4.67** |

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **C. Cash flows from financing activities** | | |
| Proceeds from secured term loans | 599.52 | 1,458.29 |
| Repayment of secured term loans | (837.10) | (1,022.50) |
| Proceeds from unsecured loan | 16.60 | 99.45 |
| Repayments of unsecured loan | (0.91) | - |
| Equity contribution in subsidiary by non-controlling interest | 1.20 | - |
| Dividends paid (including taxes) | (27.37) | (46.91) |
| Interest paid | (331.18) | (328.04) |
| **Net cash (used in)/from financing activities** | **(579.24)** | **160.29** |
| **Net (decrease)/increase in cash and cash equivalents (A + B + C)** | **(23.59)** | **34.06** |
| **Cash and cash equivalents at the beginning of the year** | **(6.60)** | **(40.66)** |
| **Cash and cash equivalents at the end of the year (as per note 16 to the financial statements)** | **(30.19)** | **(6.60)** |

| Particulars | Notes | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| **Components of cash and cash equivalents** | | | |
| Cash and cash equivalents | 16 | 106.01 | 149.12 |
| Less: Cash credit facilities from banks | 21 | (136.20) | (155.72) |
| Cash and cash equivalents reported in cash flow statement | | (30.19) | (6.60) |
| Summary of significant accounting policies | 2.2 | | |

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

As per report of even date

For **S.R. Batliboi & Associates LLP**
*Chartered Accountants*
ICAI Firm registration number: 101049W/E300004

per **Adarsh Ranka**
*Partner*
Membership no.: 209567

Bengaluru
June 26, 2020

For and on behalf of the Board of Directors of **Puravankara Limited**

**Ashish R Puravankara**
*Managing Director*
DIN 00504524

**Nani R Choksey**
*Joint Managing Director*
DIN 00504555

**Kuldeep Chawla**
*Chief Financial Officer*

**Bindu Doraiswamy**
*Company Secretary*

Bengaluru
June 26, 2020

# Consolidated Statement of Changes in Equity for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

## A. Equity share capital

| Particulars | As at April 1, 2018 | Movement during 2018-19 | As at March 31, 2019 | Movement during 2019-20 | As at March 31, 2020 |
|---|---|---|---|---|---|
| Equity share capital of face value of ₹5 each fully paid 23.72 crore (March 31, 2019 - 23.72 crore) equity shares of ₹ 5 each fully paid | 118.58 | - | 118.58 | - | 118.58 |
| | **118.58** | - | **118.58** | - | **118.58** |

Note: Also refer note 18

## B. Other equity

| Particulars | Reserves and surplus | | | Non-controlling interest | Total |
|---|---|---|---|---|---|
| | Securities premium | General reserve | Retained Earnings | | |
| Balance as at April 1, 2018 | 963.61 | 80.28 | 1,230.70 | - | 2,274.59 |
| Profit for the year | - | - | 114.35 | - | 114.35 |
| Other Comprehensive Income | - | - | (0.60) | - | (0.60) |
| **Total comprehensive income for the year** | **963.61** | **80.28** | **1,344.45** | - | **2,388.34** |
| Ind-AS 115 and Amendments to Ind AS 40 transition impact | | | (603.20) | - | (603.20) |
| Dividends (including tax on dividend) | - | - | (46.97) | - | (46.97) |
| **Balance as at March 31, 2019** | **963.61** | **80.28** | **694.28** | - | **1,738.17** |
| Profit for the year | - | - | 88.35 | - | 88.35 |
| Other Comprehensive Income | - | - | 1.28 | - | 1.28 |
| **Total comprehensive income for the year** | **963.61** | **80.28** | **783.91** | - | **1,827.80** |
| Ind AS 116 transition impact- refer note 37 | - | - | (5.16) | - | (5.16) |
| Investment in equity of group company by non-controlling interest | - | - | - | 1.20 | 1.20 |
| Dividends (including tax on dividend) | - | - | (27.37) | - | (27.37) |
| **Balance as at March 31, 2020** | **963.61** | **80.28** | **751.38** | **1.20** | **1,796.47** |

**Notes:**

1. Also refer note 19
2. As required under Ind AS compliant Schedule III, the Group has recognised remeasurement gains/ (losses) on defined benefit plans (net of tax) of ₹1.28 crores [March 31, 2019: ₹(0.60) crores] as part of retained earnings.

**Summary of significant accounting policies** 2.2

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

As per report of even date

For **S.R. Batliboi & Associates LLP**
*Chartered Accountants*
ICAI Firm registration number: 101049W/E300004

per **Adarsh Ranka**
*Partner*
Membership no.: 209567

Bengaluru
June 26, 2020

For and on behalf of the Board of Directors of **Puravankara Limited**

**Ashish R Puravankara**
*Managing Director*
DIN 00504524

**Nani R Choksey**
*Joint Managing Director*
DIN 00504555

**Kuldeep Chawla**
*Chief Financial Officer*

**Bindu Doraiswamy**
*Company Secretary*

Bengaluru
June 26, 2020

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

## 1. Corporate information

The consolidated Ind AS financial statements comprise financial statements of Puravankara Limited ('PL' or the 'Company' or the 'Holding Company') and its subsidiaries, joint ventures and associates (collectively, the Group) for the year ended March 31, 2020. The Holding Company is a public company domiciled in India and is incorporated on June 3, 1986 under the provisions of the Companies Act applicable in India. The Company's shares are listed on two recognized stock exchanges in India namely National Stock Exchange of India Limited and BSE Limited. The registered office is located at 130/1, Ulsoor Road, Bengaluru 560042, India.

The Group is engaged in the business of real estate development.

The consolidated Ind AS financial statements were authorised for issue in accordance with a resolution of the Board of Directors on June 26, 2020.

## 2. Significant accounting policies

### 2.1.1 Basis of preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III) as amended, as applicable to the consolidated Ind AS financial statements. The consolidated financial statements of the Group are prepared and presented in accordance with Ind AS.

The consolidated Ind AS financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

### 2.1.2 Basis of consolidation

#### i. Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases.

**Consolidation procedure:**

a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b. Offset (eliminate) the carrying amount of the Holding Company's investment in each subsidiary and the Holding Company's portion of equity of each subsidiary. The manner of accounting for any related goodwill is explained below.

c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

d. The financial statements of all subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e., year ended on March 31st and are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

## Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

e. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

f. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI. After initial recognition, goodwill is measured at cost less any accumulated impairment losses and tested for impairment annually.

   When the Group ceases to consolidate for an investment because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for and reclassified to profit or loss.

   Also refer note 43, for the list of entities consolidated in the consolidated Ind AS financial statements.

### 2.2 Summary of significant accounting policies

#### (a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

## Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

### (b) Joint ventures and associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its joint ventures and associates are accounted for using the equity method. Under the equity method, the investment in a joint venture or associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill, if any, relating to the joint venture or associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the joint venture or associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture or associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture or associate are eliminated to the extent of the interest in the joint venture or associate.

If an entity's share of losses of a joint venture or associate equals or exceeds its interest in the joint venture or associate (which includes any long term interest that, in substance, form part of the Group's net investment in the joint venture or associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate. If the joint venture or associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

## Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

The aggregate of the Group's share of profit or loss of a joint venture or associate is shown on the face of the statement of profit and loss.

The financial statements of joint venture or associate used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e., year ended on March 31st and are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture or associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture or associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture or associate and its carrying value, and then recognises the loss as 'Share of profit in joint venture or associate' in the statement of profit or loss.

Upon loss of significant influence over the joint venture or associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture or associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

### (c) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities. The effect of change in an accounting estimate is recognized prospectively.

### (d) Changes in accounting policies and disclosures

The accounting policies adopted and methods of computation followed are consistent with those of the previous financial year, except for items disclosed below.

#### Ind AS 116 Leases:

The Group applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

The Group has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective method recognizing the right of use asset as if the Standard had been applied since the commencement date. The difference between right of use asset and lease liability of ₹5.16 crores have been recognized as transitional adjustment to retained earnings on the date of initial application i.e. April 01, 2019. Accordingly, the comparatives have not been restated and hence not comparable with previous period figures. The effect of this adoption is not significant on the financial results for the year ended March 31, 2020.

#### Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

## Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

Upon adoption of the Appendix C to Ind AS 12, the Group considered whether it has any uncertain tax positions. The Group determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix did not have an impact on the consolidated financial statements of the Group.

### (e) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has evaluated and considered its operating cycle as four years for the purpose of current and non-current classification of assets and liabilities.

Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

### (f) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

## Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the Property, plant and equipment is de-recognized.

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the statement of profit and loss.

Costs of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress. Capital work in progress is stated at cost, net of accumulated impairment loss, if any

### (g) Depreciation on property, plant and equipment and investment property

Depreciation is calculated on straight line method using the following useful lives estimated by the management, which are equal to those prescribed under Schedule II to the Companies Act, 2013, except certain categories of assets whose useful life is estimated by the management based on planned usage and technical evaluation thereon:

| Category of Asset | Useful lives (in years) | Useful lives as per Schedule II (in years) |
|---|---|---|
| Buildings | 60 | 60 |
| Plant, machinery and equipments: | | |
| - Shuttering materials | 7 | 15 |
| - Other plant, machinery and equipments | 10 | 15 |
| Furniture and fixtures | 10 | 10 |
| Computer equipment | | |
| - Servers and networking equipments | 6 | 6 |
| - End user devices | 3 | 3 |
| Office equipment | 5 | 5 |
| Motor Vehicles | 8 | 8 |

Leasehold improvements are amortised over the remaining period of lease or their estimated useful life (10 years), whichever is shorter on straight line basis.

The residual values, useful lives and methods of depreciation of property, plant and equipment and investment property are reviewed at each financial year end and adjusted prospectively, if appropriate.

### (h) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets comprising of computer software are amortized on a written down value basis over a period of six years, which is estimated by the management to be the useful life of the asset.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when asset is derecognized.

## Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

Costs of assets not ready for use at the balance sheet date are disclosed under intangible assets under development.

### (i) Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are de-recognized when the Group transfers control of the same to the buyer. Further the Group also derecognises investment properties when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

### (j) Impairment

#### A. Financial assets

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

#### B. Non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### (k) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where the Group is lessee

A contract is, or contains, a lease if the contract involves –

(a) The use of an identified asset,

(b) The right to obtain substantially all the economic benefits from use of the identified asset, and

(c) The right to direct the use of the identified asset

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### i) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Building - 2 to 20 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.2(h) Impairment of non-financial assets.

### ii) Lease Liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

Where the Group is the lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Assets subject to operating leases are included under Investment property.

Lease income from operating lease is recognized on a straight-line basis over the term of the relevant lease including lease income on fair value of refundable security deposits, unless the lease agreement explicitly states that increase is on account of inflation. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

### (l) Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized/ inventorised as part of the cost of the respective asset. All other borrowing costs are charged to statement of profit and loss.

The Group treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

### (m) Inventories

Direct expenditure relating to real estate activity is inventorised. Other expenditure (including borrowing costs) during construction period is inventorised to the extent the expenditure is directly attributable cost of bringing the asset to its working condition for its intended use. Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the statement of profit and loss. Direct and other expenditure is determined based on specific identification to the real estate activity.

i. Work-in-progress: Represents cost incurred in respect of unsold area (including land) of the real estate development projects or cost incurred on projects where the revenue is yet to be recognized. Work-in-progress is valued at lower of cost and net realizable value.

ii. Finished goods - Stock of Flats: Valued at lower of cost and net realizable value.

iii. Raw materials, components and stores: Valued at lower of cost and net realizable value. Cost is determined based on FIFO basis.

iv. Land stock: Valued at lower of cost and net realizable value.

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

### (n) Land

Advances paid by the Group to the seller/ intermediary toward outright purchase of land is recognised as land advance under other assets during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Group, whereupon it is transferred to land stock under inventories/ capital work in progress.

Land/ development rights received under joint development arrangements ('JDA') is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project. The amount of non-refundable deposit paid by the Group under JDA is recognised as land advance under other assets and on the launch of the project, the non-refundable amount is transferred as land cost to work-in-progress/ capital work in progress. Further, the amount of refundable deposit paid by the Group under JDA is recognized as deposits under loans.

## Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

(o) Revenue recognition

A. Revenue recognition

a. (i) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other credits, if any, as specified in the contract with the customer. The Group presents revenue from contracts with customers net of indirect taxes in its statement of profit and loss.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer, if any.

Revenue from real estate development is recognised at the point in time, when the control of the asset is transferred to the customer.

Revenue consists of sale of undivided share of land and constructed area to the customer, which have been identified by the Group as a single performance obligation, as they are highly interrelated/ interdependent.

The performance obligation in relation to real estate development is satisfied upon completion of project work and transfer of control of the asset to the customer.

For contracts involving sale of real estate unit, the Group receives the consideration in accordance with the terms of the contract in proportion of the percentage of completion of such real estate project and represents payments made by customers to secure performance obligation of the Group under the contract enforceable by customers. Such consideration is received and utilised for specific real estate projects in accordance with the requirements of the Real Estate (Regulation and Development) Act, 2016. Consequently, the Group has concluded that such contracts with customers do not involve any financing element since the same arises for reasons explained above, which is other than for provision of finance to/from the customer.

Further, for projects executed through joint development arrangements not being jointly controlled operations, wherein the land owner/possessor provides land and the Group undertakes to develop properties on such land and in lieu of land owner providing land, the Group has agreed to transfer certain percentage of constructed area or certain percentage of the revenue proceeds, the revenue from the development and transfer of constructed area/revenue sharing arrangement in exchange of such development rights/ land is being accounted on gross basis on launch of the project. Revenue is recognised over time using input method, on the basis of the inputs to the satisfaction of a performance obligation related to the total expected inputs to the satisfaction of that performance obligation.

The revenue is measured at the fair value of the land received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the land received cannot be measured reliably, the revenue is measured at the fair value of the estimated construction service rendered to the land owner, adjusted by the amount of any cash or cash equivalents transferred. The fair value so estimated is considered as the cost of land in the computation of percentage of completion for the purpose of revenue recognition as discussed above.

(ii) Contract balances

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

#### (iii) Cost to obtain a contract

The Group recognises as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. The Group incurs costs such as sales commission when it enters into a new contract, which are directly related to winning the contract. The asset recognised is amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

#### b. Lease income

The Group's policy for recognition of revenue from operating leases is described in note 2.2(k).

### B. Other Income

#### a. Interest income

Interest income, including income arising from other financial instruments measured at amortised cost, is recognised using the effective interest rate method.

#### b. Dividend income

Revenue is recognised when the Group's right to receive dividend is established, which is generally when shareholders approve the dividend.

### (p) Foreign currency translation

#### Functional and presentation currency

The Group's consolidated Ind AS financial statements are presented in Indian rupee (INR), which is also the Holding Company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

#### Foreign currency transactions and balances

i) 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 transaction.

ii) Conversion - Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii) Exchange differences - The Group accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as income or as expense in the period in which they arise.

### (q) Retirement and other employee benefits

Retirement benefits in the form of state governed Employee Provident Fund, Employee State Insurance and Employee Pension Fund Schemes are defined contribution schemes (collectively the 'Schemes'). The Group has no obligation, other than the contribution payable to the Schemes. The Group recognizes contribution payable to the Schemes as expenditure, when an employee renders the related service. The contribution paid in excess of amount due is recognized as an asset and the contribution due in excess of amount paid is recognized as a liability.

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in OCI are not to be subsequently reclassified to statement of profit and loss. As required under Ind AS compliant Schedule III, the Group recognizes re-measurement gains and losses on defined benefit plans (net of tax) to retained earnings.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method, made at the end of each financial year. Actuarial gains/losses are immediately taken to the statement of profit and loss. The Group presents the accumulated leave liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

### (r) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year.

Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

#### i. Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

#### ii. Deferred income tax

Deferred income tax is recognised using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

## Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity) in correlation to the underlying transaction either in OCI or in equity.

### (s) Provisions and contingent liabilities

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses it in the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

### (t) Financial Instruments

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability, except for transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss which are immediately recognized in statement of profit and loss.

#### i. Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### ii. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition.

#### iii. Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

## Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

### iv. Equity investment in subsidiaries, joint ventures and associates

Investment in subsidiaries and associate are carried at cost. Impairment recognized, if any, is reduced from the carrying value.

### v. De-recognition of financial asset

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

### vi. Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts. The subsequent measurement of financial liabilities depends on their classification, which is described below.

### vii. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

### viii. Financial liabilities at amortized cost

Financial liabilities are subsequently measured at amortized cost using the effective interest ('EIR') method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

### ix. De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### x. Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

#### Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### (u) Cash dividend to equity holders of the Holding Company

The Holding Company recognizes a liability to make cash distributions to equity holders of the Holding Company when the distribution is authorized and the distribution is no longer at the discretion of the Holding Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Holding Company's Board of Directors.

### (v) 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. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

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 dilutive potential equity shares.

### (w) Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank borrowings repayable on demand as they are considered an integral part of the Group's cash management.

## 2.3 Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these judgments, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group's accounting policies, management makes judgement, estimates and assumptions which have the most significant effect on the amounts recognized in the financial statements.

The key judgements, estimates and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its judgements, assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due

## Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

### i) Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

#### a) Identification of performance obligation

Revenue consists of sale of undivided share of land and constructed area to the customer, which have been identified by the Group as a single performance obligation, as they are highly interrelated/ interdependent. In assessing whether performance obligations relating to sale of undivided share of land and constructed area are highly interrelated/ interdependent, the Group considers factors such as:

- whether the customer could benefit from the undivided share of land or the constructed area on its own or together with other resources readily available to the customer.
- whether the entity will be able to fulfil its promise under the contract, to transfer the undivided share of land without transfer of constructed area or transfer the constructed area without transfer of undivided share of land.

#### b) Timing of satisfaction of performance obligation

Revenue from sale of real estate units is recognised when (or as) control of such units is transferred to the customer. The entity assesses timing of transfer of control of such units to the customers as transferred over time if one of the following criteria are met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If control is not transferred over time as above, the Group considers the same as transferred at a point in time.

For contracts where control is transferred at a point in time the Group considers the following indicators of the transfer of control of the asset to the customer:

- When the Group obtains a present right to payment for the asset.
- When the Group transfers legal title of the asset to the customer.
- When the Group transfers physical possession of the asset to the customer.
- When the Group transfers significant risks and rewards of ownership of the asset to the customer.
- When the customer has accepted the asset.

The aforesaid indicators of transfer of control are also considered for determination of the timing of derecognition of investment property.

#### c) Accounting for revenue and land cost for projects executed through joint development arrangements

For projects executed through joint development arrangements, the Group has evaluated that land owners are not engaged in the same line of business as the Group and hence has concluded that such arrangements are contracts with customers. The revenue from the development and transfer of constructed area/revenue sharing arrangement and the corresponding land/ development rights

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

received under JDA is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project. The fair value is estimated with reference to the terms of the JDA (whether revenue share or area share) and the related cost that is allocated to discharge the obligation of the Group under the JDA. Fair value of the construction is considered to be the representative fair value of the revenue transaction and land so obtained. Such assessment is carried out at the launch of the real estate project and is not reassessed at each reporting period. The management is of the view that the fair value method and estimates are reflective of the current market condition.

d) Significant financing component

For contracts involving sale of real estate unit, the Group receives the consideration in accordance with the terms of the contract in proportion of the percentage of completion of such real estate project and represents payments made by customers to secure performance obligation of the Group under the contract enforceable by customers. Such consideration is received and utilised for specific real estate projects in accordance with the requirements of the Real Estate (Regulation and Development) Act, 2016. Consequently, the Group has concluded that such contracts with customers do not involve any financing element since the same arises for reasons explained above, which is other than for provision of finance to/from the customer.

ii) Classification of property

The Group determines whether a property is classified as investment property or inventory as below.

Investment property comprises land and buildings (principally office and retail properties) that are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business.

Inventory comprises property that is held for sale in the ordinary course of business. Principally, this is residential and commercial property that the Group develops and intends to sell before or during the course of construction or upon completion of construction.

Estimation of net realizable value for inventory and land advance

Inventory is stated at the lower of cost and net realizable value (NRV).

NRV for completed inventory property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Group, based on comparable transactions identified by the Group for properties in the same geographical market serving the same real estate segment.

NRV in respect of inventory property under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and an estimate of the time value of money to the date of completion.

With respect to land inventory and land advance given, the net recoverable value is based on the present value of future cash flows, which depends on the estimate of, among other things, the likelihood that a project will be completed, the expected date of completion, the discount rate used and the estimation of sale prices and construction costs.

iii) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested.

## Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to disclosure of fair value of investment property recorded by the Group.

### iv) Defined benefit plans - Gratuity

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates and expected salary increase thereon.

### v) Measurement of financial instruments at amortized cost

Financial instrument are subsequently measured at amortized cost using the effective interest ('EIR') method. The computation of amortized cost is sensitive to the inputs to EIR including effective rate of interest, contractual cash flows and the expected life of the financial instrument. Changes in assumptions about these inputs could affect the reported value of financial instruments.

### vi) Basis of Consolidation

For the purpose of consolidation, judgements are involved in determining whether the Group has control over an investee entity by assessing the Group's exposure/rights to variable returns from its involvement with the investee and its ability to affect those returns through its power over the investee entity. The Group considers all facts and circumstances when assessing whether it controls an investee entity and reassess whether it controls an investee entity if facts and circumstances indicate that there are changes to one or more elements of control. In assessing whether the Group has joint control over an investee the Group assesses whether decisions about the relevant activities require the unanimous consent of the parties sharing control. Further, in assessing whether Group has significant influence over an investee, the Group assesses whether it has the power to participate in the financial and operating policy decisions of the investee, but is not in control or joint control of those policies. Changes in judgements about these inputs could affect the reported value in the financial statements.

### vii) Useful life and residual value of property, plant and equipment, investment property and intangible assets

The useful life and residual value of property, plant and equipment, investment property and intangible assets are determined based on evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgements involved in such estimates the useful life and residual value are sensitive to the actual usage in future period.

### viii) Provision for litigations and contingencies

Provision for litigations and contingencies is determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimates the ultimate outcome of such past events and measurement of the obligation amount. Due to judgements involved in such estimation the provision is sensitive to the actual outcome in future periods.

### 2.4 Impact of pandemic Covid-19

World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown with effect from March 25,

## Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

2020 and the Group suspended the operations in all ongoing projects in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations of the Group by way of interruption in project execution, supply chain disruption, unavailability of personnel during the lock-down period.

The Group has considered the possible effects that may result from the Covid-19 pandemic on the carrying value of assets including property, plant and equipment, investment property, investments, inventories, loans, land advance/deposits and receivables. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group, as at the date of approval of these financial results has used internal and external sources of information to assess the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on the current estimates, the Group expects that the carrying amount of these assets, as reflected in the balance sheet as at March 31, 2020, are fully recoverable. the Group has also estimated the future cash flows with the possible effects that may result from the COVID-19 pandemic and does not foresee any adverse impact on realising its assets and in meeting its liabilities as and when they fall due. The actual impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these financial results.

The Central and State Governments have initiated steps to lift the lockdown and the Group will adhere to the same as it resumes its activities. Construction at sites has restarted. The Group will continue to closely observe the evolving scenario and take into account any future developments arising out of the same.

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

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## 3 Property, plant and equipment

| | Building | Plant and machinery | Office equipments | Computer equipments-end user devices | Computer equipments-servers and networking equipments | Furniture and fixtures | Vehicles | Shuttering material | Leasehold improvements | Right of use asset - building* | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Gross carrying amount | | | | | | | | | | | |
| **At April 1, 2018** | 7.04 | 18.70 | 5.29 | 3.24 | 1.86 | 4.55 | 7.91 | 29.37 | 14.75 | - | 92.71 |
| Additions | - | 14.98 | 0.26 | 0.61 | 0.02 | 0.24 | 3.40 | 0.14 | 0.14 | - | 19.79 |
| Disposals | - | (5.24) | (0.64) | (0.85) | (0.08) | (0.01) | (1.47) | (0.55) | - | - | (8.84) |
| **At March 31, 2019** | **7.04** | **28.44** | **4.91** | **3.00** | **1.80** | **4.78** | **9.84** | **28.96** | **14.89** | **-** | **103.66** |
| IND AS 116 transitional impact | - | - | - | - | - | - | - | - | - | 50.12 | 50.12 |
| Additions | - | 6.70 | 0.24 | 0.69 | - | 0.48 | 1.73 | 7.98 | 0.90 | 1.84 | 20.56 |
| Disposals | - | (2.57) | - | (0.10) | - | - | (0.70) | (0.14) | - | (5.60) | (9.11) |
| **At March 31, 2020** | **7.04** | **32.57** | **5.15** | **3.59** | **1.80** | **5.26** | **10.87** | **36.80** | **15.79** | **46.36** | **165.23** |
| Accumulated depreciation | | | | | | | | | | | |
| At April 1, 2018 | 0.88 | 5.95 | 3.48 | 1.76 | 1.57 | 1.50 | 2.58 | 12.15 | 5.18 | - | 35.05 |
| Charge for the year | 0.27 | 2.15 | 0.70 | 0.38 | 0.30 | 0.43 | 1.71 | 3.90 | 1.71 | - | 11.55 |
| Adjustments for disposals | - | (3.02) | (0.43) | (0.79) | (0.07) | (0.01) | (1.39) | (0.49) | - | - | (6.20) |
| **At March 31, 2019** | **1.15** | **5.08** | **3.75** | **1.35** | **1.80** | **1.92** | **2.90** | **15.56** | **6.89** | **-** | **40.40** |
| IND AS 116 transitional impact | - | - | - | - | - | - | - | - | - | 23.51 | 23.51 |
| Charge for the year | 0.12 | 2.62 | 0.51 | 0.73 | - | 0.57 | 1.54 | 4.53 | 2.98 | 7.48 | 21.08 |
| Adjustments for disposals | - | (1.55) | - | (0.09) | - | - | (0.40) | (0.13) | - | (2.72) | (4.89) |
| **At March 31, 2020** | **1.27** | **6.15** | **4.26** | **1.99** | **1.80** | **2.49** | **4.04** | **19.96** | **9.87** | **28.27** | **80.10** |
| **Net block** | | | | | | | | | | | |
| **At March 31, 2019** | **5.89** | **23.36** | **1.16** | **1.65** | **-** | **2.86** | **6.94** | **13.40** | **8.00** | **-** | **63.26** |
| **At March 31, 2020** | **5.77** | **26.42** | **0.89** | **1.60** | **-** | **2.77** | **6.83** | **16.84** | **5.92** | **18.09** | **85.13** |

* Right of use asset represents underlying immovable properties taken under lease agreement. Refer Note 37

Notes:

a. **Capitalized borrowing cost**
   There is no borrowing costs capitalized during the year ended March 31, 2020 (March 31, 2019: Nil)

b. **Property, plant and equipment pledged as security**
   Details of properties pledged are as per note 21

## 4 Investment properties

| Particulars | Land | Building | Total |
|---|---|---|---|
| Gross carrying amount | | | |
| **At April 1, 2018** | 23.22 | 40.59 | 63.81 |
| Additions | - | - | - |
| Disposals | (7.15) | (18.95) | (26.10) |
| Adjustments pursuant to Amendments to Ind AS 40 | 7.15 | 18.95 | 26.10 |
| **At March 31, 2019** | **23.22** | **40.59** | **63.81** |
| Transfer to inventory during the year | (14.14) | (13.59) | (27.73) |
| **At March 31, 2020** | **9.08** | **27.00** | **36.08** |
| **Accumulated depreciation** | | | |
| **At April 1, 2018** | - | 0.06 | 0.06 |
| Charge for the year | - | 1.89 | 1.89 |
| Disposals | - | 2.14 | 2.14 |
| Adjustments pursuant to Amendments to Ind AS 40 | - | (1.89) | (1.89) |
| **At March 31, 2019** | **-** | **2.20** | **2.20** |
| Transfer to inventory during the year | - | (0.34) | (0.34) |
| Charge for the year | - | 0.49 | 0.49 |
| **At March 31, 2020** | **-** | **2.35** | **2.35** |
| **Net block** | | | |
| **At March 31, 2019** | **23.22** | **38.39** | **61.61** |
| **At March 31, 2020** | **9.08** | **24.65** | **33.73** |

Notes:

a. Information regarding income and expenditure of investment properties (including investment properties sold during the year)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Rental income derived from investment properties | 8.89 | 5.45 |
| Direct operating expenses (including repairs and maintenance) generating rental income | (0.72) | (0.85) |
| Profit arising from investment properties before depreciation and indirect expenses | 8.17 | 4.60 |
| Less : Depreciation | (0.49) | (2.14) |
| **Profit arising from investment properties before indirect expenses** | **7.68** | **2.46** |

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(All amounts in Indian ₹ Crore, unless otherwise stated)

## c. Fair valuation information

As at March 31 2020 and March 31, 2019, fair value of the Investment properties are ₹54. 10 crore and ₹81.96 crore respectively.

The fair valuations are based on valuations performed by an accredited independent valuer.

The Group has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements as at balance sheet date. The fair value of investment properties is based on discounted cash flows and classified as level 3 fair value in the fair value hierarchy due to the use of unobservable inputs. There has been no change in valuation techniques used since prior years.

### Description of valuation techniques used and key inputs to valuation of investment properties

| Valuation technique used | Significant unobservable Inputs | Range (weighted average) | |
|---|---|---|---|
| | | March 31, 2020 | March 31, 2019 |
| Discounted cash flow (DCF) method (refer below) | Estimated rental value per sq.ft. per month | 45-55 | 48-55 |
| | Rent growth p.a. | 5.00% | 5.00% |
| | Long-term vacancy rate | 5.00% | 5.00% |
| | Discount rate | 13.27% | 13.27% |

Under the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

## d. Capitalized borrowing cost

There are no borrowing costs capitalized during the year ended March 31, 2020 and March 31, 2019

## e. Investment properties pledged as security

Details of investment properties pledged are as per note no.21.

## 4A. Capital work in progress

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Opening balance** | **35.13** | **36.08** |
| -Additions (subsequent expenditure) | - | 0.17 |
| -Capitalised during the year | (1.88) | (1.12) |
| -Transferred to inventory during the year | (33.25) | - |
| **Closing balance** | **-** | **35.13** |

**Note:**

Capital work in progress pledged as security

Details of capital work in progress pledged are as per note 21

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

## 5 Intangible assets

| Particulars | Computer software | Total |
|---|---|---|
| **Gross carrying amount** | | |
| **At April 1, 2018** | 6.93 | 6.93 |
| Additions | 1.65 | 1.65 |
| Disposals | - | - |
| **At March 31, 2019** | **8.58** | **8.58** |
| Additions | 0.81 | 0.81 |
| Disposals | (0.12) | (0.12) |
| **At March 31, 2020** | **9.27** | **9.27** |
| **Accumulated amortization** | | |
| **At April 1, 2018** | 3.77 | 3.77 |
| Charge for the year | 1.30 | 1.30 |
| Disposals | - | - |
| **At March 31, 2019** | **5.07** | **5.07** |
| Charge for the year | 1.21 | 1.21 |
| Disposals | (0.12) | (0.12) |
| **At March 31, 2020** | **6.16** | **6.16** |
| **Net block** | | |
| **At March 31, 2019** | **3.51** | **3.51** |
| **At March 31, 2020** | **3.11** | **3.11** |

## 5A. Intangible assets under development

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Opening balance** | **7.27** | - |
| -Additions (subsequent expenditure) | 1.95 | 7.27 |
| **Closing balance** | **9.22** | **7.27** |

## 6. Non-current investments

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| a. **Investment in associates and joint ventures accounted for using the equity method (unqouted)** | | |
| **Investment in equity instruments of associates (fully paid-up), net of accumulated profits/ losses** | | |
| Keppel Puravankara Development Private Limited | 55.60 | 52.75 |
| 0.456 crore equity shares (March 31, 2019 - 0.441 crore) of ₹10 each | | |
| Propmart Technologies Limited | - | - |
| 0.234 crore equity shares (March 31, 2019 - 0.234 crore) of ₹10 each | | |
| Sobha Puravankara Aviation Private Limited | - | - |
| 0.478 crore equity shares (March 31, 2019 - 0.478 crore) of ₹10 each | | |
| **Investment in equity instruments of joint venture (fully paid-up)** | | |
| Purva Good Earth Properties Private Limited | - | - |
| 0.001 crore equity shares (March 31, 2019 - 0.001 crore) of ₹10 each | | |
| **Investment in partnership firms (associate)** | | |
| Whitefield Ventures | 7.38 | 7.38 |
| **Investment in limited liability partnerships (joint venture)** | | |
| Pune Projects LLP | - | - |
| | 62.98 | 60.13 |

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(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **b. Other investment (unqouted)** | | |
| **Investment carried at fair value through profit or loss (FVTPL)** | | |
| **Debentures** | | |
| Purva Good Earth Properties Private Limited | 69.48 | 70.07 |
| 0.474 crores optionally convertible debentures of ₹100 each (March 31, 2019 - 0.474 crore) | | |
| | 69.48 | 70.07 |
| **Total Investments** | **132.46** | **130.20** |

Notes:

| | | |
|---|---|---|
| a) Aggregate amount of quoted investments actively traded and market value thereof | - | - |
| b) Aggregate amount of unqouted investments | 132.46 | 130.20 |
| c) Aggregate amount of impairment in value of investments | - | - |

| Name of the firm/partners | March 31, 2020 | | March 31, 2019 | |
|---|---|---|---|---|
| | Capital | Profit sharing ratio | Capital | Profit sharing ratio |
| **Whitefield Ventures** | | | | |
| Mr. B S Narayanan | 0.95 | 0.50% | 0.95 | 0.50% |
| Mrs. Geetha Sanjay Vhatkar | 0.01 | 0.50% | 0.01 | 0.50% |
| M/s Golflinks Software Park Private Limited | 0.86 | 0.50% | 0.86 | 0.50% |
| Puravankara Limited | 7.38 | 42.00% | 7.38 | 42.00% |
| M/s Embassy Property Developments Private Limited | 0.11 | 6.75% | 0.11 | 6.75% |
| Mr. K J Kuruvilla | 0.18 | 10.00% | 0.18 | 10.00% |
| Mrs. Suja George | 0.18 | 9.75% | 0.18 | 9.75% |
| Mr. Rana George | 0.18 | 10.00% | 0.18 | 10.00% |
| Mr. Karan Virwani | 0.35 | 20.00% | 0.35 | 20.00% |
| **Total** | **10.20** | **100.00%** | **10.20** | **100.00%** |

## 7. Loans

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **a. Non current** | | |
| **Unsecured, considered good** | | |
| Security deposits | 12.16 | 26.71 |
| Loans to associates (refer note 40) | 19.76 | 18.77 |
| Deposits under joint development arrangements* | 284.64 | 258.93 |
| | **316.56** | **304.41** |

* Advances paid by the Group to the landowner towards joint development of land is recognized as deposits since the advance is in the nature of refundable deposits. Includes an amount of ₹238.29 crores (March 31, 2019: ₹159.31 crores) which is advanced for a period of more than 3 years and the management is confident of recovery/launch of these projects in the future.

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **b. Current** | | |
| **(Unsecured, considered good)** | | |
| Loans to joint ventures (refer note 40) | 73.99 | 70.39 |
| Loans to associates (refer note 40) | 6.14 | 4.34 |
| | **80.13** | **74.73** |
| | **396.69** | **379.14** |

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

**Loans and advances due by directors or other officers, etc.**

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Loans to joint ventures and associates include | | |
| Due from Pune Projects LLP in which the Company is a Partner | 73.97 | 64.84 |
| Due from Purva Good Earth Properties Private Limited in which the Company's director is a director | 6.14 | 4.92 |
| Due from Propmart Technologies Limited in which the Company's director is a director | 19.76 | 19.84 |
| Due from Whitefield Ventures in which the Company is a Partner | 0.02 | - |

## 8. Other financial assets

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| a. **Non current** | | |
| Non-current bank balances (refer note 17) | 38.17 | 26.40 |
| | **38.17** | **26.40** |
| b. Current | | |
| Unbilled revenue | 13.82 | 12.74 |
| Recoverables under joint development arrangement | 28.79 | 9.85 |
| Other receivables | 2.09 | 2.84 |
| | **44.70** | **25.43** |
| | **82.87** | **51.83** |

## 9. Assets for current tax (net)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Advance income tax (net of provision for taxation ₹253.88 crores (March 31, 2019 ₹264.71 crores) | 64.28 | 62.67 |
| | 64.28 | 62.67 |

## 10. Other assets

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| a. **Non-current** | | |
| Capital advance | - | 3.55 |
| Deposits with government authorities | 10.81 | 9.68 |
| Advances for land contracts* | 121.34 | 119.68 |
| Prepaid expenses | 12.08 | 16.90 |
| Duties and taxes recoverable | 7.24 | 12.26 |
| Other advances | 2.94 | 4.11 |
| | **154.41** | **166.18** |
| b. **Current** | | |
| Advances to suppliers | 247.67 | 221.64 |
| Prepaid expenses | 23.73 | 20.81 |
| Duties and taxes recoverable | 48.99 | 30.55 |
| Other receivables | 45.44 | 31.83 |
| | **365.83** | **304.83** |
| | **520.24** | **471.01** |

* Advances for land though unsecured, are considered good as the advances have been given based on arrangements/ memorandum of understanding executed by the Group and the Group/ seller/ intermediary is in the course of obtaining clear and marketable title, free from all encumbrances, including for certain properties under litigation. Includes an amount of ₹66.98 crores (March 31, 2019: ₹103.00 crores) which is advanced more than 3 years and the management is confident of obtaining clear and marketable title in the future.

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

## 11. Income Tax

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are: | | |
| Statement of profit and loss: | | |
| **Profit or loss section:** | | |
| **Current tax:** | | |
| Current income tax charge | 0.05 | 4.48 |
| **Deferred tax:** | | |
| Relating to origination/ reversal of temporary differences | | |
| > Decrease/(increase) in deferred tax assets | 60.44 | 55.26 |
| > (Decrease)/increase in deferred tax liabilities | (7.44) | 2.28 |
| Others | (1.05) | (4.59) |
| | **51.95** | **52.94** |
| **Income tax expense reported in the statement of profit and loss** | **52.00** | **57.42** |
| **OCI section:** | | |
| **Deferred tax related to items recognised in OCI during the year:** | | |
| Re-measurement gains/(losses) on defined benefit plans | (0.68) | 0.32 |
| **Income tax charged to OCI** | **(0.68)** | **0.32** |
| **Reconciliation of tax expense and the accounting profit multiplied by India's tax rate** | | |
| **Accounting profit before income tax** | **143.38** | **173.49** |
| Effective tax rate in India | 34.944% | 34.944% |
| Tax on accounting profit at statutory income tax rate [34.944%] | 50.10 | 60.62 |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: | | |
| Effect of non-deductible expenses | 1.77 | 1.41 |
| Exempt incomes | - | (2.10) |
| Tax on deemed rental value of unsold flats | 2.53 | - |
| Long term capital gains taxed at lower rate | - | (4.69) |
| Lower tax rates in subsidiaries net of adoption of new tax regime in subsidiary | (4.06) | - |
| Others | 1.66 | 2.18 |
| **Income tax expense** | **52.00** | **57.42** |

The Taxation Laws (Amendment) Ordinance, 2019 ('the Ordinance') provides an option to domestic companies to pay income-tax at a lower rate of 25.17% instead of the normal rate of 34.94%, if it opts for not availing of certain specified exemptions or incentives. The Group has made an assessment of the impact of the Ordinance and has decided to not opt for the lower tax rate of 25.17% except in certain subsidiaries. Consequently, the Group has continued to measure the current and deferred taxes at the normal rate of 34.94% for companies which have not opted for the lower tax rate and at 25.17% for companies which have opted for the lower tax rate.

## 12. Deferred tax assets (net)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Deferred tax asset arising on account of :** | | |
| Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes in subsequent years | 32.37 | 35.49 |
| Carry forward of losses | 117.63 | 115.34 |
| MAT credit entitlement | 18.94 | 18.94 |
| Impact of Ind AS 115 | 62.96 | 113.81 |
| Impact of Ind AS 116 | 2.76 | - |

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Impact of elimination of unrealised profit on consolidation | 10.01 | 12.69 |
| Others | 17.78 | 23.18 |
| | **262.45** | **319.45** |
| **Less: Deferred tax liability arising on account of :** | | |
| Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting | 0.16 | (0.29) |
| Impact of financial assets and liabilities carried at amortized cost | (1.47) | (2.45) |
| Impact of carrying debentures at FVTPL | (4.13) | (4.13) |
| Others | (5.21) | (10.83) |
| | **(10.65)** | **(17.70)** |
| **Deferred tax assets (net)** | **251.80** | **301.75** |
| **Reconciliation of deferred tax assets, net** | | |
| Net deferred tax asset at the beginning of the year | 293.57 | 44.97 |
| Tax income/(expense) during the year recognized in profit and loss | (51.95) | (52.94) |
| Tax income/(expense) during the year recognized in OCI | 0.68 | (0.32) |
| Transition impact of adoption of Ind AS 115 | - | 306.45 |
| Transition impact of adoption of Ind AS 116 | 2.76 | - |
| Others | (1.05) | (4.59) |
| **Net deferred tax asset at the end of the year** | **244.01** | **293.57** |

## 13. Deferred tax liabilities (net)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Deferred tax liabilities arising on account of :** | | |
| Share of profit from investment in associate | 7.79 | 8.18 |
| | **7.79** | **8.18** |
| **Less: Deferred tax asset arising on account of :** | | |
| Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting | - | - |
| | - | - |
| **Deferred tax liabilities (net)** | **7.79** | **8.18** |

## 14. Inventories

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Raw materials, components and stores | 17.18 | 15.43 |
| Land stock | 1,091.33 | 1,064.02 |
| Work-in-progress | 3,953.20 | 4,123.71 |
| Stock of flats | 1,030.82 | 1,562.94 |
| | **6,092.53** | **6,766.10** |

Note: Details of assets pledged as per Note No. 21

## 15. Trade receivables

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Unsecured, considered good** | | |
| Dues from related parties | 1.98 | - |
| Dues from others | 297.61 | 250.64 |
| | **299.59** | **250.64** |
| Note: Details of assets pledged are as per note no. 21 | | |
| | | |
| Trade receivables include receivable due from directors or other officers, etc. | | |
| Dues from Propmart Technologies Limited in which Company's director is a director | 0.10 | - |
| Due from Pune Projects LLP in which the Company is a Partner | 0.57 | 0.28 |
| Dues from Purva Good Earth Properties Private Limited in which Company's director is a director | 1.31 | - |

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

## 16. Cash and cash equivalents

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Balances with banks | | |
| In current accounts | 104.61 | 140.36 |
| Book overdrafts | - | - |
| Bank deposits with original maturity upto three months | 1.00 | 8.52 |
| Cash on hand | 0.40 | 0.24 |
| | **106.01** | **149.12** |

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Balances with banks | | |
| In current accounts | 104.61 | 140.36 |
| Bank deposits with original maturity upto three months | 1.00 | 8.52 |
| Cash on hand | 0.40 | 0.24 |
| Cash and cash equivalents reported in balance sheet | 106.01 | 149.12 |
| Less - cash credit facilities from banks (note 21) | (136.20) | (155.72) |
| Cash and cash equivalents reported in cash flow statement | **(30.19)** | **(6.60)** |

### Note 1

### Changes in liabilities arising from financing activities

| | |
|---|---|
| **(a) Borrowings (including current maturities):** | |
| Balance as at April 1, 2018 | 2,380.21 |
| Add: Cash inflows | 1,557.74 |
| Less: Cash outflows | (1,039.75) |
| Add: Interest accrued during the year | 328.04 |
| Less: Interest paid | (328.04) |
| Others | (2.94) |
| **Balance as at March 31, 2019** | **2,895.26** |
| Add: Cash inflows | 616.12 |
| Less: Cash outflows | (856.62) |
| Add: Interest accrued during the year | 343.13 |
| Less: Interest paid | (331.18) |
| Others | 3.56 |
| **Balance as at March 31, 2020** | **2,670.27** |
| **(b) Dividends payable (including taxes):** | |
| Balance as at April 1, 2018 | 0.12 |
| Add: Dividend declared | 46.97 |
| Less: Dividend paid | (46.91) |
| Balance as at April 1, 2019 | 0.18 |
| Add: Dividend declared | 27.37 |
| Less: Dividend paid | (27.37) |
| **Balance as at March 31, 2020** | **0.19** |

## 17. Bank balances other than cash and cash equivalents

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Current** | | |
| Unpaid dividend account | 0.19 | 0.18 |
| Deposits with original maturity more than 3 months but less than 12 months | 0.70 | 0.14 |
| | **0.89** | **0.32** |
| **Non-current** | | |
| Margin money deposit | 38.17 | 26.40 |
| | **38.17** | **26.40** |
| Less: Amount disclosed under non-current financial assets (refer note 8) | **(38.17)** | **(26.40)** |
| | - | - |

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

Notes:

1) Margin money deposits represent earmarked bank balances restricted for use held as margin money for security against the guarantees and deposits which are subject to first charge to secure the Group's borrowings.
2) Unpaid dividend account represents bank balances which are restricted for use and it relates to unclaimed dividend.
3) As at March 31, 2020, the Group had available ₹468.66 crores (March 31, 2019 ₹732.59 crores) of undrawn committed borrowing facilities.

## 18. Equity Share Capital

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Authorized shares** | | |
| Equity share capital of face value of ₹5 each | | |
| 32.00 crore (March 31, 2019 - 32.00 crore) equity shares of ₹5 each | 160.00 | 160.00 |
| **Issued, subscribed and fully paid-up shares** | | |
| Equity share capital of face value of ₹5 each | | |
| 23.72 crore (March 31, 2019 - 23.72 crore) equity shares of ₹5 each | 118.58 | 118.58 |
| | **118.58** | **118.58** |

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

Equity shares

| Particulars | March 31, 2020 | | March 31, 2019 | |
|---|---|---|---|---|
| | No. in crore | ₹Crore | No. in crore | ₹Crore |
| Balance at the beginning of the year | 23.72 | 118.58 | 23.72 | 118.58 |
| Movement during the year | - | - | - | - |
| **Outstanding at the end of the year** | **23.72** | **118.58** | **23.72** | **118.58** |

### 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.

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

| Particulars | March 31, 2020 | | March 31, 2019 | |
|---|---|---|---|---|
| | No. in crore | % holding in the class | No. in crore | % holding in the class |
| Equity shares of ₹5 each fully paid-up | | | | |
| Ravi Puravankara | 17.79 | 74.99% | 17.79 | 74.99% |

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.

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

## 19. Other Equity

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Reserves and surplus** | | |
| **Securities premium** | | |
| Balance at the beginning of the year | 963.61 | 963.61 |
| Adjustment made during the year | - | - |
| **Balance at the end of the year** | **963.61** | **963.61** |
| **General reserve** | | |
| Balance at the beginning of the year | 80.28 | 80.28 |
| Add: Transferred from surplus in the statement of profit and loss | - | - |
| **Balance at the end of the year** | **80.28** | **80.28** |
| **Retained earnings** | | |
| Balance at the beginning of the year | 694.28 | 1,230.70 |
| Dividend (including dividend distribution tax) - refer note 20 | (27.37) | (46.97) |
| Total comprehensive income for the year | 89.63 | 113.75 |
| Transition impact of adoption of Ind AS 115 and Amendments to Ind AS 40 | - | (603.20) |
| Ind AS 116 transition impact- refer note 37 | (5.16) | - |
| **Balance at the end of the year** | **751.38** | **694.28** |
| **Other equity attributable to the owners of the parent company** | **1,795.27** | **1,738.17** |

### Nature and purpose of reserves:

1. **Securities premium**

   Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

2. **General reserve**

   Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

## 20. Distribution made and proposed

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Cash dividends on equity shares declared and paid | | |
| Final dividend<br>[₹1 per share for the year ended March 31, 2019<br>(March 31, 2019: ₹1.60 per share for the year ended March 31, 2018)] | 23.72 | 37.94 |
| Dividend distribution tax (DDT) on final dividend<br>[including DDT on dividend paid by subsidiaries of ₹2.16 crores<br>(March 31, 2019: ₹1.23 crores)] | 3.65 | 9.03 |
| | **27.37** | **46.97** |

### Note: Details of proposed dividend on equity shares *

| | | |
|---|---|---|
| Proposed dividend [₹nil per share (March 31, 2019 : ₹1 per share)] | - | 23.72 |
| Dividend distribution tax on proposed dividend | - | 4.87 |

* Proposed dividends on equity shares represent dividend proposed by the Board of directors of the Company upto the date of approval of the financial statements for issue, which are subject to approval at ensuing annual general meeting and are not recognized as a liability (including DDT thereon) as at the balance sheet date.

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

## 21. Borrowings

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **a. Non-current borrowings** | | |
| **Secured loans** | | |
| **Term loans** | | |
| From banks | 735.61 | 1,094.87 |
| From others | 1,002.66 | 1,107.17 |
| | **1,738.27** | **2,202.04** |
| Amount disclosed under "Other current financial liabilities" (refer note 22b)* | (1,618.43) | (1,766.65) |
| | **119.84** | **435.39** |
| **b. Current borrowings** | | |
| **Unsecured** | | |
| **Loans repayable on demand** | | |
| Loans from related parties | 5.29 | 5.28 |
| **Term loans** | | |
| Others | 133.50 | 124.45 |
| **Secured** | | |
| **Loans repayable on demand** | | |
| Cash credit and other loan from banks | 136.20 | 155.72 |
| **Others** | | |
| **Term loans** | | |
| From banks | 257.95 | 50.00 |
| From others | 310.18 | 357.77 |
| **Debentures** | | |
| 500 A Series 16.95% unlisted unrated secured redeemable non-convertible debentures of ₹10 lakh each | 49.23 | - |
| 400 B Series 16.95% unlisted unrated secured redeemable non-convertible debentures of ₹10 lakh each | 39.64 | - |
| | **932.00** | **693.22** |
| | **1,051.84** | **1,128.61** |

**Note 1:** Amount of current borrowings repayable within twelve months is ₹334.93 crores (March 31, 2019: ₹58.17 crores)

**Note 2:** Pursuant to the Companies (Share Capital and Debentures) Amendment Rules, 2019, for listed companies Debenture Redemption Reserve (DRR) is not required to be created in case of privately placed debentures. Accordingly, the Group has not transferred any sum to DRR.

### Note 1: Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Trade receivables | 266.76 | 184.01 |
| Inventories | 4,216.38 | 4,584.06 |
| Vehicles | 3.42 | 3.86 |
| Property, plant and equipment | 22.87 | 14.22 |
| Capital work in progress | - | 33.42 |
| Total assets pledged as securities | **4,509.43** | **4,819.57** |

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

## Note 2: Details of nature of security, guarantees given by directors and repayment terms of borrowings

### Non-current borrowings

| Category of loan | March 31, 2020 | March 31, 2019 | Effective interest rate | Maturity | Repayment details | Nature of security |
|---|---|---|---|---|---|---|
| Term loans from banks | 108.70 | 99.53 | 10-11% | 2022 | 24 installments | 1. Underlying project inventory and assignment of project receivables 2. Fund shortfall undertaking by the director of the Company towards funding of underlying projects/ working capital. |
| Term loans from banks | 616.31 | 983.04 | 10 - 11% | 2023-2024 | 12 to 36 installments | Underlying project inventory and assignment of project receivables |
| Term loans from banks | 7.18 | 9.60 | 8-10% | 2022-2023 | 48-60 instalments | Hypothecation of underlying equipment |
| Term loans from banks | 3.42 | 2.66 | 9-10% | 2023-2024 | 60 instalments | Vehicles |
| **Subtotal** | **735.61** | **1,094.83** | | | | |
| Term loans from others | 849.16 | 909.04 | 10-15% | 2021-2024 | 24 to 36 instalments | Underlying project inventory and assignment of project receivables |
| Term loans from others | 145.83 | 194.14 | 10-11% | 2023 | 48 instalment | Underlying project inventory |
| Term loans from others | 0.53 | 0.55 | 9-10% | 2020-2024 | 36 to 60 instalments | Vehicles |
| Term loans from others | 7.14 | 3.44 | 9-10% | 2020-2021 | 36 to 60 instalments | Hypothecation of underlying equipment |
| **Subtotal** | **1,002.66** | **1,107.17** | | | | |
| **Total** | **1,738.27** | **2,202.00** | | | | |

### Current borrowings

| Category of loan | March 31, 2020 | March 31, 2019 | Effective interest rate | Maturity | Repayment details | Nature of security |
|---|---|---|---|---|---|---|
| Term loans from banks | 244.34 | 50.00 | 10-13% | 2020-2023 | 12 - 36 instalments | Underlying project inventory and assignment of project receivables |
| Term loans from banks | 13.63 | - | 7-8% | 2021 | To be repaid in Mar 2021 | Secured against term deposits |
| **Subtotal** | **257.97** | **50.00** | | | | |
| Term loans from others | 270.00 | 266.14 | 11-16% | 2020 - 2024 | 1 - 24 instalments | Underlying project inventory and assignment of project receivables |
| Term loans from others | 40.18 | 91.67 | 10-11% | 2021 | 24 instalments | Underlying project inventory |
| Term loans from others | 133.50 | 124.45 | 11-16% | 2020 | To be repaid by Nov 2020 | Unsecured |
| **Subtotal** | **443.68** | **482.26** | | | | |
| Cash credit and other loan from banks | - | 49.11 | 10.50% | On demand | On demand | 1. Underlying project inventory and investment property. 2. Personal guarantee of Directors of the Company |
| Cash credit and other loan from banks | 16.37 | 79.61 | 10-11% | On demand | On demand | Underlying project inventory |
| Cash credit and other loan from banks | 119.82 | - | 10-12% | On demand | On demand | Underlying project inventory and assignment of project receivables |
| **Subtotal** | **136.19** | **128.72** | | | | |
| Debentures | 88.87 | - | 16-17% | 2022 | 24 instalments | Underlying project inventory and assignment of project receivables |
| **Subtotal** | **88.87** | - | | | | |
| Loans from related parties | 5.29 | 9.68 | 10-11% | On demand | On demand | Unsecured |
| **Subtotal** | **5.29** | **9.68** | | | | |
| **Total** | **932.00** | **670.66** | | | | |

## Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

### 22. Other financial liabilities

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| a. Non current | | |
| Security deposits | 18.52 | 13.27 |
| Lease Liability (refer note 37) | 16.13 | - |
| Deferred Revenue | 19.74 | - |
| | **54.39** | **13.27** |
| b. Current | | |
| Current maturities of long term borrowings (note 21) | 1,618.43 | 1,766.65 |
| Security deposits | 2.29 | - |
| Lease Liability (refer note 37) | 8.15 | - |
| Other payables | 33.57 | 37.63 |
| | **1,662.44** | **1,804.28** |
| | **1,716.83** | **1,817.55** |

**Note:** Amount of current maturities of non-current borrowings repayable within twelve months is ₹169.20 crores (March 31, 2019: ₹201.10 crores)

### 23. Provisions

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| a. Non current | | |
| Provision for employee benefits | | |
| Gratuity (refer note 41) | 9.95 | 10.47 |
| Leave benefits | 0.11 | - |
| | **10.06** | **10.47** |
| b. Current | | |
| Provision for employee benefits | | |
| Gratuity (refer note 41) | 1.47 | 1.65 |
| Leave benefits | 0.28 | 2.31 |
| | **1.75** | **3.96** |
| Other provisions | | |
| Provision for contract losses | - | 5.65 |
| Others | 3.66 | - |
| | **5.41** | **9.61** |
| | **15.47** | **20.08** |

### 24. Trade Payables

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Trade payable | | |
| - Payable to related parties | 85.19 | 85.00 |
| - Payable to others | 452.36 | 382.60 |
| | **537.55** | **467.60** |

### 25. Other current liabilities

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Deferred revenue | 1,761.11 | 2,359.25 |
| Statutory dues payable | 8.96 | 5.83 |
| Liability under joint development arrangement* | 1,046.15 | 1,063.40 |
| Unpaid dividend | 0.19 | 0.18 |
| Other payables | 17.61 | 6.13 |
| | **2,834.02** | **3,434.79** |

*Includes amount payable to landowners where the Group has entered into joint development arrangements with landowners for joint development of properties on land in lieu of which, the Group has agreed to transfer certain percentage of constructed area/ revenue proceeds, net of revenue recognised.

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

## 26. Current tax liabilities (net)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Provision for income tax net of advance tax ₹Nil crores (March 31, 2019 ₹53.79 crores) | - | - |
| | - | - |

## 27. Revenue from operations

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Revenue from contracts with customers | | |
| Revenue from real estate development (refer note 39) | 2,109.31 | 2,009.40 |
| **(A)** | **2,109.31** | **2,009.40** |
| Other operating revenues | | |
| Lease income | 8.89 | 5.23 |
| Profit on sale of investment property | - | 26.81 |
| Others | 10.17 | 9.05 |
| **(B)** | **19.06** | **41.09** |
| **(A)+(B)** | **2,128.37** | **2,050.49** |

## 28. Other income

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Interest on financial assets: | | |
| Bank deposits | 0.75 | 0.37 |
| Security deposits | 16.97 | 15.57 |
| Loans to associates | 3.98 | 4.53 |
| Others | 2.00 | 9.36 |
| Profit on sale of property, plant and equipment | 0.09 | 0.31 |
| Provisions / liabilities no longer required written-back | 7.10 | 26.69 |
| Gain arising from financial instruments designated as FVTPL | 4.85 | 4.74 |
| Others | 23.15 | 14.66 |
| | **58.89** | **76.23** |

## 29. Cost of raw materials, components and stores consumed

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Inventories at the beginning of the year | 15.43 | 26.55 |
| Add : Purchases during the year | 78.53 | 97.92 |
| | **93.96** | **124.47** |
| Less : Inventories at the end of the year | 17.18 | 15.43 |
| Cost of raw materials, components and stores consumed | **76.78** | **109.04** |

## 30. (Increase)/ decrease in inventories of stock of flats, land stock and work-in-progress

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Inventories at the beginning of the year | | |
| Land stock | 1,064.02 | 848.74 |
| Work-in-progress | 4,123.71 | 2,938.42 |
| Stock of flats | 1,562.94 | 873.35 |
| Less: Transition adjustments pursuant to Ind-AS 115 | - | 2,332.56 |
| Add: Transferred from CWIP/ investment property | 60.64 | - |
| Add: Inventory of newly acquired subsidiary | - | 2.63 |
| Inventories at the end of the year | | |
| Land stock | 1,091.33 | 1,064.02 |
| Work-in-progress | 3,953.20 | 4,123.71 |
| Stock of flats | 1,030.82 | 1,562.94 |
| | **735.96** | **245.03** |

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

## 31. Employee benefits expense

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Salaries, wages and bonus | 133.16 | 117.58 |
| Contribution to provident fund and other funds | 3.61 | 4.06 |
| Staff welfare | 2.49 | 2.29 |
| | **139.26** | **123.93** |

## 32. Finance costs

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Finance costs | | |
| Interest on financial liabilities | | |
| - Borrowings* | 313.96 | 309.87 |
| - Others | 19.33 | 14.42 |
| Bank charges | 1.98 | 3.75 |
| Interest on lease liabilities (note 37) | 3.34 | - |
| | **343.13** | **328.04** |

*Gross of interest of ₹289.56 crores (March 31, 2019: ₹272.81 crores) inventorised to qualifying work in progress. The rate used to determine the amount of borrowing costs eligible for capitalisation is the effective interest rate of the underlying borrowings which is in the range of 8 to 16%.

## 33. Depreciation and amortization expense

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Depreciation of property, plant and equipment (refer note 3) | 13.61 | 11.62 |
| Depreciation of investment properties (refer note 4) | 0.49 | 2.14 |
| Amortization of intangible assets (refer note 5) | 1.21 | 1.30 |
| Depreciation of Right-of-use assets (note 37) | 7.48 | - |
| | **22.79** | **15.06** |

## 34. Other expenses

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Travel and conveyance | 8.58 | 8.41 |
| Repairs and maintenance | | |
| - plant & machinery | 0.03 | 0.08 |
| - others | 31.30 | 32.34 |
| Legal and professional | 46.49 | 48.84 |
| Rent (refer note 37) | 8.97 | 17.33 |
| Rates and taxes | 44.92 | 28.93 |
| Security | 10.67 | 14.29 |
| Communication costs | 2.95 | 2.73 |
| Printing and stationery | 2.59 | 2.15 |
| Advertising and sales promotion | 64.87 | 61.71 |
| Brokerage costs | 12.88 | 12.22 |
| Exchange differences (net) | 0.15 | 0.35 |
| Corporate social responsibility expenses | 1.17 | 2.03 |
| Provision for contract losses | - | 22.04 |
| Miscellaneous expenses | 16.78 | 15.72 |
| | **252.35** | **269.17** |

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

Notes

1. Payment to auditor [included in legal and professional charges]

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| As auditor: | | |
| Audit fee | 1.12 | 0.95 |
| Other services | 0.04 | 0.11 |
| Reimbursement of expenses | 0.04 | 0.03 |
| | **1.20** | **1.09** |

## 35. Fair value measurements

The fair value of the financial assets and liabilities is determined as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The details of fair value measurement of Group's financial assets/liabilities are as below:

| Particulars | Level | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| Investment in unquoted debt instruments of joint venture | Level 3 | 69.48 | 70.07 |
| | | **69.48** | **70.07** |

### Reconciliation of fair value

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Opening balance | 70.07 | 69.99 |
| Fair value changes | (0.59) | 0.08 |
| Closing balance | 69.48 | 70.07 |

The following methods and assumptions were used to estimate the fair values:

- The quoted investments (mutual funds and bonds) are valued using the quoted market prices in active markets for identical investments.

- The fair values of the unquoted debt instruments have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. There have been no transfers between levels during the period.

The Group's investments in its joint ventures and associates are accounted for using the equity method.

The management assessed that the carrying values of cash and cash equivalents, trade receivables, loans, trade payables, borrowings and other financial assets and liabilities (as listed below) approximate their fair values largely either due to their short-term maturities or because they are assets/ liabilities carried at amortised cost and their amortised cost approximates their fair values.

| Break up of financial assets carried at amortized cost | Notes | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| Loans | 7 | 396.69 | 379.14 |
| Trade receivables | 15 | 299.59 | 250.64 |
| Cash and cash equivalents | 16 | 106.01 | 149.12 |
| Bank balances other than cash and cash equivalents | 17 | 0.89 | 0.32 |
| Other financial assets | 8 | 82.87 | 51.83 |
| | | **886.05** | **831.05** |

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Break up of financial liabilities carried at amortized cost | Notes | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| Non-current borrowings | 21a | 119.84 | 435.39 |
| Current borrowings | 21b | 932.00 | 693.22 |
| Lease liabilities | 40 | 24.28 | - |
| Trade payable | 24 | 537.55 | 467.60 |
| Other financial liabilities | 22 | 1,692.55 | 1,817.55 |
| | | **3,306.22** | **3,413.76** |

## 36. Financial risk management

The Group's principal financial liabilities, comprise borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade receivables, cash and bank balances and other receivables that derive directly from its operations.

The Group's activities expose it to market risk, liquidity risk and credit risk.

The Group's management oversees the management of these risks and ensures that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

### a. Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. Credit risk arises from cash and cash equivalents, trade receivables and deposits with banks and financial institutions.

Expected credit loss for trade receivables under simplified approach

The recoverability of trade receivables/unbilled is assured as the registration of sold residential/commercial units is not processed till the time the Group does not receive the entire payment. Hence, as the Group does not have significant credit risk, it does not present the information related to ageing pattern. The Group has widespread customer base and no single customer accounted for 10% or more of revenue in any of the years indicated.

During the periods presented, the Group made no write-offs of trade receivables.

### b. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and also generating cash flow from operations.

Management monitors the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows and maintaining debt financing plans.

The break-up of cash and cash equivalents and other current bank balances is as below:

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Cash and cash equivalents | 106.01 | 149.12 |
| Bank balances other than cash and cash equivalents | 0.89 | 0.32 |
| | **106.90** | **149.44** |

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020
(All amounts in Indian ₹ Crore, unless otherwise stated)

### Maturities of financial liabilities
The tables below analyze the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities.

| March 31, 2020 | On demand | Less than 1 year | 1 to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| **Financial liabilities - non-current** | | | | | |
| Borrowings*# | - | 168.88 | 1,597.70 | - | 1,766.58 |
| Security deposits | - | - | 8.69 | 9.83 | 18.52 |
| Lease liabilities | - | - | 15.24 | 0.89 | 16.12 |
| Other financial liabilities | - | - | 19.74 | - | 19.74 |
| **Financial liabilities - current** | | | | | |
| Borrowings# | 141.49 | 334.93 | 462.19 | - | 938.61 |
| Trade payables | - | 426.91 | 110.65 | - | 537.56 |
| Security deposits | - | 2.29 | - | - | 2.29 |
| Lease liabilities | - | 8.15 | - | - | 8.15 |
| Other financial liabilities | - | 5.31 | 28.26 | - | 33.57 |

| March 31, 2019 | On demand | Less than 1 year | 1 to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| **Financial liabilities - non-current** | | | | | |
| Borrowings*# | - | 201.10 | 1,881.32 | 145.95 | 2,228.37 |
| Security deposits | - | 1.29 | 2.17 | 9.81 | 13.27 |
| **Financial liabilities - current** | | | | | |
| Borrowings# | 161.00 | 143.43 | 388.79 | - | 693.22 |
| Trade payables | - | 343.79 | 123.81 | - | 467.60 |
| Other financial liabilities | - | 3.16 | 34.47 | - | 37.63 |

* Includes current maturities of long-term borrowings

# Gross of transaction costs

### c. Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity/ real-estate risk.

The sensitivity analysis in the following sections relate to the position as at March 31, 2020 and March 31, 2019. The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations/provisions.

The below assumption has been made in calculating the sensitivity analysis:

Interest rate risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in Interest rate. The entity's exposure to the risk of changes in Interest rates relates primarily to the entity's operating activities (when receivables or payables are subject to different interest rates) and the entity's net receivables or payables.

The Group is affected by the price volatility of certain commodities/ real estate. Its operating activities require the ongoing development of real estate. The Group's management has developed and enacted a risk management strategy regarding commodity/ real estate price risk and its mitigation. The Group is subject to the price risk variables, which are expected to vary in line with the prevailing market conditions.

### Interest rate sensitivity
Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant. The impact on the entity's profit before tax is due to changes in the fair value of financial assets and liabilities.

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Interest rates – increase by 50 basis points (50 bps) | 13.72 | 13.19 |
| Interest rates – decrease by 50 basis points (50 bps) | (13.72) | (13.19) |

Note: The above impact is gross of interest to be inventorised to qualifying assets.

### Capital Management

The Group's objectives when managing capital are to maximise returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors its capital using gearing ratio, which is net debt divided by total equity. Net debt comprises long term borrowings, short term borrowings, current maturities of long term borrowings less cash and cash equivalents and other bank balances. Total equity comprises equity share capital and other equity.

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Long term borrowings | 119.84 | 435.39 |
| Current maturities of long term borrowings and finance lease obligations | 1,618.43 | 1,766.65 |
| Short term borrowings | 932.00 | 693.22 |
| Less: Cash and cash equivalents | (106.01) | (149.12) |
| Less : Bank balances other than cash and cash equivalents | (0.89) | (0.32) |
| Net debt | 2,563.37 | 2,745.82 |
| Total equity | 1,915.05 | 1,856.75 |
| Gearing ratio | 1.34 | 1.48 |

In order to achieve the objective of maximize shareholders value, the Groups' capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. Any significant breach in meeting the financial covenants would allow the bank to call borrowings. There have been no breaches in the financial covenants of above-mentioned interest-bearing borrowing.

No changes were made in the objectives, policies or processes for managing capital during the current and previous years.

## 37 Leases

### Group as a lessee:

The Group has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method recognising the right of use asset as if the Standard had been applied since the commencement date. The difference between right of use asset, lease liability and deferred tax thereon has been recognised as transitional adjustment to retained earnings on the transition date as summarised below. Accordingly, the comparatives have not been restated and hence not comparable with previous period figures.

In the statement of profit and loss for the current year, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost of ROU and finance cost for interest accrued on lease liability.

In the context of initial application, the Group has exercised the option - not to apply the new recognition requirements to short-term leases and to leases of low-value asset.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

| Particulars | Total |
|---|---|
| **Ind AS 116 transition impact (net)** | **26.61** |
| Additions | 1.84 |
| Depreciation expense | (7.48) |
| Deletions | (2.87) |
| **As at 31 March 2020** | **18.09** |

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

| Particulars | Amount |
|---|---|
| Ind AS 116 transition impact (net) | 34.53 |
| Additions | 1.84 |
| Accretion of interest | 3.34 |
| Payments | (10.98) |
| Extinguishment on lease termination | (4.44) |
| As at 31 March 2020 | 24.28 |
| Current | 8.15 |
| Non-current | 16.13 |

The maturity analysis of lease liabilities are disclosed in Note 36 (Financial risk management objectives and policies).

The effective interest rate for lease liabilities is 10.75% with maturity between two - twenty years

The following are the amounts recognised in profit or loss:

| Particulars | March 31, 2020 |
|---|---|
| Depreciation expense of right-of-use assets | 7.48 |
| Interest expense on lease liabilities | 3.34 |
| Expense relating to short-term leases (included in other expenses) | 8.97 |
| Less: Gain in respect of remeasurement of lease liability | (1.57) |
| **Total amount recognised in profit or loss** | **18.22** |

The Group had total cash outflows for leases of INR 19.95 crore in 31 March 2020. The Group also had non-cash additions to right-of-use assets and lease liabilities of INR 1.84 crore in 31 March 2020.

### The effect of adoption Ind AS 116 as at 1 April 2019 (increase/(decrease)) is, as follows:

| Particulars | Amount |
|---|---|
| **Assets** | |
| Right-of-use assets | 26.61 |
| Deferred tax assets | 2.76 |
| Total assets | 29.37 |
| **Liabilities** | |
| Lease liabilities | 34.53 |
| Total liabilities | 34.53 |
| Total adjustment on equity: | |
| Retained earnings | (5.16) |

### Group as lessor

The Group has entered into operating leases (cancellable and non-cancellable) on its investment property portfolio with varying lease terms of upto eighteen years and with escalation and renewal clauses. All leases include a clause to enable upward revision of the lease rental on periodical basis. The Group is also required to maintain the property over the lease term.

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Lease income for cancellable and non-cancellable operating leases | **8.89** | **5.23** |

Future minimum rentals receivable under non-cancellable operating leases are as follows:

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| a) Within one year | 5.11 | 6.82 |
| b) Later than one but not later than five years | 7.44 | 14.50 |
| c) Later than five years | 0.07 | 0.57 |
| **Total** | **12.62** | **21.89** |

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

## 38. Commitments and contingencies

### a. Other commitments

(i) As at March 31, 2020, the estimated amount of contract (net of capital advance) remaining to be executed on capital account not provided for was ₹Nil crores (March 31, 2019 - ₹8.09 crores)

(ii) As at March 31, 2020, the Group has given ₹405.98 crores (March 31, 2019: ₹378.61 crores) as advances/ deposits for purchase of land/ joint development. Under the agreements executed with the land owners, the Group is required to make further payments and/or give share in area/ revenue from such development in exchange of undivided share in land based on the agreed terms/ milestones.

iii) The Company, a subsidiary company and joint venture company had entered into 'Investment Agreement' with third party Investor for development of a residential project. As per the agreement, in the event of default, the Investor has right to exercise put option which will require the Company and the subsidiary company to purchase the Investor securities at a certain IRR on the investment by the Investor. However, if the Company and the subsidiary company does not accept the put option, the Investor has right to claim certain IRR on the investment made by Investor. Management is confident of the project being developed as per agreed terms and doesn't expect any liability in this regard.

### b. Contingent liabilities

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| i) Claims against the group not acknowledged as debts | | |
| - Value added tax | 11.35 | 7.89 |
| - Service tax | 87.13 | 89.91 |
| - **Income tax** | **61.30** | **61.30** |

ii) The Group is carrying a provision of ₹3.70 crores towards compensation payable to its customers for delays in completion of certain RERA-registered real estate projects. After considering the circumstances and evaluation thereon, the management believes that these delays will not have any further impact on these financial statements.

iii) The Supreme Court of India in a judgment on Provident Fund dated February 28, 2019 addressed the principle for determining salary components that form part of Basic Salary for individuals below a prescribed salary threshold. Based on legal evaluation, the Group has implemented the changes with effect from March 1, 2019 i.e., immediate after pronouncement of the judgement, as part of statutory compliance. The Group will further evaluate need for additional provision, if any, on issuance of further clarify in this regard.

#### Other Litigations:

iv) The Group had initiated legal proceedings against its customer for recovery of receivables of ₹15 crores, inventories of ₹1 crore and customer's counter claim thereon, which is currently pending before the City Civil Court. Pending resolution of the aforesaid litigation, no provision has been made towards the customer's counter-claims and the underlying receivables and other assets are classified as good and recoverable in the accompanying financial results based on the legal opinion obtained by the management and management's evaluation of the ultimate outcome of the litigation.

v) The Group is subject to certain ongoing litigations with respect to certain legal proceedings for certain properties, wherein the Group has outstanding deposits and advances of ₹50 crores. Further, the Group has ₹5 crores recoverable from a party which is subject to ongoing legal proceedings under Insolvency and Bankruptcy Code. Pending resolution of the aforesaid litigations, no provision has been made towards any claims and the underlying recoverable, deposits and advances are classified as good and recoverable in the accompanying financial results based on the legal evaluation by the management of the ultimate outcome of the litigations.

vi) The Group is also subject to certain legal proceedings and claims, which have arisen in the ordinary course of business, including certain litigation for commercial development or land parcels held for

## Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

construction purposes, either through joint development arrangements or through outright purchases, the impact of which is not quantifiable. These cases are pending with various courts and are scheduled for hearings. After considering the circumstances and legal evaluation thereon, the management believes that these cases will not have an adverse effect on the financial statements.

vii) The Group has received letters from Securities Exchange Board of India (SEBI) on February 18, 2020 and on April 28, 2020 pursuant to the two complaints filed by unit owners in its commercial project to regulatory authorities. The complaint dated February 18, 2020 pertains to allegation that the Company has paid property taxes on behalf of JD landowners and undivided office space owners to the municipal authorities for its commercial project and hence diverted shareholder's funds. The complaint dated April 28, 2020 pertains to allegation that modus operandi of the transactions relating to its commercial projects of the Group is in the nature of 'Collective Investment Scheme' under Section 11AA of the SEBI Act. In both of the above cases, the Group has submitted its responses along with necessary documents and is of the view that it is in compliance with the applicable rules and regulations. The matter is currently with the SEBI and the Group has not received any further communication in this regards.

**Note:** The Group does not expect any reimbursement in respect of the above contingent liabilities and it is not practicable to estimate the timing of the cash outflows, if any, in respect of aforesaid matters and it is not probable that an outflow of resources will be required to settle the above obligations/ claims.

### 39 Revenue from contracts with customers:

#### 39.1 Disaggregation of revenue

Set out below is the disaggregation of the Company's revenue from contracts with customers, which is in agreement with the contracted price.

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Revenue from real estate development** | | |
| Revenue recognised at a point in time | 2,020.02 | 1,833.59 |
| Revenue recognised over time | 89.29 | 175.81 |
| Other operating revenue | 19.06 | 41.09 |
| | **2,128.37** | **2,050.49** |

#### 39.2 Contract balances

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Trade receivables | 299.59 | 250.64 |
| Contract liabilities - deferred revenue | 1,761.11 | 2,359.25 |

Trade receivables are generally on credit terms of upto 10-30 days. The increase in trade receivables is primarily on account of increased billing for new projects.

Contract liabilities represents transaction price allocated to unsatisfied performance obligations. The outstanding balances of these accounts decreased primarily on account of timing of revenue recognition under Ind AS 115.

| | | |
|---|---|---|
| Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period | 1,388.86 | 1,353.10 |
| Revenue recognised in the reporting period from performance obligations satisfied in previous periods | NIL | NIL |

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

## 39.3 Performance obligations

Aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period **

| | | |
|---|---|---|
| Revenue to be recognised at a point in time | 3,112.09 | 4,098.06 |
| Revenue to be recognised over time | 1,046.15 | 1,063.40 |

** The entity expects to satisfy the performance obligations when (or as) the underlying real estate projects to which such performance obligations relate are completed. Such real estate projects are in various stages of development and are expected to be completed in the coming periods of upto four years.

## 39.4 Assets recognised from the costs to obtain or fulfil a contract with a customer

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Inventories | | |
| - Work-in-progress | 702.35 | 1,125.21 |
| - Stock of flats | 389.05 | 574.56 |
| Prepaid expenses (represents brokerage costs pertaining to sale of real estate units) | 23.29 | 29.33 |

## 40 Related party transactions

### I Names of related parties and nature of relationship with the Company

(i) Parties where control exists

Mr. Ravi Puravankara

(ii) Key management personnel ('KMP')

a. Directors

Mr. Ravi Puravankara
Mr. Ashish R Puravankara
Mr. Nani R Choksey
Mr. R V S Rao (until August 21, 2019)
Mr. Pradeep Guha
Mr. Anup Shah Sanmukh (with effect from July 23, 2019)
Ms. Suchitra Misra (until July 27, 2018)
Ms. Sonali Rastogi (with effect from October 26, 2018)

b. Other officers

Mr. Kuldeep Chawla (Chief Financial Officer)
Ms. Bindu Doraiswamy (Company Secretary)

(iii) Relatives of key management personnel

Ms. Geeta S Vhatkar
Ms. Amanda Puravankara

(iv) Entities controlled/significantly influenced by key management personnel (other related parties)

Purva Developments
Puravankara Investments
Handiman Services Limited
Kenstream Ventures LLP

(v) Associates

Keppel Puravankara Development Private Limited
Propmart Technologies Limited
Sobha Puravankara Aviation Private Limited
Whitefield Ventures

(vi) Joint venture

Pune Projects LLP
Purva Good Earth Properties Private Limited (Joint Venture of Provident Housing Limited)

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

## II Balances with related parties as on date are as follows

| Nature of transaction | Associates / Joint venture | | Key management personnel | | Relatives of KMP | | Other related parties | |
|---|---|---|---|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| **Loans given to** | | | | | | | | |
| Propmart Technologies Limited | 19.76 | 19.84 | - | - | - | - | - | - |
| Pune Projects LLP | 73.97 | 70.39 | - | - | - | - | - | - |
| Purva Good Earth Properties Private Limited | 6.14 | 4.92 | - | - | - | - | - | - |
| Whitefield Ventures | 0.02 | - | - | - | - | - | - | - |
| **Loans taken from** | | | | | | | | |
| Puravankara Investments | - | - | - | - | - | - | 2.03 | 1.88 |
| Purva Development | - | - | - | - | - | - | 0.18 | 0.18 |
| Ravi Puravankara | - | - | 3.00 | 3.00 | - | - | - | - |
| Amanda Puravankara | - | - | - | - | 0.07 | 0.07 | - | - |
| **Advance for land contracts paid to** | | | | | | | | |
| Geeta S Vhatkar | - | - | - | - | 21.13 | 21.13 | - | - |
| **Investment in debentures** | | | | | | | | |
| Purva Good Earth Properties Private Limited | 69.48 | 70.07 | - | - | - | - | - | - |
| **Security Deposits paid to** | | | | | | | | |
| Ravi Puravankara | - | - | 2.21 | 2.21 | - | - | | - |
| **Dues from** | | | | | | | | |
| Purva Good Earth Properties Private Limited | 1.31 | - | - | - | - | - | - | - |
| Pune Projects LLP | 0.57 | 0.28 | - | - | - | - | - | - |
| Propmart Technologies Limited | 0.10 | - | - | - | - | - | - | - |
| **Dues to** | | | | | | | | |
| Handiman Services Limited | - | - | - | - | - | - | 2.92 | 3.52 |
| Puravankara Investments | - | - | - | - | - | - | 0.03 | 0.03 |
| Kenstream Ventures LLP | - | - | - | - | - | - | 1.52 | - |
| Propmart Technologies Limited | 0.04 | - | - | - | - | - | - | - |
| **Guarantees given by** | | | | | | | | |
| Ravi Puravankara | - | - | - | 49.11 | - | - | - | - |
| Ashish R. Puravankara | - | - | - | 49.11 | - | - | - | - |

## Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

### III The transactions with related parties for the year are as follows

| Nature of transaction | Associates / Joint venture | | Key management personnel | | Relatives of KMP | | Other related parties | |
|---|---|---|---|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| **Interest income on loans** | | | | | | | | |
| Propmart Technologies Limited | 0.20 | 1.95 | - | - | - | - | - | - |
| Pune Projects LLP | 3.78 | 5.54 | - | - | - | - | - | - |
| **Loans given to** | | | | | | | | |
| Pune Projects LLP | 1.49 | 1.50 | - | - | - | - | - | - |
| Purva Good Earth Properties Private Limited | 1.22 | 4.23 | - | - | - | - | - | - |
| Whitefield Ventures | 0.02 | - | - | - | - | - | - | - |
| **Loans repaid by** | | | | | | | | |
| Propmart Technologies Limited | 0.27 | 1.45 | - | - | - | - | - | - |
| Pune Projects LLP | 1.69 | 1.48 | - | - | - | - | - | - |
| Purva Good Earth Properties Private Limited | - | 0.75 | - | - | - | - | - | - |
| **Gain arising from financial instruments designated as FVTPL** | | | | | | | | |
| Purva Good Earth Properties Private Limited | 4.85 | 4.74 | - | - | - | - | - | - |
| **Advance paid to** | | | | | | | | |
| Sobha Puravankara Aviation Private Limited | 5.64 | 6.40 | - | - | - | - | - | - |
| **Advances for land contracts paid to** | | | | | | | | |
| Geeta S Vhatkar | - | - | - | - | - | 2.56 | - | - |
| **Security expenses** | | | | | | | | |
| Handiman Services Limited | - | - | - | - | - | - | 14.58 | 19.68 |
| **Rent expense** | | | | | | | | |
| Sobha Puravankara Aviation Private Limited | 5.64 | 1.13 | - | - | - | - | - | - |
| Puravankara Investments | - | - | - | - | - | - | 3.74 | 3.63 |
| **Reimbursement of expenses from** | | | | | | | | |
| Pune Projects LLP | 0.71 | - | - | - | - | - | - | - |
| Propmart Technologies Limited | 0.11 | - | - | - | - | - | - | - |
| Purva Good Earth Properties Private Limited | 1.31 | - | - | - | - | - | - | - |
| **Income from administration charges** | | | | | | | | |
| Pune Projects LLP | 6.09 | 2.95 | - | - | - | - | - | - |
| **Brokerage expenses** | | | | | | | | |
| Propmart Technologies Limited | 0.40 | 0.15 | - | - | - | - | - | - |
| **Travel and conveyance** | | | | | | | | |
| Sobha Puravankara Aviation Private Limited | 0.07 | 0.12 | - | - | - | - | - | - |
| **Investment in associates** | | | | | | | | |
| Keppel Puravankara Development Private Limited | 5.15 | - | - | - | - | - | - | - |

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Nature of transaction | Associates / Joint venture | | Key management personnel | | Relatives of KMP | | Other related parties | |
|---|---|---|---|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| **Transfer of Security Deposit received to** | | | | | | | | |
| Kenstream Ventures LLP | - | - | - | - | - | - | 1.52 | - |
| **Guarantees given by** | | | | | | | | |
| Ravi Puravankara | - | - | - | 49.11 | - | - | - | - |
| Ashish R. Puravankara | - | - | - | 49.11 | - | - | - | - |
| **Guarantees given by related party closed during the year** | | | | | | | | |
| Ravi Puravankara | - | - | 49.11 | - | - | - | - | - |
| Ashish R. Puravankara | - | - | 49.11 | - | - | - | - | - |
| **Remuneration - short term employee benefits (Employee benefits expense)*** | | | | | | | | |
| Ravi Puravankara | - | - | 1.17 | 2.52 | - | - | - | - |
| Ashish R Puravankara | - | - | 1.31 | 2.20 | - | - | - | - |
| Nani R Choksey | - | - | 2.40 | 2.20 | - | - | - | - |
| Bindu Doraiswamy | - | - | 0.23 | 0.19 | - | - | - | - |
| Kuldeep Chawla | - | - | 1.53 | 1.29 | - | - | - | - |
| Amanda Puravankara | - | - | - | - | 0.48 | 0.36 | - | - |
| **Professional charges (director's sitting fees and commission)** | | | | | | | | |
| R V S Rao | - | - | 0.09 | 0.17 | - | - | - | - |
| Anup Shah Sanmukh | - | - | 0.15 | - | - | - | - | - |
| Pradeep Guha | - | - | 0.19 | 0.16 | - | - | - | - |
| Sonali Rastogi | - | - | 0.14 | 0.06 | - | - | - | - |
| Suchitra Misra | - | - | - | 0.06 | - | - | - | - |

* As the future liability for gratuity and leave benefits is provided on an actuarial basis for the group as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

## IV. Other information:

1. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables, other than those disclosed above. The Group has not recorded any provision/ write-off of receivables relating to amounts owed by related parties.

2. In respect of the transactions with the related parties, the Group has complied with the provisions of Section 177 and 188 of the Companies Act, 2013 where applicable, and the details have been disclosed above, as required by the applicable accounting standards.

3. The Group has given loans to related parties and has provided guarantees on behalf of related parties for loans taken by them from third parties. Such loans are intended to be used by the related parties to fund their business operations.

4. Disclosure as per Schedule V(A) of the Securities and Exchange Board of India (Listing obligations and disclosure requirements) Regulations, 2015 of the loans, advances, etc. to subsidiaries, associates and other entities in which the directors are interested:

## Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Name of the entity | March 31, 2020 | | March 31, 2019 | |
|---|---|---|---|---|
| | Closing Balance | Maximum amount due | Closing Balance | Maximum amount due |
| Pune Projects LLP | 73.97 | 73.97 | 70.39 | 70.39 |
| Propmart Technologies Limited | 19.76 | 19.76 | 19.84 | 19.84 |
| Purva Good Earth Properties Private Limited | 6.14 | 6.14 | 4.92 | 4.92 |
| Whitefield Ventures | 0.02 | 0.02 | - | - |

5. As at March 31, 2020, with respect to the Group's borrowings, the director of the Company has given fund shortfall undertaking towards funding of underlying projects/ working capital. Also refer note 21.

### 41 Defined benefit plan - Gratuity

A. The Group has gratuity as defined benefit retirement plans for its employees. The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity at the rate of 15 days basic salary for each year of service until the retirement age. As at March 31, 2020 and March 31, 2019 the plan assets were invested in insurer managed funds.

The following tables set out the funded status of gratuity plans and the amount recognized in Group's financial statements :

#### 1 The amounts recognized in the Balance Sheet are as follows:

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Present value of the obligation as at the end of the year | 21.31 | 21.17 |
| Fair value of plan assets as at the end of the year | (9.89) | (9.06) |
| **Net liability recognized in the Balance Sheet** | **11.42** | **12.11** |
| Non-current | 9.95 | 10.47 |
| Current | 1.47 | 1.65 |

#### 2 Changes in the present value of defined benefit obligation

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Defined benefit obligation as at beginning of the year | 21.17 | 19.06 |
| Service cost | 2.62 | 2.98 |
| Interest cost | 1.64 | 1.46 |
| Actuarial losses/(gains) arising from | | |
| - change in demographic assumptions | (0.07) | - |
| - change in financial assumptions | 1.95 | - |
| - experience variance (i.e. Actual experiences assumptions) | (3.42) | 0.24 |
| Past service cost | - | - |
| Benefits paid | (2.58) | (2.57) |
| Defined benefit obligation as at the end of the year | 21.31 | 21.17 |

#### 3 Changes in the fair value of plan assets

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Fair value as at the beginning of the year | 9.06 | 7.67 |
| Return on plan assets | 0.70 | 0.68 |
| Actuarial (losses)/gains | 0.43 | (0.03) |
| Contributions | 2.03 | 3.03 |
| Benefits paid | (2.34) | (2.09) |
| Others | - | (0.20) |
| Fair value as at the end of the year | **9.89** | **9.06** |
| Assumptions used in the above valuations are as under: | | |
| Discount rate | 6.68% | 7.70% |
| Future salary increase | - | 6.00% |
| Attrition rate | 5.67% | 5.00% |

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

4 Net gratuity cost for the year ended March 31, 2020 and March 31, 2019 comprises of following components.

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Service cost | 2.62 | 2.98 |
| Net Interest Cost on the net defined benefit liability | 0.94 | 0.78 |
| **Defined benefit costs recognized in Statement of Profit and Loss** | **3.56** | **3.76** |

5 Other Comprehensive Income

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Change in demographic assumptions | (0.07) | - |
| Change in financial assumptions | 1.95 | - |
| Experience variance (i.e. Actual experience vs assumptions) | (3.42) | 0.25 |
| Return on plan assets, excluding amount recognized in net interest expense | (0.43) | 0.03 |
| **Defined benefit costs recognized in other comprehensive income** | **(1.97)** | **0.28** |

6 Experience adjustments

| Particulars | March 31, 2020 | March 31, 2019 | March 31, 2018 | March 31, 2017 | March 31, 2016 |
|---|---|---|---|---|---|
| Defined benefit obligation as at the end of the year | 21.31 | 21.17 | 19.06 | 16.09 | 13.47 |
| Plan assets | 9.89 | 9.06 | 7.67 | 4.86 | 0.98 |
| Net surplus/(deficit) | (11.42) | (12.11) | (11.39) | (11.23) | (12.49) |
| Experience adjustments on plan liabilities | 3.42 | (0.24) | (0.90) | (0.52) | (1.10) |
| Experience adjustments on plan assets | 0.43 | 0.03 | 0.16 | (0.57) | (0.09) |

## C. Sensitivity Analysis

A quantitative sensitivity analysis for significant assumption for Gratuity plan is as shown below:

| Assumptions | March 31, 2020 | | March 31, 2019 | |
|---|---|---|---|---|
| | Discount Rate | | Discount Rate | |
| Sensitivity Level | (1.0%) | 1.0% | (1.0%) | 1.0% |
| Impact on defined benefit obligation (₹Crores) | 1.81 | (1.54) | 1.95 | (1.69) |
| % change compared to base due to sensitivity | 8.5% | (7.2%) | 9.2% | (8.0%) |

| Assumptions | March 31, 2020 | | March 31, 2019 | |
|---|---|---|---|---|
| | Further Salary Increase | | Further Salary Increase | |
| Sensitivity Level | (1.0%) | 1.0% | (1.0%) | 1.0% |
| Impact on defined benefit obligation (₹Crores) | (1.56) | 1.81 | (1.73) | 1.96 |
| % change compared to base due to sensitivity | (7.3%) | 8.5% | (8.2%) | 9.3% |

| Assumptions | March 31, 2020 | | March 31, 2019 | |
|---|---|---|---|---|
| | Attrition Rate | | Attrition Rate | |
| Sensitivity Level | (1.0%) | 1.0% | (1.0%) | 1.0% |
| Impact on defined benefit obligation (₹Crores) | 0.05 | (0.07) | (0.48) | 0.32 |
| % change compared to base due to sensitivity | 0.2% | (0.3%) | (2.3%) | 1.5% |

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

There is no change in the method of valuation for the prior period.

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

## d. Effect of Plan on Group's Future Cash Flows

### a. Expected contributions to the plan asset for the next annual reporting period

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Expected contributions to the plan asset for the next annual reporting period | 8.33 | 3.00 |

### b. Maturity profile of the defined benefit obligation

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| 1 year | 3.69 | 2.49 |
| 2 to 5 years | 6.77 | 6.67 |
| More than 5 years | 30.02 | 40.55 |
| **Total expected payments** | **40.48** | **49.71** |

## 42 Investments

### A. The investments accounted for using the equity method is as follows:

#### a. Investment in joint ventures

| Name of the joint venture | Country of incorporation and principal place of business | Principal activity | Proportion of beneficial interests held by the Group as at | |
|---|---|---|---|---|
| | | | March 31, 2020 | March 31, 2019 |
| Purva Good Earth Properties Private Limited | India, Bengaluru | Real estate development and construction | 25% | 25% |
| Pune Projects LLP | India, Pune | Real estate development and construction | 32% | 32% |

#### b. Investment in associates

| Name of the associates | Country of incorporation and principal place of business | Principal activity | Proportion of beneficial interests held by the Group as at | |
|---|---|---|---|---|
| | | | March 31, 2020 | March 31, 2019 |
| Keppel Puravankara Development Private Limited | India, Bengaluru | Real estate development and construction | 49.00% | 49.00% |
| Propmart Technologies Limited | India, Bengaluru | Real estate agents | 32.83% | 32.83% |
| Sobha Puravankara Aviation Private Limited | India, Bengaluru | Aviation | 49.75% | 49.75% |
| Whitefield Ventures | India, Bengaluru | Real estate development and construction | 42.00% | 42.00% |

The investment in all the above associates and joint ventures is accounted for using the equity method in accordance with Ind AS 28, 'Investments in Associates and Joint Ventures'. The above associates and joint ventures are not listed companies, therefore there is no quoted market price for such investments made by the Group.

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

## Disclosures relating to associates and joint ventures

1. Keppel Puravankara Development Private Limited

(i) Summary of assets and liabilities

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Non-current assets | 25.90 | 20.51 |
| Current assets | 491.18 | 439.03 |
| Non-current liabilities | 243.26 | 226.60 |
| Current liabilities | 160.35 | 125.29 |
| Total Equity | 113.47 | 107.66 |
| **Attributable to the Group (49%)** | **55.60** | **52.75** |

(ii) Summary of assets and liabilities

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Revenue | 0.18 | 0.15 |
| Profit/(loss) for the year | (4.69) | (1.10) |
| Total comprehensive income | (4.69) | (1.10) |
| **Attributable to the Group (49%)** | **(2.30)** | **(0.54)** |

(iii) Summary of cash flows

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Net cash inflow/(outflow) during the year | (4.46) | 23.64 |

(iv) Summary of commitments and contingent liabilities

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Capital commitments | | |
| Contingent liabilities | 33.49 | 33.49 |
| | 33.49 | 33.49 |
| **Attributable to the Group (49%)** | **16.41** | **16.41** |

2. Propmart Technologies Limited

(i) Summary of assets and liabilities

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Non-current assets | 0.03 | 0.04 |
| Current assets | 5.49 | 6.02 |
| Non-current liabilities | - | - |
| Current liabilities | 33.46 | 32.89 |
| Total Equity | (27.95) | (26.83) |
| **Attributable to the Group (32.83%)** | **(9.17)** | **(8.81)** |

(ii) Summary of profit and loss

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Revenue | 3.36 | 3.53 |
| Profit/(loss) for the year | (1.06) | 0.21 |
| Total comprehensive income | (1.06) | 0.21 |
| **Attributable to the Group (32.83%)** | **(0.35)** | **0.07** |

(iii) Summary of cash flows

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Net cash inflow/(outflow) during the year | (0.05) | 0.33 |

## Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

### (iv) Summary of commitments and contingent liabilities

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Capital commitments | - | - |
| Contingent liabilities | - | - |
| | - | - |
| **Attributable to the Group (32.83%)** | - | - |

### 3. Sobha Puravankara Aviation Private Limited

### (i) Summary of assets and liabilities

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Non-current assets | 64.20 | 69.06 |
| Current assets | 2.05 | 2.55 |
| Non-current liabilities | 166.29 | 95.01 |
| Current liabilities | 2.32 | 73.88 |
| Total Equity | (102.37) | (97.28) |
| **Attributable to the Group (49.75%)** | **(50.93)** | **(48.40)** |

### (ii) Summary of profit and loss

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Revenue | 12.09 | 8.02 |
| Profit/(loss) for the year | (3.85) | (11.06) |
| Total comprehensive income | (3.85) | (11.06) |
| **Attributable to the Group (49.75%)** | **(1.91)** | **(5.50)** |

### (iii) Summary of cash flows

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Net cash inflow/(outflow) during the year | (0.31) | 0.29 |

### (iv) Summary of commitments and contingent liabilities

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Capital commitments | - | - |
| Contingent liabilities | - | - |
| | - | - |

### 4. Purva Good Earth Properties Private Limited

### (i) Summary of assets and liabilities

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Non-current assets | 18.42 | 18.69 |
| Current assets | 291.79 | 289.83 |
| Non-current liabilities | 320.47 | 301.99 |
| Current liabilities | 9.14 | 6.82 |
| Total Equity | (19.40) | (0.29) |
| **Attributable to the Group (25%)** | **(4.85)** | **(0.07)** |

### (ii) Summary of profit and loss

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Revenue | 0.01 | 0.02 |
| Profit/(loss) for the year | (19.41) | (0.10) |
| Total comprehensive income | (19.41) | (0.10) |
| **Attributable to the Group (25%)** | **(4.85)** | **(0.02)** |

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

### (iii) Summary of cash flows

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Net cash inflow/(outflow) during the year | 0.01 | (0.01) |

### (iv) Summary of commitments and contingent liabilities

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Capital commitments | - | - |
| Contingent liabilities | 10.64 | 10.64 |
| | **10.64** | **10.64** |

## 5. Pune Projects LLP

### (i) Summary of assets and liabilities

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Non-current assets | 8.78 | 5.84 |
| Current assets | 327.76 | 240.85 |
| Current liabilities | 349.85 | 257.59 |
| Total Equity | (13.31) | (10.90) |
| **Attributable to the Group (32%)** | **(4.26)** | **(3.49)** |

### (ii) Summary of profit and loss

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Revenue | 0.59 | 0.15 |
| Profit/(loss) for the year | (2.42) | (4.14) |
| Total comprehensive income | (2.42) | (4.14) |
| **Attributable to the Group (32%)** | **(0.77)** | **(1.32)** |

### (iii) Summary of cash flows

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Net cash inflow/(outflow) during the year | (19.25) | 13.78 |

### (iv) Summary of commitments and contingent liabilities

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Capital commitments | - | - |
| Contingent liabilities | - | - |
| | - | - |

## 6. Whitefield Ventures

### (i) Summary of assets and liabilities

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Non-current assets | - | - |
| Current assets | 10.26 | 10.20 |
| Non-current liabilities | - | - |
| Current liabilities | - | - |
| Total Equity | 10.26 | 10.20 |
| **Attributable to the Group (42%)** | **4.31** | **4.28** |

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

### (ii) Summary of profit and loss

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Revenue | - | - |
| Profit/(loss) for the year | - | - |
| Total comprehensive income | - | - |
| **Attributable to the Group (42%)** | - | - |

### (iii) Summary of cash flows

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Net cash inflow/(outflow) during the year | - | - |

### (iv) Summary of commitments and contingent liabilities

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Capital commitments | - | - |
| Contingent liabilities | - | - |
| | - | - |

## B Investments in subsidiaries

### 1. Composition of the Group

Set out below details of the subsidiaries held directly by the Group:

| Name of the entity | Country of incorporation and principal place of business | Portion of ownership interests held by the Group as on | |
|---|---|---|---|
| | | March 31, 2020 | March 31, 2019 |
| Prudential Housing and Infrastructure Development Limited | India, Mumbai | 100% | 100% |
| Centurions Housing & Constructions Private Limited | India, Chennai | 100% | 100% |
| Melmont Construction Private Limited | India, Bengaluru | 100% | 100% |
| Purva Realities Private Limited | India, Bengaluru | 100% | 100% |
| Grand Hills Developments Private Limited | India, Bengaluru | 100% | 100% |
| Purva Ruby Properties Private Limited | India, Bengaluru | 100% | 100% |
| Purva Sapphire Land Private Limited | India, Bengaluru | 100% | 100% |
| Purva Star Properties Private Limited | India, Bengaluru | 100% | 100% |
| Nile Developers Private Limited | India, Chennai | 100% | 100% |
| Vaigai Developers Private Limited | India, Chennai | 100% | 100% |
| Starworth Infrastructure and Construction Limited | India, Bengaluru | 100% | 100% |
| Provident Housing Limited | India, Bengaluru | 100% | 100% |
| Jaganmata Property Developers Private Limited | India, Hyderabad | 100% | 100% |
| Purva Property Services Private Limited (formerly Jyothishmati Business Centers Private Limited) | India, Hyderabad | 100% | 100% |
| Vagishwari Land Developers Private Limited | India, Hyderabad | 100% | 100% |
| Varishtha Property Developers Private Limited | India, Hyderabad | 100% | 100% |
| Purva Pine Private Limited | India, Bengaluru | 100% | 100% |
| Purva Oak Private Limited | India, Bengaluru | 100% | 100% |
| Provident Meryta Private Limited | India, Bengaluru | 100% | 100% |

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Name of the entity | Country of incorporation and principal place of business | Portion of ownership interests held by the Group as on | |
|---|---|---|---|
| | | March 31, 2020 | March 31, 2019 |
| Provident Cedar Private Limited | India, Bengaluru | 100% | 100% |
| Welworth Lanka Holding Private Limited | Sri Lanka, Colombo | 100% | 100% |
| Welworth Lanka Private Limited | Sri Lanka, Colombo | 100% | 100% |
| IBID Home Private Limited | India, Bengaluru | 100% | 100% |
| Devas Global Services LLP | India, Bengaluru | 100% | 100% |
| DV Infr Homes Private Limited | Pune, Maharastra | 60% | 60% |

2. **Financial information of the subsidiary that has non-controlling interest:**

**D.V. Infr Homes Private Limited**

**(i) Summary of assets and liabilities**

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Non-current assets | - | - |
| Current assets | 5.94 | 4.44 |
| Non-current liabilities | 3.00 | 3.74 |
| Current liabilities | 0.01 | 0.75 |
| Total Equity | 2.93 | (0.05) |
| **Attributable to:** | | |
| Equity Holders of the parent (60%) | 1.73 | -0.03 |
| Non-Controlling Interests (40%) | 1.20 | -0.02 |
| | **2.93** | **-0.05** |

**(ii) Summary of profit and loss**

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Revenue | - | - |
| Profit/(loss) for the year | 0.01 | 0.06 |
| Total comprehensive income | 0.01 | 0.06 |
| **Attributable to:** | | |
| Equity Holders of the parent (60%) | 0.01 | 0.03 |
| Non-Controlling Interests (40%) | 0.00 | 0.02 |
| | **0.01** | **0.06** |

**(iii) Summary of cash flows**

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Net cash inflow/(outflow) during the year | 0.04 | 0.04 |

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

## 43. Additional Information as required under Schedule III to the Companies Act, 2013.

As at March 31, 2020:

| Sl. NO. | Name of the entity | Net assets (total assets minus total liabilities) | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|
| | | As % of consolidated net assets/ (liabilities) | Amount | As % of consolidated profit/ (loss) | Amount | As % of consolidated profit/ (loss) | Amount | As % of consolidated profit/ (loss) | Amount |
| Puravankara Limited | | 86.18% | 1,650.46 | 34.53% | 30.51 | 102% | 1.30 | 35.49% | 31.81 |
| Subsidiaries (held directly) | | | | | | | | | |
| Indian subsidiaries | | | | | | | | | |
| 1 | Prudential Housing and Infrastructure Development Limited | -0.08% | (1.48) | -0.01% | (0.01) | 0% | - | -0.01% | (0.01) |
| 2 | Centurions Housing & Constructions Private Limited | 0.32% | 6.18 | 2.11% | 1.86 | 0% | - | 2.08% | 1.86 |
| 3 | Melmont Construction Private Limited | -0.21% | (4.05) | -0.01% | (0.01) | 0% | - | -0.01% | (0.01) |
| 4 | Purva Realities Private Limited * # $ | 0.00% | (0.03) | -0.01% | (0.01) | 0% | - | -0.01% | (0.01) |
| 5 | Grand Hills Developments Private Limited * # $ | 0.00% | (0.01) | 0.00% | (0.00) | 0% | - | 0.00% | - |
| 6 | Purva Ruby Properties Private Limited | -0.04% | (0.77) | -0.01% | (0.01) | 0% | - | -0.01% | (0.01) |
| 7 | Purva Sapphire Land Private Limited * # $ | 0.00% | (0.03) | 0.00% | (0.00) | 0% | - | 0.00% | - |
| 8 | Purva Star Properties Private Limited | 1.93% | 36.96 | 70.14% | 61.97 | 0% | - | 69.14% | 61.97 |
| 9 | Nile Developers Private Limited | 0.34% | 6.44 | -0.14% | (0.12) | 0% | - | -0.13% | (0.12) |
| 10 | Vaigai Developers Private Limited # $ | 0.27% | 5.08 | -0.01% | (0.01) | 0% | - | -0.01% | (0.01) |
| 11 | Jaganmata Property Developers Private Limited * | 0.00% | (0.03) | -0.02% | (0.02) | 0% | - | -0.02% | (0.02) |
| 12 | Purva Property Services Private Limited (formerly Jyothishmati Business Centers Private Limited)* # $ | 0.00% | (0.07) | -0.08% | (0.07) | 0% | - | -0.08% | (0.07) |
| 13 | Vagishwari Land Developers Private Limited * # $ | 0.00% | (0.00) | 0.00% | (0.00) | 0% | - | 0.00% | - |
| 14 | Varishtha Property Developers Private Limited * # $ | 0.00% | (0.00) | 0.00% | (0.00) | 0% | - | 0.00% | - |
| 15 | Starworth Infrastructure & Construction Limited | 1.35% | 25.80 | 0.22% | 0.19 | 4% | 0.05 | 0.27% | 0.24 |
| 16 | Provident Housing Limited | 11.88% | 227.58 | -1.55% | (1.37) | -4% | (0.05) | -1.58% | (1.42) |
| 17 | Purva Pine Private Limited * # $ | 0.00% | 0.00 | 0.00% | (0.00) | 0% | - | 0.00% | - |
| 18 | Purva Oak Private Limited * # $ | 0.00% | 0.00 | 0.00% | (0.00) | 0% | - | 0.00% | - |
| 19 | Provident Meryta Private Limited * # $ | 0.00% | 0.00 | 0.00% | (0.00) | 0% | - | 0.00% | - |
| 20 | Provident Cedar Private Limited * # $ | 0.00% | 0.00 | 0.00% | (0.00) | 0% | - | 0.00% | - |
| 21 | IBID Homes Private Limited | -0.08% | (1.46) | -1.20% | (1.06) | 0% | - | -1.18% | (1.06) |
| 22 | Devas Global Services LLP | 0.00% | 0.08 | -0.02% | (0.02) | 0% | - | -0.02% | (0.02) |
| 23 | D.V. Infrhomes Private Limited* | 0.15% | 2.93 | -0.01% | (0.01) | 0% | - | -0.01% | (0.01) |
| Foreign subsidiaries | | | | | | | | | - |
| 1 | Welworth Lanka Holding Private Limited | 0.76% | 14.50 | -0.02% | (0.02) | 0% | - | -0.02% | (0.02) |
| 2 | Welworth Lanka Projects (Private) Limited | 0.44% | 8.51 | -0.41% | (0.36) | 0% | - | -0.40% | (0.36) |
| Associates | | | | | | | | | - |
| 1 | Keppel Puravankara Development Private Limited | 5.93% | 113.47 | -5.31% | (4.69) | 0% | - | -5.23% | (4.69) |
| 2 | Propmart Technologies Limited | -1.46% | (27.95) | -1.19% | (1.06) | 0% | - | -1.18% | (1.06) |

## Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Sl. NO. | Name of the entity | Net assets (total assets minus total liabilities) | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|
| | | As % of consolidated net assets/ (liabilities) | Amount | As % of consolidated profit/ (loss) | Amount | As % of consolidated profit/ (loss) | Amount | As % of consolidated profit/ (loss) | Amount |
| 3 | Sobha Puravankara Aviation Private Limited | -5.35% | (102.37) | -4.36% | (3.85) | 0% | - | -4.30% | (3.85) |
| 4 | Whitefield Ventures # $ | 0.54% | 10.26 | 0.00% | - | 0% | - | 0.00% | - |
| **Joint ventures** | | | | | | | | | - |
| 1 | Purva Good Earth Properties Private Limited | -1.01% | (19.40) | -5.49% | (4.85) | 0% | - | -5.41% | (4.85) |
| 2 | Pune Projects LLP | -0.70% | (13.31) | -0.88% | (0.77) | 0% | - | -0.86% | (0.77) |
| **Adjustment arising out of consolidation** | | -1.22% | (23.45) | 13.75% | 12.14 | -2% | (0.02) | 13.52% | 12.12 |
| **Share of non-controlling interest in subsidiary** | | 0.06% | 1.20 | 0.00% | - | 0% | - | 0.00% | |
| **Grand total** | | **100%** | **1,915.05** | **100%** | **88.35** | **100.00%** | **1.28** | **100.00%** | **89.63** |

Consolidated total

* The net assets of the aforesaid subsidiaries and associates cumulatively represents 0.01% as a percentage of consolidated net assets. Consequently the net assets as a percentage of consolidated net assets of the individual subsidiaries and associates presented above appears as 'zero'.

# The share of profit/(loss) of the aforesaid subsidiaries and associates cumulatively represents 0.01% as a percentage of consolidated profit. Consequently share of profit (loss) as a percentage of consolidated profit of the individual subsidiaries and associates presented above appears as 'zero'.

$ The share of total comprehensive income/(loss) of the aforesaid subsidiaries and associates cumulatively represents 0.01% as a percentage of consolidated total comprehensive income. Consequently share of total comprehensive income (loss) as a percentage of consolidated total comprehensive income of the individual subsidiaries and associates presented above appears as 'zero'.

### As at March 31, 2019:

| Sl. No. | Name of the entity | Net assets (total assets minus total liabilities) | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|
| | | As % of consolidated net assets/ (liabilities) | Amount | As % of consolidated profit/ (loss) | Amount | As % of consolidated profit/ (loss) | Amount | As % of consolidated profit/ (loss) | Amount |
| **Puravankara Limited** | | 88.75% | 1,647.88 | 80.25% | 91.77 | 69% | (0.42) | 80.31% | 91.35 |
| **Subsidiaries (held directly)** | | | | | | | | | |
| **Indian subsidiaries** | | | | | | | | | |
| 1 | Prudential Housing and Infrastructure Development Limited | -0.08% | (1.48) | -0.01% | (0.01) | 0% | - | -0.01% | (0.01) |
| 2 | Centurions Housing & Constructions Private Limited | 0.59% | 10.95 | 6.83% | 7.81 | 0% | - | 6.87% | 7.81 |
| 3 | Melmont Construction Private Limited | -0.22% | (4.04) | -0.05% | (0.06) | 0% | - | -0.05% | (0.06) |
| 4 | Purva Realities Private Limited * # $ | 0.00% | (0.02) | 0.00% | (0.00) | 0% | - | 0.00% | - |
| 5 | Grand Hills Developments Private Limited * # $ | 0.00% | (0.01) | 0.00% | (0.00) | 0% | - | 0.00% | - |

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## Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Sl. No. | Name of the entity | Net assets (total assets minus total liabilities) | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|
| | | As % of consolidated net assets/ (liabilities) | Amount | As % of consolidated profit/ (loss) | Amount | As % of consolidated profit/ (loss) | Amount | As % of consolidated profit/ (loss) | Amount |
| 6 | Purva Ruby Properties Private Limited | -0.04% | (0.76) | -0.12% | (0.13) | 0% | - | -0.11% | (0.13) |
| 7 | Purva Sapphire Land Private Limited * # $ | 0.00% | (0.03) | 0.00% | (0.00) | 0% | - | 0.00% | - |
| 8 | Purva Star Properties Private Limited | -1.35% | (24.98) | 2.16% | 2.47 | 0% | - | 2.17% | 2.47 |
| 9 | Nile Developers Private Limited | 0.35% | 6.56 | -0.11% | (0.13) | 0% | - | -0.11% | (0.13) |
| 10 | Vaigai Developers Private Limited # $ | 0.27% | 5.09 | 0.00% | (0.00) | 0% | - | 0.00% | - |
| 11 | Jaganmata Property Developers Private Limited * | 0.00% | (0.01) | 0.00% | (0.01) | 0% | - | -0.01% | (0.01) |
| 12 | Jyothishmati Business Centers Private Limited * # $ | 0.00% | - | 0.00% | (0.00) | 0% | - | 0.00% | - |
| 13 | Vagishwari Land Developers Private Limited * # $ | 0.00% | - | 0.00% | (0.00) | 0% | - | 0.00% | - |
| 14 | Varishtha Property Developers Private Limited * # $ | 0.00% | - | 0.00% | (0.00) | 0% | - | 0.00% | - |
| 15 | Starworth Infrastructure & Construction Limited | 1.39% | 25.81 | 2.66% | 3.04 | -8% | 0.05 | 2.72% | 3.09 |
| 16 | Provident Housing Limited | 12.71% | 235.99 | 12.34% | 14.11 | 40% | (0.24) | 12.19% | 13.87 |
| 17 | Purva Pine Private Limited * # $ | 0.00% | - | 0.00% | (0.00) | 0% | - | 0.00% | - |
| 18 | Purva Oak Private Limited * # $ | 0.00% | - | 0.00% | (0.00) | 0% | - | 0.00% | - |
| 19 | Provident Meryta Private Limited * # $ | 0.00% | 0.01 | 0.00% | (0.00) | 0% | - | 0.00% | - |
| 20 | Argan Properties Private Limited # $ ^ | 0.00% | - | 0.00% | - | 0% | - | 0.00% | - |
| 21 | Provident Cedar Private Limited * # $ | 0.00% | 0.01 | 0.00% | (0.00) | 0% | - | 0.00% | - |
| 22 | IBID Homes Private Limited | -0.02% | (0.40) | -0.32% | (0.37) | 0% | - | -0.33% | (0.37) |
| 23 | Devas Global Services LLP | 0.01% | 0.10 | 0.00% | (0.00) | 0% | - | 0.00% | - |
| 24 | D.V. Infrhomes Private Limited* | 0.00% | (0.05) | -0.05% | (0.06) | 0% | - | -0.05% | (0.06) |
| **Foreign subsidiaries** | | | | | | | | | |
| 1 | Welworth Lanka Holding Private Limited | 0.76% | 14.02 | -0.02% | (0.03) | 0% | - | -0.03% | (0.03) |

## Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Sl. No. | Name of the entity | Net assets (total assets minus total liabilities) | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|
| | | As % of consolidated net assets/ (liabilities) | Amount | As % of consolidated profit/ (loss) | Amount | As % of consolidated profit/ (loss) | Amount | As % of consolidated profit/ (loss) | Amount |
| 2 | Welworth Lanka Projects (Private) Limited | 0.46% | 8.46 | -0.80% | (0.91) | 0% | - | -0.80% | (0.91) |
| **Associates** | | | | | | | | | |
| 1 | Keppel Puravankara Development Private Limited | 5.80% | 107.66 | -0.96% | (1.10) | 0% | - | -0.97% | (1.10) |
| 2 | Propmart Technologies Limited | -1.44% | (26.83) | 0.18% | 0.21 | 0% | - | 0.18% | 0.21 |
| 3 | Sobha Puravankara Aviation Private Limited | -5.24% | (97.28) | -9.67% | (11.06) | 0% | - | -9.72% | (11.06) |
| 4 | Whitefield Ventures # $ | 0.55% | 10.25 | 0.00% | - | 0% | - | 0.00% | - |
| **Joint ventures** | | | | | | | | | |
| 1 | Purva Good Earth Properties Private Limited | -0.02% | (0.29) | -0.08% | (0.09) | 0% | - | -0.08% | (0.09) |
| 2 | Pune Projects LLP | -0.59% | (10.90) | -2.46% | (2.81) | 0% | - | -2.47% | (2.81) |
| **Adjustment arising out of consolidation** | | -2.64% | (48.96) | 10.25% | 11.72 | 0% | - | 10.30% | 11.72 |
| **Grand total** | | 100.00% | 1,856.75 | 100.00% | 114.35 | 100.00% | (0.61) | 100.00% | 113.75 |

* The net assets of the aforesaid subsidiaries and associates cumulatively represents 0.01% as a percentage of consolidated net assets. Consequently the net assets as a percentage of consolidated net assets of the individual subsidiaries and associates presented above appears as 'zero'.

# The share of profit/(loss) of the aforesaid subsidiaries and associates cumulatively represents 0.01% as a percentage of consolidated profit. Consequently share of profit (loss) as a percentage of consolidated profit of the individual subsidiaries and associates presented above appears as 'zero'.

$ The share of total comprehensive income/(loss) of the aforesaid subsidiaries and associates cumulatively represents 0.01% as a percentage of consolidated total comprehensive income. Consequently share of total comprehensive income (loss) as a percentage of consolidated total comprehensive income of the individual subsidiaries and associates presented above appears as 'zero'.

^ On March 15, 2019, the Group has sold 100% equity shares of Argan Properties Private Limited, a wholly owned subsidiary company.

# Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

## 44. Segmental information

The Group's business activities fall within a single reportable segment, i.e. real estate development. Hence, there are no additional disclosures to be provided under Ind-AS 108 - Segment information with respect to the single reportable segment, other than those already provided in the financial statements.

The Group is majorly domiciled in India. The Group's revenue from operations from external customers relate to real estate development in India and all the non-current assets of the Group are located in India.

**45.** As at March 31, 2020, there are no standards that have been issued but not yet effective, which will impact the Company's financial statements.

## 46. Unhedged foreign currency exposure

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Unhedged foreign currency exposure | Nil | Nil |

For **S.R. Batliboi & Associates LLP**
*Chartered Accountants*
ICAI Firm registration number: 101049W/E300004

per **Adarsh Ranka**
*Partner*
Membership no.: 209567

Bengaluru
June 26, 2020

For and on behalf of the Board of Directors of **Puravankara Limited**

**Ashish R Puravankara**
*Managing Director*
DIN 00504524

**Nani R Choksey**
*Joint Managing Director*
DIN 00504555

**Kuldeep Chawla**
*Chief Financial Officer*

**Bindu Doraiswamy**
*Company Secretary*

Bengaluru
June 26, 2020

# Standalone Financial Statements

# INDEPENDENT AUDITOR'S REPORT

To the Members of
Puravankara Limited

## Report on the Audit of the Standalone Ind AS Financial Statements

### Opinion

We have audited the accompanying standalone Ind AS financial statements of Puravankara Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the partnership entities, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Emphasis of Matter

(i) We draw attention to Note 37 (b)(iv) to the accompanying standalone Ind AS financial statements for the year ended March 31, 2020, in connection with the wholly-owned subsidiary being subject to an ongoing litigation. Pending resolution of the litigation, no provision has been made towards the resulting impact of customer's counter-claims on the subsidiary in the accompanying standalone Ind AS financial statements. Our opinion is not modified in respect of this matter.

(ii) We draw attention to Note 37 (b)(v) to the accompanying standalone Ind AS financial statements in connection with certain ongoing litigations in the Company. Pending resolution of the litigations, based on legal opinions, no provision has been made towards any claims and the underlying recoverable, deposits and advances are classified as good and recoverable in the accompanying standalone Ind AS financial statements. Our opinion is not modified in respect of this matter.

(iii) We draw attention to Note 2.4 to the accompanying standalone Ind AS financial statements for the year ended March 31, 2020, which describes the management's evaluation of Covid-19 impact on the future business operations and future cash flows of the Company. In view of the uncertain economic conditions, the management's evaluation of the impact on the subsequent periods is highly dependent upon conditions as they evolve. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Recognition of Revenue from Contract with Customers** (as described in Note 38 of the standalone Ind AS financial statements) | |
| The Company applies Ind AS 115 for recognition of revenue from real estate projects. The revenue from real estate projects is recognised at a point in time upon the Company satisfying its performance obligation and the customer obtaining control of the underlying asset, which involves significant estimates and judgement.<br><br>For revenue contract forming part of Joint Development Arrangements that are not jointly controlled operations ('JDA'), the revenue from the development and transfer of constructed area/revenue share with a corresponding land/ development rights received by the Company is measured at the fair value of the estimated construction service rendered by the Company to the land owner under JDA. Such revenue is recognised over a period of time in accordance with the requirements of Ind AS 115.<br><br>For contracts involving sale of real estate unit, the Company receives the consideration in accordance with the terms of the contract in proportion of the percentage of completion of such real estate project and represents payments made by customers to secure performance obligation of the Company under the contract enforceable by customers. The assessment of such consideration received from customers involves significant judgment in determining if the contracts with customers involves any financing element.<br><br>Application of Ind AS 115 involves significant judgment in determining when 'control' of the property underlying the performance obligation is transferred to the customer. Further, for revenue contract forming part of JDA, significant estimate is made by the management in determining the fair value of the underlying revenue.<br><br>As the revenue recognition involves significant estimates and judgement, we regard this as a key audit matter. | Our audit procedures included, among others, the following:<br>- We have read the accounting policy for revenue recognition and assessed compliance of the policy in terms of principles enunciated under Ind AS 115.<br>- We assessed the management evaluation of determining revenue recognition from sale of real estate inventory property at a point in time in accordance with the requirements under Ind AS 115.<br>- We obtained and understood the revenue recognition process and performed test of controls over revenue recognition including determination of point of transfer of control, completion of performance obligation and fair value of estimated construction service under JDA, on a sample basis.<br>- We performed test of details, on a sample basis, and tested the underlying customer/JDA contracts and sale deed/ handover documents, evidencing the transfer of control of the asset to the customer based on which the revenue is recognized at a point of time.<br>- We obtained the joint development agreements entered into by the Company and compared the ratio of constructed area/ revenue sharing arrangement between the Company and the landowner as mentioned in the agreement to the computation statement prepared by the management, on a sample basis.<br>- We obtained and tested the computation of the fair value of the construction service under JDA, on sample basis.<br>- We tested the computation for recognition of revenue over a period of time for revenue contracts forming part of JDA and management's assessment of stage of completion of projects and project cost estimates on a test check basis.<br>- We assessed the disclosures made by management in compliance with the requirements of Ind AS 115. |

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Recording of related party transactions and disclosures (as described in note 39 of the Standalone Ind AS financial statements)</td></tr>
<tr><td>The Company has undertaken transactions with its related parties in the ordinary course of business at arm's length. These include making new or additional investments in its subsidiaries, associates and joint ventures and lending and borrowing of loans; and other transactions to or from the related parties.<br><br>We identified the accuracy and completeness of the said related party transactions and its disclosure as set out in respective notes to the Standalone Ind AS financial statements as a key audit matter due to the significance of transactions with related parties and regulatory compliance thereon.</td><td>Our audit procedures included, among others, the following:<br><br>- Obtained and read the Company's policies, processes and procedures in respect of identifying related parties, obtaining approval, recording and disclosure of related party transactions.<br><br>- Read minutes of shareholder meetings, board meetings and minutes of meetings of those charged with governance in connection with Company's assessment of related party transactions being in the ordinary course of business at arm's length.<br><br>- Tested, on a sample basis, related party transactions with the underlying contracts, confirmation letters and other supporting documents.<br><br>- Agreed the related party information disclosed in the Standalone Ind AS financial statements with the underlying supporting documents on a sample basis.</td></tr>
<tr><td colspan="2">Carrying value of inventory and land advances/deposits (as described in notes 7(a), 10(a) and 13 of the Standalone Ind AS financial statements)</td></tr>
<tr><td>As at March 31, 2020, the carrying value of the inventory of real estate projects is ₹4,060.01 crores and land advances/deposits of ₹223.75 crores.<br><br>The inventories are carried at the lower of cost and Net Realisable Value (NRV). The determination of the NRV involves estimates based on prevailing market conditions and taking into account the estimated future selling price, cost to complete projects and selling costs.<br><br>On account of Covid-19 outbreak and country-wide lockdown thereon, the Company conducted its annual inventory count at a date subsequent to year-end and performed the rollback workings.<br><br>Deposits paid under joint development arrangements, in the nature of non-refundable amounts, are recognised as land advance under other assets and on the launch of the project, the same is transferred as land stock under inventories. Further, advances paid by the Company to the seller/ intermediary towards outright purchase of land is recognised as land advance under other assets during the course of transferring the legal title to the Company, whereupon it is transferred to land stock under inventories.</td><td>Our procedures in assessing the carrying value of the inventories/land advances/deposits included, among others, the following:<br><br>- We read and evaluated the accounting policies with respect to inventories/land advances/deposits.<br><br>- We assessed the Company's methodology applied in assessing the carrying value under the relevant accounting standards based on current economic and market conditions including effects of COVID-19 pandemic, applied in assessing the carrying value, launch of the project, development plan and future sales.<br><br>- We obtained and tested the computation involved in assessment of carrying value and the net realisable value/ net recoverable value including the effects of COVID 19 on test check basis.<br><br>- We compared the realisable/recoverable amount of the asset to the carrying value in books on test check basis.<br><br>- We made inquiries with management to understand key assumptions used in determination of the net realisable value/ net recoverable value including effects of COVID 19 on test check basis.</td></tr>
</table>

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| The aforesaid deposits and advances are carried at the lower of the amount paid/payable and net recoverable value, which is based on the management's assessment including the expected date of commencement and completion of the project and the estimate of sale prices and construction costs of the project.<br><br>We identified the assessment of the carrying value of inventory and land advances/deposits as a key audit matter due to the significance of the balance to the Standalone Ind AS financial statements as a whole and the involvement of estimates and judgement in the assessment | - On account of Covid-19 outbreak and country-wide lockdown thereon, we observed the physical verification of inventory at a date subsequent to year-end and tested the rollback procedures performed by the Company, on a test check basis. |
| **Compliance with repayment terms of borrowings** (as described in note 20 of the Standalone Ind AS financial statements) | |
| The Company has significant borrowings as it is the key source of funds taken to finance its various real estate development projects as well as for general corporate purpose.<br><br>We consider compliance with repayment terms of borrowings as a key audit matter as this is a key consideration for appropriate classification of loan balances and relevant disclosures thereon in the Standalone Ind AS financial statements. Further, compliance with repayment terms is part of management's assessment of evaluating its gearing and liquidity profile. | Our procedures in relation to compliance with repayment terms of borrowings include, among others, the following:<br>- Obtained an understanding of the process and testing the internal controls over timely repayment of borrowings.<br>- We tested the repayments of borrowings for a sample of transactions by reading the underlying contracts for repayments schedules, comparing the actual cash flows with the repayment schedules and tracing the amounts paid as per books of account to the bank statements of the Company.<br>- Assessed the maturity profile of the borrowings to evaluate the classification and disclosure of borrowings on test check basis.<br>- Compared the balances confirmed by the lenders with the balances as per the books of accounts. |
| **Carrying value of Investments and loans made in subsidiaries, associate and joint venture entities** (as described in note 06 and 07 of the Standalone Ind AS financial statements) | |
| As at March 31, 2020, the carrying values of Company's investment in subsidiary, joint venture and associate entities amounted to ₹63.22 crores. Further, the Company has granted loans and advances to its subsidiaries, joint ventures and associates and the outstanding amount as at March 31, 2020 is ₹524.49 crores. Management reviews on a periodical basis whether there are any indicators of impairment of such investments and loans and advances.<br><br>For cases where impairment indicators exist, management estimates the recoverable/realisable amounts of the investments, being higher of fair value less costs of disposal and value in use. Significant judgements are required to determine the key assumptions used in determination of fair value / value in use. | Our procedures in assessing the impairment of the investment and loans and advances included, among others, the following:<br>- We read and evaluated the accounting policies with respect to investment and loans and advance.<br>- We assessed the Company's methodology applied in assessing the carrying value under the relevant accounting standards.<br>- We assessed the Company's valuation methodology and assumptions based on current economic and market conditions including effects of COVID-19 pandemic, applied in determining the recoverable/realisable amount.<br>- We compared the recoverable/realisable amount of the investment and loans and advance to the carrying value in books. |

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| The loans and advances are carried at the lower of the carrying value and net recoverable value, which is based on the management's assessment of recoverability of loans and advances.<br><br>In view of the COVID -19 pandemic, the management has reassessed its future business plans and key assumptions as at March 31, 2020 while assessing the adequacy of carrying value of the investment, loans and advances made by the Company in Subsidiaries, associates and joint venture entities.<br><br>As the impairment assessment involves significant assumptions and judgement, we regard this as a key audit matter. | - We obtained and considered management evaluation based on current economic and market conditions including effects of COVID-19 pandemic, applied in determining the recoverability of loans and advances granted to its subsidiaries and associate entities.<br><br>- We assessed the financial condition of entities to whom loans and advances were granted by obtaining the most recent audited financial statements of such entities.<br><br>- We performed inquiries with management on the project status and future business plan of entities to whom loans and advances were granted to evaluate their recoverability/realisability.<br><br>- We assessed the disclosures made in the Standalone Ind AS financial statements regarding investments and loans and advances. |

## Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we will perform, we conclude that there is a material misstatement of this other information, we are required to report that fact.

## Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

We did not audit the financial statements and the other financial information as regards Company's share in losses of 3 partnership entities (2 limited liability partnership and 1 partnership firm) amounting to ₹0.80 crores for the year ended March 31, 2020, and included in the accompanying standalone Ind AS financial statements. The financial statements of such partnership entities have been audited by other auditors and whose reports have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of such partnership entities, is based solely on the report of other auditors. Our opinion is not modified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) The matter described in Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

   (f) On the basis of the written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164 (2) of the Act;

   (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (h) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 37 (b) to the standalone Ind AS financial statements;

      ii. The Company did not have any long term contracts including derivative contracts for which there were any provision for material foreseeable losses;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates LLP**
*Chartered Accountants*
ICAI Firm Registration Number: 101049W/E300004

per Adarsh Ranka
Partner
Membership Number: 209567
UDIN: 20209567AAAADJ2078

Place: Bengaluru
Date: June 26, 2020

# ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF PURAVANKARA LIMTED

## Report on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2016 ("the Order")

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment property.

(b) All property, plant and equipment and investment property have not been physically verified by the management during the year but there is a regular programme of verification 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) According to the information and explanations given by the management and based on the examination of the registered sale deed/transfer deed/registered joint development agreements provided to us, we report that, the title deeds of immovable properties included in property, plant and equipment and investment property are held in the name of the Company. In respect of immovable properties taken on lease and disclosed as right-of-use assets in the standalone Ind AS financial statements, the lease agreements are in the name of the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) (a) The Company has granted loans to seventeen companies, two limited liability partnership firms and one partnership firm covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the loans are not prejudicial to the Company's interest, having regard to management's representation that the loans are given to such parties considering the Company's economic interest and long-term trade relationship with such parties.

(b) In respect of the loans granted to parties covered in the register maintained under Section 189 of the Companies Act, 2013, the loans and interest thereon are repayable as per the contractual terms. As per the contractual terms, the loans and interest thereon have not fallen due for repayment. Accordingly, there has been no default on the part of the parties to whom the money has been lent.

(c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013, which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act, 2013, in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) 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 section 148(1) of the Companies Act, 2013, related to the construction activities and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of custom, cess and other statutory dues applicable to it though there has been a slight delay in a few cases in deposit of tax deducted at source, goods and service tax and professional tax.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, duty of custom, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, goods and service tax, duty of custom and cess which have not been deposited on account of any dispute, are as follows:

| Name of the Statue | Nature of dues | Amount demanded ₹Crore | Amount paid under protest ₹Crore | Period to which amount relates | Forum where the dispute is pending |
|---|---|---|---|---|---|
| The Karnataka Value Added Tax Act. | Value Added Tax | 0.48 | 0.15 | 2013-2015 | Joint Commissioner of Commercial Taxes Department Appeals |
| Karnataka Value Added Tax Act. | Value Added Tax | 0.18 | 0.05 | 2012-2013 | Joint Commissioner of Commercial Taxes Department Appeals |
| The Kerala Value Added Tax Act | Value Added Tax | 10.69 | - | 2012-2013 | Commissioner of Commercial Taxes Department Appeals |
| Chapter V of the Finance Act, 1994 | Service Tax | 8.61 | - | 2007-2008 | Customs, Excise & Service Tax Appellate Tribunal, Bangalore |
| Chapter V of the Finance Act, 1994 | Service Tax | 29.57 | 0.46 | 2007-2017 | Customs, Excise & Service Tax Appellate Tribunal, Bangalore |
| Income-Tax Act, 1961 | Income tax | 10.26 | - | 2004-2006, 2009-2011 | Commissioner of Income Tax (Appeals) |
| Income-Tax Act, 1961 | Income tax | 27.04 | - | 2011-2014 | Assistant Commissioner of Income Tax |
| Income-Tax Act, 1961 | Income tax | 15.16 | - | 2015-2016 | Commissioner of Income Tax (Appeals) |

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or dues to debenture holders. The Company did not have any loans or borrowing from government.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans (representing loans with a repayment period beyond 36 months) for the purposes for which they were raised. The Company has not raised any monies by way of initial public offer/ further public offer.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934, are not applicable to the Company.

For **S.R. Batliboi & Associates LLP**
*Chartered Accountants*
ICAI Firm Registration Number: 101049W/E300004

per Adarsh Ranka
Partner
Membership Number: 209567
UDIN: 20209567AAAADJ2078

Place: Bengaluru
Date: June 26, 2020

# ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF PURAVANKARA LIMTED

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Puravankara Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

## Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Associates LLP**
*Chartered Accountants*
ICAI Firm Registration Number: 101049W/E300004

per Adarsh Ranka
Partner
Membership Number: 209567
UDIN: 20209567AAAADJ2078

Place: Bengaluru
Date: June 26, 2020

# Standalone Balance Sheet as at March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Note | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| (a) Property, plant and equipment | 3 | 39.92 | 29.39 |
| (b) Capital work-in-progress | 4A | - | 33.42 |
| (c) Investment property | 4 | 33.73 | 61.61 |
| (d) Intangible assets | 5 | 2.90 | 3.33 |
| (e) Financial assets | | | |
| (i) Investments | 6 | 63.22 | 45.89 |
| (ii) Loans | 7a | 619.71 | 659.00 |
| (iii) Other financial assets | 8a | 32.29 | 19.87 |
| (f) Deferred tax assets (net) | 12 | 188.94 | 201.78 |
| (g) Assets for current tax (net) | 9 | 48.55 | 35.18 |
| (h) Other non-current assets | 10a | 97.99 | 107.40 |
| **Total non-current assets** | | **1,127.25** | **1,196.87** |
| **Current assets** | | | |
| (a) Inventories | 13 | 4,060.01 | 4,500.63 |
| (b) Financial assets | | | |
| (i) Trade receivables | 14 | 152.94 | 119.67 |
| (ii) Cash and cash equivalents | 15 | 70.92 | 77.33 |
| (iii) Bank balances other than (ii) above | 16 | 0.89 | 0.19 |
| (iv) Loans | 7b | 76.10 | 70.39 |
| (v) Other financial assets | 8b | 25.62 | 11.06 |
| (c) Other current assets | 10b | 211.81 | 184.39 |
| **Total current assets** | | **4,598.29** | **4,963.66** |
| **Total assets** | | **5,725.54** | **6,160.53** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| (a) Equity share capital | 17 | 118.58 | 118.58 |
| (b) Other equity | 18 | 1,531.88 | 1,529.30 |
| **Total equity** | | **1,650.46** | **1,647.88** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 20a | 45.07 | 254.78 |
| (ii) Other financial liabilities | 21a | 31.61 | 14.11 |
| (b) Provisions | 22a | 6.21 | 7.34 |
| **Total non-current liabilities** | | **82.89** | **276.23** |
| **Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 20b | 721.82 | 567.87 |
| (ii) Trade payables | 23 | | |
| (A) Total outstanding dues of micro enterprises and small enterprises | | 7.32 | 0.48 |
| (B) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 348.38 | 311.65 |
| (iii) Other financial liabilities | 21b | 1,399.64 | 1,381.86 |
| (b) Other current liabilities | 24 | 1,514.46 | 1,973.03 |
| (c) Provisions | 22b | 0.57 | 1.53 |
| **Total current liabilities** | | **3,992.19** | **4,236.42** |
| **Total equity and liabilities** | | **5,725.54** | **6,160.53** |
| Summary of significant accounting policies | 2.2 | | |

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

As per report of even date

For **S.R. Batliboi & Associates LLP**
*Chartered Accountants*
ICAI Firm registration number: 101049W/E300004

per **Adarsh Ranka**
*Partner*
Membership no.: 209567

Bengaluru
June 26, 2020

For and on behalf of the Board of Directors of **Puravankara Limited**

**Ashish R Puravankara**
*Managing Director*
DIN 00504524

**Nani R Choksey**
*Joint Managing Director*
DIN 00504555

**Kuldeep Chawla**
*Chief Financial Officer*

**Bindu Doraiswamy**
*Company Secretary*

Bengaluru
June 26, 2020

# Standalone Statement of Profit & Loss for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Note | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 25 | 1,271.36 | 1,471.91 |
| Other income | 26 | 51.46 | 67.13 |
| **Total** | | **1,322.82** | **1,539.04** |
| **Expenses** | | | |
| Sub-contractor cost | | 228.35 | 262.66 |
| Cost of raw materials, components and stores consumed | 27 | 24.11 | 44.51 |
| Purchase of land stock | | 8.42 | 216.89 |
| (Increase)/ decrease in inventories of stock of flats, land stock and work-in-progress | 28 | 500.27 | 406.33 |
| Employee benefits expense | 29 | 88.07 | 83.66 |
| Finance costs | 30 | 256.36 | 238.01 |
| Depreciation and amortization expense | 31 | 12.38 | 9.69 |
| Other expenses | 32 | 160.06 | 145.69 |
| **Total expenses** | | **1,278.02** | **1,407.44** |
| **Profit before tax** | | **44.80** | **131.60** |
| **Tax expense** | **11** | | |
| Current tax | | - | - |
| Deferred tax | | 14.29 | 39.83 |
| **Total tax expense** | | **14.29** | **39.83** |
| **Profit for the year** | | **30.51** | **91.77** |
| **Other Comprehensive Income ('OCI')** | | | |
| Items that will not be reclassified to profit or loss | | | |
| (i) Re-measurement of gains/(losses) on defined benefit plans | | 1.99 | (0.65) |
| (ii) Income tax relating to above | | (0.69) | 0.23 |
| **Total other comprehensive income** | | **1.30** | **(0.42)** |
| **Total comprehensive income for the year (comprising profit and OCI)** | | **31.81** | **91.35** |
| **Earnings Per equity Share ('EPS')** | | | |
| (Nominal value per equity share ₹5 (March 31, 2019 : ₹5) | | | |
| Basic (₹) | | 1.29 | 3.86 |
| Diluted (₹) | | 1.29 | 3.86 |
| **Weighted average number of equity shares used in computation of EPS** | | | |
| Basic - in numbers crores | | 23.72 | 23.72 |
| Diluted - in numbers crores | | 23.72 | 23.72 |
| **Summary of significant accounting policies** | 2.2 | | |

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

As per report of even date

For **S.R. Batliboi & Associates LLP**
*Chartered Accountants*
ICAI Firm registration number: 101049W/E300004

per **Adarsh Ranka**
*Partner*
Membership no.: 209567

Bengaluru
June 26, 2020

For and on behalf of the Board of Directors of **Puravankara Limited**

**Ashish R Puravankara**
*Managing Director*
DIN 00504524

**Nani R Choksey**
*Joint Managing Director*
DIN 00504555

**Kuldeep Chawla**
*Chief Financial Officer*

**Bindu Doraiswamy**
*Company Secretary*

Bengaluru
June 26, 2020

## Standalone Statement of Cash Flow for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **A. Cash flow from Operating Activities** | | |
| **Profit before tax** | 44.80 | 131.60 |
| Adjustments to reconcile profit after tax to net cash flows | | |
| Depreciation and amortization expense | 12.38 | 9.69 |
| Financial guarantee income | (1.12) | (1.86) |
| Liabilities no longer required written-back | (5.14) | (26.69) |
| Profit on sale of property, plant and equipment | (0.09) | (0.31) |
| Profit on sale of investment property | - | (26.81) |
| Allowance for doubtful loan | 1.87 | - |
| Dividend income on investments | (10.50) | (6.00) |
| Share in profits/ (loss) of partnership firm investments (post tax) | 0.72 | 0.91 |
| Finance costs | 256.36 | 238.01 |
| Interest income | (19.22) | (24.44) |
| **Operating profit before working capital changes** | **280.06** | **294.10** |
| Working capital adjustments: | | |
| (Increase)/ decrease in trade receivables | (33.27) | 46.53 |
| (Increase)/ decrease in inventories | 501.26 | 407.88 |
| (Increase)/ decrease in loans | 5.40 | (2.93) |
| (Increase)/ decrease in other financial assets | (14.56) | 25.61 |
| (Increase)/ decrease in other assets | (18.02) | 9.05 |
| Increase/ (decrease) in trade payables | 43.58 | 55.75 |
| Increase/ (decrease) in other financial liabilities | 0.04 | 23.46 |
| Increase/ (decrease) in other liabilities | (467.56) | (941.08) |
| Increase/ (decrease) in provisions | (0.10) | (1.16) |
| **Cash (used in)/ received from operations** | **296.83** | **(82.79)** |
| Income tax paid (net) | (13.37) | (14.51) |
| **Net cash flows (used in)/from operating activities** | **283.46** | **(97.30)** |
| **B. Cash flows from investing activities** | | |
| Proceeds from sale of investment properties | - | 35.60 |
| Purchase of property, plant and equipment (including capital work in progress and capital advances) | (3.90) | (4.36) |
| Purchase of intangible assets | (0.74) | (1.50) |
| Proceeds from sale of property, plant and equipment | 1.95 | 0.71 |
| Investments made in equity of subsidiaries and associates | (5.42) | (0.10) |
| Loans given to subsidiaries, associates and joint ventures | (108.14) | (346.48) |
| Loans repaid by subsidiaries, associates and joint ventures | 158.75 | 346.74 |
| Investment in bank deposits (original maturity of more than three months) | (41.56) | (38.04) |
| Redemption of bank deposits (original maturity of more than three months) | 28.44 | 29.27 |
| Dividend received | 10.50 | 6.00 |
| Interest received | 3.04 | 12.22 |
| **Net cash flows from / (used in) investing activities** | **42.92** | **40.06** |

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **C. Cash flows from financing activities** | | |
| Proceeds from secured term loans | 461.50 | 1,139.28 |
| Repayment of secured term loans | (514.10) | (777.29) |
| Repayments of unsecured term loans | - | 46.00 |
| Loans taken from subsidiaries and associates | 25.28 | 76.46 |
| Loans repaid to subsidiaries and associates | (5.55) | (128.93) |
| Dividends paid (including taxes) | (25.21) | (45.71) |
| Interest and other charges paid | (244.24) | (230.07) |
| **Net cash (used in)/from financing activities** | **(302.32)** | **79.74** |
| **Net (decrease)/increase in cash and cash equivalents (A + B + C)** | **24.06** | **22.50** |
| **Cash and cash equivalents at the beginning of the year** | **(51.39)** | **(73.89)** |
| **Cash and cash equivalents at the end of the year (as per note 15 to the financial statements)** | **(27.33)** | **(51.39)** |

| Particulars | Notes | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| **Components of cash and cash equivalents** | | | |
| Cash and cash equivalents | 15 | 70.92 | 77.33 |
| Less: Cash credit facilities from banks | 20 | (98.25) | (128.72) |
| Cash and cash equivalents reported in cash flow statement | | (27.33) | (51.39) |
| Summary of significant accounting policies | 2.2 | | |

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

As per report of even date

For **S.R. Batliboi & Associates LLP**
*Chartered Accountants*
ICAI Firm registration number: 101049W/E300004

per **Adarsh Ranka**
*Partner*
Membership no.: 209567

Bengaluru
June 26, 2020

For and on behalf of the Board of Directors of **Puravankara Limited**

**Ashish R Puravankara**
*Managing Director*
DIN 00504524

**Nani R Choksey**
*Joint Managing Director*
DIN 00504555

**Kuldeep Chawla**
*Chief Financial Officer*

**Bindu Doraiswamy**
*Company Secretary*

Bengaluru
June 26, 2020

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

## A. Equity share capital

| Particulars | As at April 1, 2018 | Movement during 2018-19 | As at March 31, 2019 | Movement during 2019-20 | As at March 31, 2020 |
|---|---|---|---|---|---|
| Equity share capital of face value of ₹5 each fully paid 23.72 crore (March 31, 2019 - 23.72 crore) equity shares of ₹5 each fully paid | 118.58 | - | 118.58 | - | 118.58 |
| | **118.58** | - | **118.58** | - | **118.58** |

Note: Also refer note 17

## B. Other equity

| Particulars | Reserves and surplus | | | Total |
|---|---|---|---|---|
| | Securities premium | General reserve | Retained Earnings | |
| Balance as at 1 April 2018 | 963.61 | 80.28 | 830.21 | 1,874.10 |
| Profit for the year | - | - | 91.77 | 91.77 |
| Other Comprehensive Income | - | - | (0.42) | (0.42) |
| Ind-AS 115 and Amendments to Ind AS 40 transition impact | - | - | (390.41) | (390.41) |
| **Total comprehensive income for the year** | **963.61** | **80.28** | **531.15** | **1,575.04** |
| Dividends (including tax on dividend) | - | - | (45.74) | (45.74) |
| **Balance as at March 31, 2019** | **963.61** | **80.28** | **485.41** | **1,529.30** |
| Profit for the year | - | - | 30.51 | 30.51 |
| Other Comprehensive Income | - | - | 1.30 | 1.30 |
| Ind AS 116 transition impact- refer note 36 | - | - | (4.01) | (4.01) |
| **Total comprehensive income for the year** | **963.61** | **80.28** | **513.21** | **1,557.10** |
| Dividend (including tax on dividend) | - | - | (25.22) | (25.22) |
| **Balance as at March 31, 2020** | **963.61** | **80.28** | **487.99** | **1,531.88** |

**Notes:**

1. Also refer note 18
2. As required under Ind AS compliant Schedule III, the Company has recognised re-measurement profit on defined benefit plans (net of tax) of ₹1.30 crores [March 31, 2019: ₹0.42 crores loss] as part of retained earnings.

**Summary of significant accounting policies** 2.2

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

As per report of even date

For **S.R. Batliboi & Associates LLP**
*Chartered Accountants*
ICAI Firm registration number: 101049W/E300004

per **Adarsh Ranka**
*Partner*
Membership no.: 209567

Bengaluru
June 26, 2020

For and on behalf of the Board of Directors of **Puravankara Limited**

**Ashish R Puravankara**
*Managing Director*
DIN 00504524

**Nani R Choksey**
*Joint Managing Director*
DIN 00504555

**Kuldeep Chawla**
*Chief Financial Officer*

**Bindu Doraiswamy**
*Company Secretary*

Bengaluru
June 26, 2020

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

## 1. Corporate information

Puravankara Limited (the 'Company') was incorporated on June 3, 1986 under the provisions of the Companies Act applicable in India ("Act"). The registered office is located at 130/1, Ulsoor Road, Bengaluru 560042, India. The Company's shares are listed on two recognized stock exchanges in India namely National Stock Exchange of India Limited and BSE Limited. The Company is engaged in the business of real estate development.

The standalone Ind AS financial statements were authorized for issue in accordance with a resolution of the Board of Directors on June 26, 2020.

## 2. Significant accounting policies

### 2.1 Basis of preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III). The standalone financial statements of the Company are prepared and presented in accordance with Ind AS.

The standalone financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

### 2.2 Summary of significant accounting policies

#### (a) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure¬ of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities. The effect of change in an accounting estimate is recognized prospectively.

#### (b) Changes in accounting policies and disclosures

The accounting policies adopted and methods of computation followed are consistent with those of the previous financial year, except for items disclosed below.

**New and amended standards:**

**Ind AS 116 Leases:**

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

The Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective method recognising the right of use asset as if the Standard had been applied since the commencement date. The difference between right of use asset and lease liability of ₹4.01 crores has been recognised as transitional adjustment to retained earnings on the date of initial application i.e. April 01, 2019. Accordingly, the comparatives have not been restated and hence not comparable with previous period figures. The effect of this adoption is not significant on the financial results for the year ended March 31, 2020.

**Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment**

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

## Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions. The Company determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix did not have an impact on the standalone financial statements of the Company.

### (c) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle

- Held primarily for the purpose of trading

- Expected to be realized within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle

- It is held primarily for the purpose of trading

- It is due to be settled within twelve months after the reporting period, or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as four years for the purpose of current and non-current classification of assets and liabilities.

Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

### (d) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the Property, plant and equipment is de-recognized.

Costs of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

## (e) Depreciation on property, plant and equipment and investment property.

Depreciation is calculated on straight line method using the following useful lives estimated by the management, which are equal to those prescribed under Schedule II to the Companies Act, 2013, except certain categories of assets whose useful life is estimated by the management based on planned usage and technical evaluation thereon:

| Category of Asset | Useful lives (in years) | Useful lives as per Schedule II (in years) |
|---|---|---|
| Buildings | 60 | 60 |
| Plant, machinery and equipments: | | |
| - Shuttering materials | 7 | 15 |
| - Other plant, machinery and equipments | 10 | 15 |
| Furniture and fixtures | 10 | 10 |
| Computer equipment | | |
| - Servers and networking equipments | 6 | 6 |
| - End user devices | 3 | 3 |
| Office equipment | 5 | 5 |
| Motor Vehicles | 8 | 8 |

Leasehold improvements are amortised over the remaining period of lease or their estimated useful life (10 years), whichever is shorter on straight line basis.

The residual values, useful lives and methods of depreciation of property, plant and equipment and investment property are reviewed at each financial year end and adjusted prospectively, if appropriate.

## (f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets comprising of computer software are amortized using straight line method over a period of six years, which is estimated by the management to be the useful life of the asset.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

## Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when asset is derecognized.

### (g) Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are de-recognized when the entity transfers control of the same to the buyer. Further the entity also derecognises investment properties when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

### (h) Impairment

#### A. Financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

#### B. Non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### (i) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

## Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020
(All amounts in Indian ₹ Crore, unless otherwise stated)

Where the Company is lessee

A contract is, or contains, a lease if the contract involves –

(a) The use of an identified asset,

(b) The right to obtain substantially all the economic benefits from use of the identified asset, and

(c) The right to direct the use of the identified asset

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Building - 2 to 20 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.2(h) Impairment of non-financial assets.

### ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

value assets are recognised as expense on a straight-line basis over the lease term.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Assets subject to operating leases are included under Investment property.

Lease income from operating lease is recognized on a straight-line basis over the term of the relevant lease including lease income on fair value of refundable security deposits, unless the lease agreement explicitly states that increase is on account of inflation. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

## (j) Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized/ inventorised as part of the cost of the respective asset. All other borrowing costs are charged to statement of profit and loss.

The Company treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

## (k) Inventories

Direct expenditure relating to real estate activity is inventorised. Other expenditure (including borrowing costs) during construction period is inventorised to the extent the expenditure is directly attributable cost of bringing the asset to its working condition for its intended use. Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the statement of profit and loss. Direct and other expenditure is determined based on specific identification to the real estate activity.

i. Work-in-progress: Represents cost incurred in respect of unsold area (including land) of the real estate development projects or cost incurred on projects where the revenue is yet to be recognized. Work-in-progress is valued at lower of cost and net realizable value.

ii. Finished goods - Stock of Flats: Valued at lower of cost and net realizable value.

iii. Raw materials, components and stores: Valued at lower of cost and net realizable value. Cost is determined based on FIFO basis.

iv. Land stock: Valued at lower of cost and net realizable value.

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

## (l) Land

Advances paid by the Company to the seller/ intermediary toward outright purchase of land is recognized as land advance under other assets during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Company, whereupon it is transferred to land stock under inventories/ capital work in progress.

Land/ development rights received under joint development arrangements ('JDA') is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project. The amount of non-refundable deposit paid by the Company under JDA is recognized as land advance under other assets and on the launch of the project, the non-refundable

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

amount is transferred as land cost to work-in-progress/ capital work in progress. Further, the amount of refundable deposit paid by the Company under JDA is recognized as deposits under loans.

## (m) Revenue recognition

### A. Revenue recognition

#### a. (i) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other credits, if any, as specified in the contract with the customer. The Company presents revenue from contracts with customers net of indirect taxes in its statement of profit and loss.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer, if any.

Revenue from real estate development is recognised at the point in time, when the control of the asset is transferred to the customer.

Revenue consists of sale of undivided share of land and constructed area to the customer, which have been identified by the Company as a single performance obligation, as they are highly interrelated/ interdependent.

The performance obligation in relation to real estate development is satisfied upon completion of project work and transfer of control of the asset to the customer.

For contracts involving sale of real estate unit, the Company receives the consideration in accordance with the terms of the contract in proportion of the percentage of completion of such real estate project and represents payments made by customers to secure performance obligation of the Company under the contract enforceable by customers. Such consideration is received and utilised for specific real estate projects in accordance with the requirements of the Real Estate (Regulation and Development) Act, 2016. Consequently, the Company has concluded that such contracts with customers do not involve any financing element since the same arises for reasons explained above, which is other than for provision of finance to/from the customer.

Further, for projects executed through joint development arrangements not being jointly controlled operations, wherein the land owner/possessor provides land and the Company undertakes to develop properties on such land and in lieu of land owner providing land, the Company has agreed to transfer certain percentage of constructed area or certain percentage of the revenue proceeds, the revenue from the development and transfer of constructed area/revenue sharing arrangement in exchange of such development rights/ land is being accounted on gross basis on launch of the project. Revenue is recognised over time using input method, on the basis of the inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation.

The revenue is measured at the fair value of the land received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the land received cannot be measured reliably, the revenue is measured at the fair value of the estimated construction service rendered to the land owner, adjusted by the amount of any cash or cash equivalents

## Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

transferred. The fair value so estimated is considered as the cost of land in the computation of percentage of completion for the purpose of revenue recognition as discussed above.

(ii) Contract balances

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

(iii) Cost to obtain a contract

The Company recognises as an asset the incremental costs of obtaining a contract with a customer if the Company expects to recover those costs. The Company incurs costs such as sales commission when it enters into a new contract, which are directly related to winning the contract. The asset recognised is amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

b. Lease income

The Company's policy for recognition of revenue from operating leases is described in note 2.2(i).

c. Share in profit/ loss of Limited Liability Partnerships ("LLPs") and partnership firm

The Company's share in profits from LLPs and partnership firm, where the Company is a partner, is recognised as income in the statement of profit and loss as and when the right to receive its profit/ loss share is established by the Company in accordance with the terms of contract between the Company and the partnership entity.

B. Other Income

a. Interest income

Interest income, including income arising from other financial instruments measured at amortised cost, is recognised using the effective interest rate method.

b. Dividend income

Revenue is recognised when the Company's right to receive dividend is established, which is generally when shareholders approve the dividend.

(n) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

Foreign currency transactions and balances

i) 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 transaction.

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

ii) Conversion - Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii) Exchange differences - The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as income or as expense in the period in which they arise.

## (o) Retirement and other employee benefits

Retirement benefits in the form of state governed Employee Provident Fund and Employee State Insurance are defined contribution schemes (collectively the 'Schemes'). The Company has no obligation, other than the contribution payable to the Schemes. The Company recognizes contribution payable to the Schemes as expenditure, when an employee renders the related service. The contribution paid in excess of amount due is recognized as an asset and the contribution due in excess of amount paid is recognized as a liability.

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in OCI are not to be subsequently reclassified to statement of profit and loss. As required under Ind AS compliant Schedule III, the Company recognizes re-measurement gains and losses on defined benefit plans (net of tax) to retained earnings.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method, made at the end of each financial year. Actuarial gains/losses are immediately taken to the statement of profit and loss. The Company presents the accumulated leave liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

## (p) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year.

Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

### i. Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

### ii. Deferred income tax

Deferred income tax is recognized using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity) in correlation to the underlying transaction either in OCI or in equity.

### (q) Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses it in the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

### (r) Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value at initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability, except for transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss which are immediately recognized in statement of profit and loss.

#### i. Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

ii. **Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition.

iii. **Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

iv. **Investment in subsidiaries, joint ventures and associates**

Investment in subsidiaries, joint ventures and associates are carried at cost. Impairment recognized, if any, is reduced from the carrying value.

v. **De-recognition of financial asset**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

vi. **Financial liabilities**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts. The subsequent measurement of financial liabilities depends on their classification, which is described below.

vii. **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

viii. **Financial liabilities at amortized cost**

Financial liabilities are subsequently measured at amortized cost using the effective interest ('EIR') method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

ix. **De-recognition of financial liability**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

x. **Fair value of financial instruments**

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

## Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020
(All amounts in Indian ₹ Crore, unless otherwise stated)

**Fair value hierarchy:**

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### (s) Cash dividend to equity holders of the Company

The Company recognizes a liability to make cash distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

### (t) 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. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

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 dilutive potential equity shares.

### (u) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

## 2.3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these judgments, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Company's accounting policies, management makes judgement, estimates and assumptions which have the most significant effect on the amounts recognized in the financial statements.

The key judgements, estimates and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its judgements, assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due

## Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### i) Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

#### a) Identification of performance obligation

Revenue consists of sale of undivided share of land and constructed area to the customer, which have been identified by the Company as a single performance obligation, as they are highly interrelated/ interdependent. In assessing whether performance obligations relating to sale of undivided share of land and constructed area are highly interrelated/ interdependent, the Company considers factors such as:

- whether the customer could benefit from the undivided share of land or the constructed area on its own or together with other resources readily available to the customer.
- whether the entity will be able to fulfil its promise under the contract, to transfer the undivided share of land without transfer of constructed area or transfer the constructed area without transfer of undivided share of land.

#### b) Timing of satisfaction of performance obligation

Revenue from sale of real estate units is recognised when (or as) control of such units is transferred to the customer. The entity assesses timing of transfer of control of such units to the customers as transferred over time if one of the following criteria are met:

- The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
- The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If control is not transferred over time as above, the entity considers the same as transferred at a point in time.

For contracts where control is transferred at a point in time the Company considers the following indicators of the transfer of control of the asset to the customer:

- When the entity obtains a present right to payment for the asset.
- When the entity transfers legal title of the asset to the customer.
- When the entity transfers physical possession of the asset to the customer.
- When the entity transfers significant risks and rewards of ownership of the asset to the customer.
- When the customer has accepted the asset.

The aforesaid indicators of transfer of control are also considered for determination of the timing of derecognition of investment property.

#### c) Accounting for revenue and land cost for projects executed through joint development arrangements ('JDA')

For projects executed through joint development arrangements, the Company has evaluated that land owners are not engaged in the same line of business as the Company and hence has concluded that such arrangements are contracts with customers. The revenue from the development and transfer of constructed area/revenue sharing arrangement and the corresponding land/ development rights received under JDA is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project. The fair value is estimated with reference to the terms of the JDA (whether revenue share or area share) and the related cost that is allocated to discharge the obligation of the Company under the JDA. Fair value of the construction is considered to be the representative fair value of the revenue transaction and land so obtained. Such assessment is carried out at the launch of the real estate project and is not reassessed at each reporting period. The management is of the view that the fair value method and estimates are reflective of the current market condition.

d) **Significant financing component**

For contracts involving sale of real estate unit, the Company receives the consideration in accordance with the terms of the contract in proportion of the percentage of completion of such real estate project and represents payments made by customers to secure performance obligation of the Company under the contract enforceable by customers. Such consideration is received and utilised for specific real estate projects in accordance with the requirements of the Real Estate (Regulation and Development) Act, 2016. Consequently, the Company has concluded that such contracts with customers do not involve any financing element since the same arises for reasons explained above, which is other than for provision of finance to/from the customer.

ii) **Classification of property**

The Company determines whether a property is classified as investment property or inventory as below.

Investment property comprises land and buildings (principally office and retail properties) that are not occupied substantially for use by, or in the operations of, the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business.

Inventory comprises property that is held for sale in the ordinary course of business. Principally, this is residential and commercial property that the Company develops and intends to sell before or during the course of construction or upon completion of construction.

Estimation of net realizable value for inventory and land advance

Inventory is stated at the lower of cost and net realizable value (NRV).

NRV for completed inventory property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Company, based on comparable transactions identified by the Company for properties in the same geographical market serving the same real estate segment.

NRV in respect of inventory property under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and an estimate of the time value of money to the date of completion.

With respect to land inventory and land advance given, the net recoverable value is based on the present value of future cash flows, which depends on the estimate of, among other things, the likelihood that a project will be completed, the expected date of completion, the discount rate used and the estimation of sale prices and construction costs.

iii) **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to disclosure of fair value of investment property recorded by the Company.

iv) **Defined benefit plans - Gratuity**

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

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include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates and expected salary increase thereon.

### v) Measurement of financial instruments at amortized cost

Financial instrument are subsequently measured at amortized cost using the effective interest ('EIR') method. The computation of amortized cost is sensitive to the inputs to EIR including effective rate of interest, contractual cash flows and the expected life of the financial instrument. Changes in assumptions about these inputs could affect the reported value of financial instruments.

### vi) Useful life and residual value of property, plant and equipment, investment property and intangible assets

The useful life and residual value of property, plant and equipment, investment property and intangible assets are determined based on evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgements involved in such estimates the useful life and residual value are sensitive to the actual usage in future period.

### vii) Provision for litigations and contingencies

Provision for litigations and contingencies is determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimates the ultimate outcome of such past events and measurement of the obligation amount. Due to judgements involved in such estimation the provision is sensitive to the actual outcome in future periods.

## 2.4 Impact of pandemic Covid-19

World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown with effect from March 25, 2020 and the Company suspended the operations in all ongoing projects in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations of the Company by way of interruption in project execution, supply chain disruption, unavailability of personnel during the lock-down period.

The Company has considered the possible effects that may result from the Covid-19 pandemic on the carrying value of assets including property, plant and equipment, investment property, investments, inventories, loans, land advance/deposits and receivables. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources of information to assess the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on the current estimates, the Company expects that the carrying amount of these assets, as reflected in the balance sheet as at March 31, 2020, are fully recoverable. the Company has also estimated the future cash flows with the possible effects that may result from the COVID-19 pandemic and does not foresee any adverse impact on realising its assets and in meeting its liabilities as and when they fall due. The actual impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these financial results.

The Central and State Governments have initiated steps to lift the lockdown and the Company will adhere to the same as it resumes its activities. Construction at sites has restarted. The Company will continue to closely observe the evolving scenario and take into account any future developments arising out of the same.

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

## 3 Property, plant and equipment

| Particulars | Building | Plant and machinery | Office equipments | Computer equipments- end user devices | Computer equipments- servers and networking equipments | Furniture and fixtures | Vehicles | Shuttering material | Leasehold improvements | Right of use asset - building* | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Gross carrying amount at cost | | | | | | | | | | | |
| **At April 1, 2018** | 6.94 | 10.62 | 3.53 | 2.52 | 1.83 | 3.41 | 7.22 | 2.27 | 12.97 | - | 51.31 |
| Additions | - | 0.05 | 0.17 | 0.37 | 0.02 | 0.02 | 3.40 | - | 0.15 | - | 4.19 |
| Disposals | - | (3.16) | (0.03) | (0.85) | (0.03) | - | (1.52) | - | - | - | (5.60) |
| **At March 31, 2019** | **6.94** | **7.50** | **3.68** | **2.04** | **1.82** | **3.43** | **9.10** | **2.27** | **13.12** | **-** | **49.90** |
| IND AS 116 transitional impact | - | - | - | - | - | - | - | - | - | 37.67 | 37.67 |
| Additions | - | 0.30 | 0.08 | 0.24 | 0.04 | 0.18 | 1.73 | - | 0.90 | 1.48 | 4.95 |
| Disposals | - | (2.56) | - | - | (0.10) | - | (0.70) | - | - | - | (3.36) |
| **At March 31, 2020** | **6.94** | **5.24** | **3.76** | **2.28** | **1.76** | **3.61** | **10.13** | **2.27** | **14.02** | **39.15** | **89.16** |
| Accumulated depreciation | | | | | | | | | | | |
| At April 1, 2018 | 0.88 | 4.11 | 2.37 | 1.22 | 1.53 | 1.15 | 2.62 | 0.78 | 4.78 | - | 19.44 |
| Charge for the year | 0.12 | 1.60 | 0.43 | 0.43 | 0.17 | 0.40 | 1.23 | 0.26 | 1.64 | - | 6.27 |
| Adjustments for disposals | - | (2.96) | (0.03) | (0.79) | (0.03) | - | (1.39) | - | - | - | (5.20) |
| **At March 31, 2019** | **1.00** | **2.74** | **2.77** | **0.86** | **1.67** | **1.55** | **2.46** | **1.04** | **6.42** | **-** | **20.51** |
| IND AS 116 transitional impact | - | - | - | - | - | - | - | - | - | 20.07 | 20.07 |
| Charge for the year | 0.17 | 0.61 | 0.35 | 0.28 | 0.21 | 0.42 | 1.49 | 0.24 | 1.68 | 5.28 | 10.73 |
| Adjustments for disposals | - | (1.57) | - | - | (0.12) | - | (0.38) | - | - | - | (2.07) |
| **At March 31, 2020** | **1.17** | **1.78** | **3.12** | **1.14** | **1.76** | **1.97** | **3.57** | **1.28** | **8.10** | **25.35** | **49.24** |
| **Net block** | | | | | | | | | | | |
| **At March 31, 2019** | **5.94** | **4.76** | **0.91** | **1.18** | **0.15** | **1.89** | **6.64** | **1.23** | **6.70** | **-** | **29.39** |
| **At March 31, 2020** | **5.77** | **3.46** | **0.64** | **1.14** | **-** | **1.65** | **6.56** | **0.99** | **5.92** | **13.80** | **39.92** |

* Right of use asset represents underlying immovable properties taken under lease agreement. Refer Note 36

**Notes:**

a. **Capitalized borrowing cost**
There are no borrowing costs capitalized during the year ended March 31, 2020 and March 31, 2019.

b. **Property, plant and equipment pledged as security**
Details of assets pledged are as per note 20

## 4 Investment properties

| Particulars | Land | Building | Total |
|---|---|---|---|
| Gross carrying amount at cost | | | |
| **At April 1, 2018** | 23.22 | 40.59 | 63.81 |
| Adjustments pursuant to amendments to Ind AS 40 | 7.16 | 18.88 | 26.04 |
| Disposals | (7.16) | (18.88) | (26.04) |
| **At March 31, 2019** | 23.22 | 40.59 | 63.81 |
| Transfer to inventory during the year | (14.14) | (13.59) | (27.73) |
| Disposals | - | - | - |
| **At March 31, 2020** | 9.08 | 27.00 | 36.08 |
| **Accumulated depreciation** | | | |
| **At April 1, 2018** | - | 0.06 | 0.06 |
| Adjustments pursuant to amendments to Ind AS 40 | - | 1.89 | 1.89 |
| Charge for the year | - | 2.14 | 2.14 |
| Disposals | - | (1.89) | (1.89) |
| **At March 31, 2019** | **-** | **2.20** | **2.20** |
| Transfer to inventory during the year | - | (0.34) | (0.34) |
| Charge for the year | - | 0.49 | 0.49 |
| Disposals | - | - | - |
| **At March 31, 2020** | **-** | **2.35** | **2.35** |
| **Net block** | | | |
| **At March 31, 2019** | **23.22** | **38.39** | **61.61** |
| **At March 31, 2020** | **9.08** | **24.65** | **33.73** |

**Notes:**

a. Information regarding income and expenditure of investment properties (including investment properties sold during the year)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Rental income derived from investment properties | 8.89 | 5.45 |
| Direct operating expenses (including repairs and maintenance) generating rental income | (0.72) | (0.85) |
| Profit arising from investment properties before depreciation and indirect expenses | 8.17 | 4.60 |
| Less : Depreciation | (0.49) | (2.14) |
| **Profit arising from investment properties before indirect expenses** | **7.68** | **2.46** |

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

## b. Fair valuation information

As at March 31 2020 and March 31, 2019, fair value of the Investment properties are ₹54. 10 crore and ₹81.96 crore respectively.

The fair valuations are based on valuations performed by an accredited independent valuer.

The Company has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements as at Balance Sheet date. The fair value of investment properties is based on discounted cash flows and classified as level 3 fair value in the fair value hierarchy due to the use of unobservable inputs. There has been no change in valuation techniques used since prior years.

Description of valuation techniques used and key inputs to valuation of investment properties

| Valuation technique used | Significant unobservable Inputs | Range (weighted average) | |
|---|---|---|---|
| | | March 31, 2020 | March 31, 2019 |
| Discounted cash flow (DCF) method (refer below) | Estimated rental value per sq.ft. per month (in ₹) | 45-55 | 48-55 |
| | Rent growth p.a. | 5.00% | 5.00% |
| | Long-term vacancy rate | 5.00% | 5.00% |
| | Discount rate | 13.27% | 13.27% |

Under the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related sub-leasing, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

## c. Capitalized borrowing cost

There are no borrowing costs capitalized during the year ended March 31, 2020 and March 31, 2019.

## d. Investment properties pledged as security

Details of investment properties pledged are as per note 20.

## 4A. Capital work in progress

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Opening balance** | **33.42** | **33.25** |
| -Additions (subsequent expenditure) | - | 0.17 |
| -Capitalised during the year | (0.17) | - |
| -Transferred to inventory during the year | (33.25) | - |
| **Closing balance** | **-** | **33.42** |

**Note:**

Capital work in progress pledged as security

Details of capital work in progress pledged are as per note 20

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

## 5 Intangible assets

| Particulars | Computer software | Total |
|---|---|---|
| **Gross carrying amount at cost** | | |
| At April 1, 2018 | 6.72 | 6.72 |
| Additions | 1.50 | 1.50 |
| **Disposals** | - | - |
| At March 31, 2019 | 8.22 | 8.22 |
| Additions | 0.74 | 0.74 |
| Disposals | (0.12) | (0.12) |
| **At March 31, 2020** | **8.84** | **8.84** |
| **Accumulated amortization** | | |
| **At April 1, 2018** | 3.61 | 3.61 |
| Charge for the year | 1.28 | 1.28 |
| Disposals | - | - |
| **At March 31, 2019** | **4.89** | **4.89** |
| Charge for the year | 1.17 | 1.17 |
| Disposals | (0.12) | (0.12) |
| **At March 31, 2020** | **5.94** | **5.94** |
| **Net block** | | |
| **At March 31, 2019** | **3.33** | **3.33** |
| **At March 31, 2020** | **2.90** | **2.90** |

## 6. Non-current investments

### Non-current investments - valued at cost unless stated otherwise

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **(A) Equity instruments (unquoted)** | | |
| **(i) Investment in subsidiaries (fully paid-up)** | | |
| Prudential Housing and Infrastructure Development Limited | 0.05 | 0.05 |
| 0.005 crore equity shares (March 31, 2019 - 0.005 crore) of ₹10 each | | |
| Centurions Housing and Constructions Private Limited | 0.00 | 0.00 |
| 0.001 crore equity shares (March 31, 2019 - 0.001 crore) of ₹10 each | | |
| Melmont Construction Private Limited | 0.01 | 0.01 |
| 0.001 crore equity shares (March 31, 2019 - 0.001 crore) of ₹10 each | | |
| Purva Realities Private Limited | 0.01 | 0.01 |
| 0.001 crore equity shares (March 31, 2019 - 0.001 crore) of ₹10 each | | |
| Welworth Lanka Holding Private Limited | 15.54 | 15.25 |
| 3.67 crore equity shares (March 31, 2019 - 3.60 crore) ₹23.30 each (equivalent, LKR 10) each | | |
| Nile Developers Private Limited | 0.34 | 0.34 |
| 0.01 crore equity shares (March 31, 2019 - 0.01 crore) of ₹10 each | | |
| Vaigai Developers Private Limited | 0.10 | 0.10 |
| 0.01 crore equity shares (March 31, 2019 - 0.01 crore) of ₹10 each | | |
| Purva Star Properties Private Limited | 0.01 | 0.01 |
| 0.001 crore equity shares (March 31, 2019 - 0.001 crore) of ₹10 each | | |
| Purva Sapphire Land Private Limited | 0.01 | 0.01 |
| 0.001 crore equity shares (March 31, 2019 - 0.001 crore) of ₹10 each | | |
| Purva Ruby Properties Private Limited | 0.01 | 0.01 |
| 0.001 crore equity shares (March 31, 2019 - 0.001 crore) of ₹10 each | | |
| Grand Hills Developments Private Limited | 0.01 | 0.01 |
| 0.001 crore equity shares (March 31, 2019 - 0.001 crore) of ₹10 each | | |

## Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Starworth Infrastructure and Construction Limited | 0.05 | 0.05 |
| 0.005 crore equity shares (March 31, 2019 - 0.005 crore) of ₹10 each | | |
| Provident Housing Limited | 0.05 | 0.05 |
| 0.005 crore equity shares (March 31, 2019 - 0.005 crore) of ₹10 each | | |
| Varishtha Property Developers Private Limited | 0.01 | 0.01 |
| 0.0001 crore equity shares (March 31, 2019 - 0.0001 crore) of ₹100 each | | |
| Vagishwari Land Developers Private Limited | 0.01 | 0.01 |
| 0.0001 crore equity shares (March 31, 2019 - 0.0001 crore) of ₹100 each | | |
| Jaganmata Property Developers Private Limited | 0.01 | 0.01 |
| 0.0001 crore equity shares (March 31, 2019 - 0.0001 crore) of ₹100 each | | |
| Purva Property Services Private Limited (formerly Jyothishmati Business Centers Private Limited) | 0.01 | 0.01 |
| 0.0001 crore equity shares (March 31, 2019 - 0.0001 crore) of ₹100 each | | |
| Purva Pine Private Limited | 0.01 | 0.01 |
| 0.0001 crore equity shares (March 31, 2019 - 0.0001 crore) of ₹100 each | | |
| Purva Oak Private Limited | 0.01 | 0.01 |
| 0.0001 crore equity shares (March 31, 2019 - 0.0001 crore) of ₹100 each | | |
| IBID Home Private Limited | 0.01 | 0.01 |
| 0.001 crore equity shares (March 31, 2019 - 0.001 crore) of ₹10 each | | |
| | **16.27** | **15.98** |
| **(ii) Investment in associates (fully paid-up)** | | |
| Propmart Technologies Limited | 2.34 | 2.34 |
| 0.234 crore equity shares (March 31, 2019 - 0.234 crore) of ₹10 each fully paid-up | | |
| Keppel Puravankara Development Private Limited | 9.56 | 4.41 |
| 0.456 crore equity shares (March 31, 2019 - 0.441 crore) of ₹10 each fully paid-up | | |
| Sobha Puravankara Aviation Private Limited | 4.78 | 4.78 |
| 0.478 crore equity shares (March 31, 2019 - 0.478 crore) of ₹10 each fully paid-up | | |
| **(B) Other investments (unquoted)** | | |
| **Investment in limited liability partnerships** | | |
| Devas Global Services LLP (subsidiary) | 0.10 | 0.10 |
| Pune Projects LLP (net of accumulated share of losses of ₹1.18 crores (March 31, 2019 - ₹1.18 crores) (associate) | - | - |
| **Investment in partnership firms (associate)** | | |
| Whitefield Ventures (including current account balance) | 7.38 | 7.38 |
| | **24.15** | **19.01** |
| **(C) Investments at amortized cost (unquoted)** | | |
| **Investment in other equity of subsidiaries** | | |
| Starworth Infrastructure and Construction Limited | 0.62 | 0.62 |
| Provident Housing Limited | 10.28 | 10.28 |
| Nile Developers Private Limited | 6.82 | - |
| Vaigai Developers Private Limited | 5.09 | - |
| | **22.80** | **10.90** |
| **Total Investments** | **63.22** | **45.89** |

Notes:

| | | |
|---|---|---|
| a) Aggregate amount of quoted investments actively traded and market value thereof | - | - |
| b) Aggregate amount of unqouted investments | 63.22 | 45.89 |
| c) Aggregate amount of impairment in value of investments | - | - |

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

## d) Details of investment in partnership firm

| Name of the firm/partners | March 31, 2020 | | March 31, 2019 | |
|---|---|---|---|---|
| | Capital | Profit sharing ratio | Capital | Profit sharing ratio |
| **Whitefield Ventures** | | | | |
| Mr. B S Narayanan | 0.95 | 0.50% | 0.95 | 0.50% |
| Mrs. Geetha Sanjay Vhatkar | 0.01 | 0.50% | 0.01 | 0.50% |
| M/s Golflinks Software Park Private Limited | 0.86 | 0.50% | 0.86 | 0.50% |
| Puravankara Limited | 7.38 | 42.00% | 7.38 | 42.00% |
| M/s Embassy Property Developments Private Limited | 0.11 | 6.75% | 0.11 | 6.75% |
| Mr. K J Kuruvilla | 0.18 | 10.00% | 0.18 | 10.00% |
| Mrs. Suja George | 0.18 | 9.75% | 0.18 | 9.75% |
| Mr. Rana George | 0.18 | 10.00% | 0.18 | 10.00% |
| Mr. Karan Virwani | 0.35 | 20.00% | 0.35 | 20.00% |
| **Total** | **10.20** | **100.00%** | **10.20** | **100.00%** |

## 7. Loans

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **a. Non current** | | |
| **Unsecured, considered good** | | |
| Security deposits | 10.64 | 8.35 |
| Loans to subsidiaries (refer note 39) | 453.61 | 503.66 |
| Loans to other related parties (refer note 39) | - | 0.01 |
| Deposits under joint development arrangements* | 155.46 | 146.98 |
| | **619.71** | **659.00** |

* Advances paid by the Company to the landowner towards joint development of land is recognized as deposits since the advance is in the nature of refundable deposits. Includes an amount of ₹154.28 crores (March 31, 2019: ₹123.13 crores) which is advanced for a period of more than 3 years and the management is confident of recovery/launch of these projects in the future.

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **b. Current** | | |
| **(Unsecured, considered good)** | | |
| Loans to joint ventures (refer note 39) | 76.10 | 70.39 |
| | **76.10** | **70.39** |
| | **695.81** | **729.39** |

## Loans and advances due by directors or other officers, etc.

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Loans to subsidiaries, joint ventures and other related parties include | | |
| Due from Prudential Housing and Infrastructure Development Limited in which the Company's director is a director | - | 1.87 |
| Due from Purva Good Earth Properties Private Limited in which the Company's director is a director | 0.01 | 0.01 |
| Due from Grand Hills Developments Private Limited in which the Company's officer is a director | 0.02 | 0.02 |
| Due from Nile Developers Private Limited in which the Company's officer is a director | 14.98 | 14.58 |
| Due from Vaigai Developers Private Limited in which the Company's director is a director | 11.77 | 11.51 |
| Due from Starworth Infrastructure and Construction Limited in which the Company's director is a director | 23.12 | 39.85 |

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Due from Provident Housing Limited in which the Company's director is a director | 47.00 | 91.17 |
| Due from IBID Home Private Limited in which the Company's officer is a director | 8.56 | 4.36 |
| Dues from Pune Projects LLP in which Company is a Partner | 76.07 | 70.39 |
| Dues from Devas Global Services LLP in which Company is a Partner | 137.02 | 132.88 |
| Dues from Whitefield Ventures in which Company is a Partner | 0.02 | - |
| Due from Vagishwari Land Developers Private Limited in which the Company's director is a director | 0.00 | - |
| Due from Varishtha Property Developers Private Limited in which the Company's director is a director | 0.00 | - |

## 8. Other financial assets

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| a. **Non current** | | |
| Non-current bank balances (refer note 16) | 32.29 | 19.87 |
| | **32.29** | **19.87** |
| b. **Current** | | |
| Recoverables under joint development arrangement | 24.24 | 9.85 |
| Others | 1.38 | 1.21 |
| | **25.62** | **11.06** |

## 9. Assets for current tax (net)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Advance income tax [net of provision for taxation ₹191.43 crores] (March 31, 2019, ₹191.43 crores) | 48.55 | 35.18 |
| | **48.55** | **35.18** |

## 10. Other assets

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| a. **Non-current** | | |
| Deposits with government authorities | 9.33 | 8.28 |
| Advances for land contracts* | 68.29 | 71.27 |
| Duties and taxes recoverable | 5.35 | 7.02 |
| Prepaid expenses | 12.08 | 16.90 |
| Other advances | 2.94 | 3.93 |
| | **97.99** | **107.40** |
| b. **Current** | | |
| Advances to suppliers | 162.23 | 154.29 |
| Prepaid expenses | 3.27 | 4.00 |
| Duties and taxes recoverable | 18.21 | 12.52 |
| Other advances | 28.10 | 13.58 |
| | **211.81** | **184.39** |
| | **309.80** | **291.79** |

* Advances for land though unsecured, are considered good as the advances have been given based on arrangements/ memorandum of understanding executed by the Company and the Company/ seller/ intermediary is in the course of obtaining clear and marketable title, free from all encumbrances, including for certain properties under litigation. Includes an amount of ₹63.82 crores (March 31, 2019: ₹68.27 crores) which is aged more than 3 years and the management is confident of obtaining clear and marketable title in the future.

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

## 11. Income Tax

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are: | | |
| Statement of profit and loss: | | |
| **Profit or loss section:** | | |
| **Current tax:** | | |
| Current income tax charge | - | - |
| **Deferred tax:** | | |
| Relating to origination/ reversal of temporary differences | | |
| > Decrease/(increase) in deferred tax assets | 16.38 | 43.47 |
| > (Decrease)/increase in deferred tax liabilities | (2.09) | (3.64) |
| | 14.29 | 39.83 |
| **Income tax expense reported in the statement of profit and loss** | **14.29** | **39.83** |
| **OCI section:** | | |
| **Deferred tax related to items recognised in OCI during the year:** | | |
| Income tax charge/(credit) relating to re-measurement gains/losses on defined benefit plans | (0.69) | 0.23 |
| **Income tax charged to OCI** | **(0.69)** | **0.23** |
| **Reconciliation of tax expense and the accounting profit multiplied by India's tax rate** | | |
| **Accounting profit before income tax** | **44.80** | **131.60** |
| Effective tax rate in India | 34.944% | 34.944% |
| Tax on accounting profit at statutory income tax rate [34.944% / 34.944%] | 15.65 | 45.99 |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: | | |
| Effect of non-deductible expenses | 0.57 | 0.46 |
| Effect of exempt incomes | (3.67) | (2.10) |
| Long term capital gains taxed at lower rate | - | (4.69) |
| Tax on deemed rental value of unsold flats | 1.71 | - |
| Others | 0.02 | 0.17 |
| **Income tax expense** | **14.29** | **39.83** |

The Taxation Laws (Amendment) Ordinance, 2019 ('the Ordinance') provides an option to domestic companies to pay income-tax at a lower rate of 25.17% instead of the normal rate of 34.94%, if it opts for not availing of certain specified exemptions or incentives. The Company has made an assessment of the impact of the Ordinance and has decided to not opt for the lower tax rate of 25.17%. Consequently, the Company has continued to measure the current and deferred taxes at the normal rate of 34.94%.

## 12. Deferred tax assets (net)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Deferred tax asset arising on account of :** | | |
| Impact of expenditure charged to the statement of profit and loss in a year but allowed for tax purposes in subsequent years | 31.45 | 32.09 |
| Carry forward of losses | 89.24 | 90.69 |
| Impact of Ind AS 115 | 44.58 | 62.18 |
| Transition impact pursuant to adoption of Ind AS 116 | 1.95 | - |
| MAT Credit entitlement | 18.94 | 18.94 |
| Others | 7.87 | 5.06 |
| | **194.03** | **208.96** |

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Less: Deferred tax liability arising on account of :** | | |
| Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting | 0.63 | (0.12) |
| Impact of financial assets and liabilities carried at amortized cost | (1.54) | (1.86) |
| Others | (4.18) | (5.20) |
| | **(5.09)** | **(7.18)** |
| **Deferred tax assets (net)** | **188.94** | **201.78** |

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Reconciliation of deferred tax assets** | | |
| Net deferred tax asset at the beginning of the year | 201.78 | 39.02 |
| Transition impact pursuant to adoption of Ind AS 115 | - | 202.36 |
| Transition impact pursuant to adoption of Ind AS 116 | 2.14 | - |
| Tax income/(expense) during the year recognized in profit and loss | (14.29) | (39.83) |
| Tax income/(expense) during the year recognized in OCI | (0.69) | 0.23 |
| **Net deferred tax asset at the end of the year** | **188.94** | **201.78** |

## 13. Inventories

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Raw materials, components and stores | 6.83 | 7.81 |
| Land stock | 508.05 | 513.90 |
| Work-in-progress | 2,751.91 | 3,117.71 |
| Stock of flats | 793.23 | 861.21 |
| | **4,060.01** | **4,500.63** |

Note: Details of assets are pledged as per note no. 20.

## 14. Trade receivables

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Unsecured, considered good** | | |
| Dues from related parties | 3.16 | 1.45 |
| Dues from others | 149.78 | 118.22 |
| | **152.94** | **119.67** |
| Note: Details of assets pledged are as per note no. 20 | | |
| Trade receivables include receivable due from directors or other officers, etc. | | |
| Dues from Provident Housing Limited in which Company's director is a director | 1.40 | 0.33 |
| Dues from Pune Projects LLP in which Company is a Partner | 0.48 | 0.28 |
| Dues from IBID Home Private Limited in which an officer of the Company is a director | 0.03 | 0.29 |
| Dues from Starworth Infrastructure and Construction Limited in which Company's director is a director | 1.01 | 0.47 |
| Dues from Propmart Technologies Limited in which Company's director is a director | 0.10 | - |

## 15. Cash and cash equivalents

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Balances with banks | | |
| In current accounts | 70.78 | 77.20 |
| Cash on hand | 0.14 | 0.13 |
| | **70.92** | **77.33** |

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Balances with banks | | |
| In current accounts | 70.78 | 77.20 |
| Cash on hand | 0.14 | 0.13 |
| Cash and cash equivalents reported in balance sheet | 70.92 | 77.33 |
| Less - cash credit facilities from banks (note 20) | (98.25) | (128.72) |
| Cash and cash equivalents reported in cash flow statement | **(27.33)** | **(51.39)** |

Note 1

Changes in liabilities arising from financing activities

| | |
|---|---|
| (a) Borrowings (including current maturities): | |
| **Balance as at April 1, 2018** | 1,675.06 |
| Add: Cash inflows | 1,261.74 |
| Less: Cash outflows | (906.22) |
| Add: Interest accrued during the year | 238.01 |
| Less: Interest paid | (230.07) |
| Others | 1.24 |
| **Balance as at March 31, 2019** | **2,039.76** |
| Add: Cash inflows | 486.78 |
| Less: Cash outflows | (519.65) |
| Add: Interest accrued during the year | 256.36 |
| Less: Interest paid | (244.24) |
| Others | 5.49 |
| **Balance as at March 31, 2020** | **2,024.50** |
| (b) Dividends payable (including taxes): | |
| **Balance as at April 1, 2018** | 0.16 |
| Add: Dividend declared | 45.74 |
| Less: Dividend paid | (45.71) |
| **Balance as at March 31, 2019** | **0.19** |
| Add: Dividend declared | 25.22 |
| Less: Dividend paid | (25.22) |
| **Balance as at March 31, 2020** | **0.19** |

## 16. Bank balances other than cash and cash equivalents

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Current** | | |
| Deposits with original maturity for more than 3 months but less than 12 months | 0.70 | - |
| Unpaid dividend account | 0.19 | 0.19 |
| | **0.89** | **0.19** |
| **Non-current** | | |
| Margin money deposits | 32.29 | 19.87 |
| | **32.29** | **19.87** |
| Amount disclosed under non-current assets (refer note 8) | **(32.29)** | **(19.87)** |
| | - | - |

Notes:

1) Margin money deposits represent earmarked bank balances restricted for use held as margin money for security against the guarantees and deposits which are subject to first charge to secure the Company's borrowings.
2) Unpaid dividend account represents bank balances which are restricted for use and it relates to unclaimed dividend.
3) As at March 31, 2020, the Company had available ₹321.68 crores (March 31, 2019 ₹547.00 crores) of undrawn committed borrowing facilities.

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

## 17. Equity Share Capital

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Authorized shares** | | |
| Equity share capital of face value of ₹5 each | | |
| 32.00 crore (March 31, 2019 - 32.00 crore) equity shares of ₹5 each | 160.00 | 160.00 |
| **Issued, subscribed and fully paid-up shares** | | |
| Equity share capital of face value of ₹5 each | | |
| 23.72 crore (March 31, 2019 - 23.72 crore) equity shares of ₹5 each | 118.58 | 118.58 |
| | **118.58** | **118.58** |

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

**Equity shares**

| Particulars | March 31, 2020 | | March 31, 2019 | |
|---|---|---|---|---|
| | No. in crore | ₹Crore | No. in crore | ₹Crore |
| Balance at the beginning of the year | 23.72 | 118.58 | 23.72 | 118.58 |
| Movement during the year | - | - | - | - |
| **Outstanding at the end of the year** | **23.72** | **118.58** | **23.72** | **118.58** |

### 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.

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

| Particulars | March 31, 2020 | | March 31, 2019 | |
|---|---|---|---|---|
| | No. in crore | % holding in the class | No. in crore | % holding in the class |
| Equity shares of ₹5 each fully paid-up | | | | |
| Ravi Puravankara | 17.79 | 74.99% | 17.79 | 74.99% |

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.

## 18. Other Equity

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Reserves and surplus** | | |
| **Securities premium** | | |
| Balance at the beginning of the year | 963.61 | 963.61 |
| Less: Adjustment made during the year | - | - |
| **Balance at the end of the year** | **963.61** | **963.61** |
| **General reserve** | | |
| Balance at the beginning of the year | 80.28 | 80.28 |
| Add: Transferred from surplus in the statement of profit and loss | - | - |
| **Balance at the end of the year** | **80.28** | **80.28** |
| **Retained earnings** | | |
| Balance at the beginning of the year | 485.41 | 830.21 |

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Ind AS 115 and Amendments to Ind AS 40 transition impact- refer note 38 | - | (390.41) |
| Ind AS 116 transition impact- refer note 36 | (4.01) | - |
| Dividend (including dividend distribution tax) - refer note 19 | (25.22) | (45.74) |
| Total comprehensive income for the year | 31.81 | 91.35 |
| **Balance at the end of the year** | **487.99** | **485.41** |
| **Total other equity** | **1,531.88** | **1,529.30** |

### Nature and purpose of reserves:

1. **Securities premium**

   Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

2. **General reserve**

   Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

## 19. Distribution made and proposed

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Cash dividends on equity shares declared and paid | | |
| Final dividend<br>[₹1 per share for the year ended March 31, 2019<br>(March 31, 2019: ₹1.60 per share for the year ended March 31, 2018)] | 23.72 | 37.94 |
| Dividend distribution tax (DDT) on final dividend<br>(net of credit of DDT paid by subsidiaries) | 1.50 | 7.80 |
| | **25.22** | **45.74** |

### Note: Details of proposed dividend on equity shares *

| | | |
|---|---|---|
| Proposed dividend [₹nil per share (March 31, 2019 : ₹1 per share)] | - | 23.72 |
| Dividend distribution tax on proposed dividend | - | 4.87 |

* Proposed dividends on equity shares represent dividend proposed by the Board of directors of the Company upto the date of approval of the financial statements for issue, which are subject to approval at ensuing annual general meeting and are not recognized as a liability (including DDT thereon) as at the balance sheet date.

## 20. Borrowings

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| a. **Non-current borrowings** | | |
| **Secured loans** | | |
| **Term loans** | | |
| From banks | 454.25 | 651.44 |
| From others | 946.68 | 949.17 |
| | **1,400.93** | **1,600.61** |
| Amount disclosed under "Other current financial liabilities" (refer note 21b) | (1,355.86) | (1,345.83) |
| | **45.07** | **254.78** |

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **b. Current borrowings** | | |
| **Unsecured** | | |
| **Loans repayable on demand** | | |
| Loans from related parties | 33.44 | 9.68 |
| **Term loans** | | |
| From others | 66.00 | 66.00 |
| **Secured** | | |
| **Loans repayable on demand** | | |
| Cash credit and other loan from banks | 98.25 | 128.72 |
| **Other loans** | | |
| **Term loans** | | |
| From banks | 144.09 | 50.00 |
| From others | 291.17 | 313.47 |
| **Debentures** | | |
| 500 A Series 16.95% unlisted unrated secured redeemable non-convertible debentures of ₹10 lakh each | 49.23 | - |
| 400 B Series 16.95% unlisted unrated secured redeemable non-convertible debentures of ₹10 lakh each | 39.64 | - |
| | **721.82** | **567.87** |
| | **766.89** | **822.65** |

Note 1: Amount of current borrowings repayable within twelve months is ₹251.62 crores (March 31, 2019: ₹58.17 crores)

Note 2: Pursuant to the Companies (Share Capital and Debentures) Amendment Rules, 2019, for listed companies Debenture Redemption Reserve (DRR) is not required to be created in case of privately placed debentures. Accordingly, the Company has not transferred any sum to DRR.

## Note 2: Assets pledged as security

The carrying amounts of assets pledged as security for borrowings are:

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Trade Receivables | 132.42 | 83.83 |
| Inventories | 2,982.59 | 3,031.02 |
| Vehicles | 3.42 | 3.65 |
| Capital work-in-progress | - | 33.42 |
| Total assets pledged as security | **3,118.43** | **3,151.92** |

## Note 3: Details of nature of security, guarantees given by directors and repayment terms of borrowings

## Non-current borrowings

| Category of loan | March 31, 2020 | March 31, 2019 | Effective interest rate | Maturity | Repayment details | Nature of security |
|---|---|---|---|---|---|---|
| Term loans from banks | 108.70 | 99.53 | 10-11% | 2022 | 24 instalments | 1. Underlying project inventory and assignment of project receivables 2. Fund shortfall undertaking by the director of the Company towards funding of underlying projects/ working capital. |
| Term loans from banks | 176.17 | 323.41 | 10-11% | 2023-2024 | 12 to 36 instalments | Underlying project inventory and assignment of project receivables |
| Term loans from banks | 165.96 | 225.85 | 10-11% | 2024 | 36 instalments | 1. Underlying project inventory and assignment of project receivables 2. Guarantee given by the subsidiary of the Company. |
| Term loans from banks | 3.42 | 2.66 | 09-10% | 2023-2024 | 60 instalments | Vehicles |
| **Subtotal** | **454.25** | **651.45** | | | | |

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| | | | | | | |
|---|---|---|---|---|---|---|
| Term loans from others | 800.32 | 754.51 | 10-15% | 2021 to 2024 | 24 to 36 instalments | Underlying project inventory and assignment of project receivables |
| Term loans from others | 145.83 | 194.14 | 10-11% | 2023 | 48 instalments | Underlying project inventory |
| Term loans from others | 0.53 | 0.51 | 9-10% | 2020-2024 | 36 to 60 instalments | Vehicles |
| **Subtotal** | **946.68** | **949.16** | | | | |
| **Total** | **1,400.93** | **1,600.61** | | | | |

## Current borrowings

| Category of loan | March 31, 2020 | March 31, 2019 | Effective interest rate | Maturity | Repayment details | Nature of security |
|---|---|---|---|---|---|---|
| Term loans from banks | 130.46 | 50.00 | 10-12% | 2020-2023 | 12 - 36 instalments | Underlying project inventory and assignment of project receivables |
| Term loans from banks | 13.63 | - | 7-8% | 2021 | To be repaid in Mar 2021 | Security against Fixed Deposits |
| **Subtotal** | **144.09** | **50.00** | | | | |
| Term loans from others | 250.99 | 221.80 | 11-16% | 2021 - 2024 | 1 - 24 instalments | Underlying project inventory and assignment of project receivables |
| Term loans from others | 40.18 | 91.67 | 10-11% | 2021 | 24 instalments | Underlying project inventory |
| Term loans from others | 66.00 | 66.00 | 11-16% | 2020 | To be repaid in Sep 2020 | Unsecured |
| **Subtotal** | **357.17** | **379.47** | | | | |
| Cash credit and other loan from banks | - | 49.11 | 10.50% | On demand | On demand | 1. Underlying project inventory and investment property. 2. Personal guarantee given by the directors of the company |
| Cash credit and other loan from banks | 16.37 | 79.61 | 10-11% | On demand | On demand | Underlying project inventory |
| Cash credit and other loan from banks | 81.88 | - | 10-12% | On demand | On demand | Underlying project inventory and assignment of project receivables |
| **Subtotal** | **98.25** | **128.72** | | | | |
| Debentures | 88.87 | - | 16-17% | 2022 | 24 instalments | Underlying project inventory and assignment of project receivables Guarantee given by the subsidiary of the Company |
| **Subtotal** | **88.87** | - | | | | |
| Loans from related parties | 33.44 | 9.68 | 10-11% | On demand | On demand | Unsecured |
| **Subtotal** | **33.44** | **9.68** | | | | |
| **Total** | **721.82** | **567.87** | | | | |

## 21. Other financial liabilities

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **a. Non current** | | |
| Security deposits | 18.81 | 14.11 |
| Lease Liability (refer note 36) | 12.79 | - |
| | **31.61** | **14.11** |
| **b. Current** | | |
| Current maturities of long-term borrowings (refer note 20) | 1,355.86 | 1,345.83 |
| Lease Liability (refer note 36) | 6.58 | - |
| Other payables | 33.42 | 36.03 |
| Security deposits | 2.26 | - |
| Payable to related parties | 1.52 | - |
| | **1,399.64** | **1,381.86** |
| | **1,431.25** | **1,395.97** |

**Note 1:** Amount of current maturities of non-current borrowings repayable within twelve months is ₹164.55 crores (March 31, 2019: ₹165.43 crores)

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

## 22. Provisions

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| a. **Non current** | | |
| Provision for employee benefits | | |
| Gratuity (refer note 40) | 6.21 | 7.34 |
| | **6.21** | **7.34** |
| b. **Current** | | |
| Provision for employee benefits | | |
| Leave benefits | 0.21 | 1.53 |
| Others | 0.36 | - |
| | **0.57** | **1.53** |
| | **6.78** | **8.87** |

## 23. Trade Payables

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Trade payable | | |
| - Total outstanding dues of micro enterprises and small enterprises | 7.32 | 0.48 |
| - Total outstanding dues of creditors other than micro and small enterprises | 203.18 | 219.11 |
| Payable to related parties | 145.20 | 92.54 |
| | **355.70** | **312.13** |

### Disclosures of dues to Micro, Small and Medium enterprises

The information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The Company has not received any claim for interest from any supplier under the said Act.

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| i. The principal amount remaining unpaid | 7.06 | 0.48 |
| ii. Interest due thereon remaining unpaid | 0.26 | - |
| iii. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year. | - | - |
| iv. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) | 0.26 | - |
| v. The amount of interest accrued during the year and remaining unpaid. | 0.26 | - |
| vi. The amount of further interest remaining due and payable for earlier years | - | - |

## 24. Other current liabilities

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Deferred revenue | 788.08 | 1,204.38 |
| Statutory dues payable | 6.01 | 8.53 |
| Liability under joint development arrangement* | 716.28 | 756.88 |
| Unpaid dividend | 0.19 | 0.18 |
| Other payables | 3.90 | 3.06 |
| | **1,514.46** | **1,973.03** |

*Includes amount payable to landowners where the Company has entered into joint development arrangements with landowners for joint development of properties on land in lieu of which, the Company has agreed to transfer certain percentage of constructed area/ revenue proceeds, net of revenue recognised.

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

## 25. Revenue from operations

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Revenue from contracts with customers | | |
| Revenue from real estate development (refer note 38) | 1,253.01 | 1,430.67 |
| **(A)** | **1,253.01** | **1,430.67** |
| Other operating revenues | | |
| Lease income | 8.89 | 5.45 |
| Profit on sale of investment property | - | 26.81 |
| Share in loss of partnership firm investments (post tax) | (0.80) | (0.91) |
| Others | 10.26 | 9.89 |
| **(B)** | **18.35** | **41.24** |
| **(A)+(B)** | **1,271.36** | **1,471.91** |

## 26. Other income

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Interest on financial assets: | | |
| Bank deposits | 0.27 | 0.48 |
| Security deposits | 10.12 | 12.22 |
| Loans to associates | 5.57 | 5.54 |
| Others | 3.26 | 6.20 |
| Profit on sale of property, plant and equipment | 0.09 | 0.31 |
| Dividend income on investments | 10.50 | 6.00 |
| Financial guarantee income | 1.12 | 1.86 |
| Provisions/ liabilities no longer required written-back | 5.14 | 26.69 |
| Others | 15.39 | 7.83 |
| | **51.46** | **67.13** |

## 27. Cost of raw materials, components and stores consumed

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Inventories at the beginning of the year | 7.81 | 9.36 |
| Add : Purchases during the year | 23.13 | 42.96 |
| | **30.94** | **52.32** |
| Less : Inventories at the end of the year | 6.83 | 7.81 |
| Cost of raw materials, components and stores consumed | **24.11** | **44.51** |

## 28. (Increase)/ decrease in inventories of stock of flats, land stock and work-in-progress

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Inventories at the beginning of the year** | | |
| Land stock | 513.90 | 504.20 |
| Work-in-progress | 3,117.71 | 2,365.84 |
| Stock of flats | 861.21 | 567.79 |
| Less: Transition adjustments pursuant to Ind-AS 115 | - | 1,461.32 |
| Add: Transferred from CWIP/ investment property | 60.64 | - |
| **Inventories at the end of the year** | | |
| Land stock | 508.05 | 513.90 |
| Work-in-progress | 2,751.91 | 3,117.71 |
| Stock of flats | 793.23 | 861.21 |
| | **500.27** | **406.33** |

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

## 29. Employee benefits expense

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Salaries, wages and bonus | 85.18 | 80.53 |
| Contribution to provident fund and other funds | 1.84 | 2.12 |
| Staff welfare | 1.05 | 1.01 |
| | **88.07** | **83.66** |

## 30. Finance costs

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Interest on financial liabilities | | |
| - Borrowings* | 249.20 | 233.81 |
| - Others | 4.53 | 1.20 |
| Bank charges | 0.29 | 3.00 |
| Interest on lease liabilities (note 36) | 2.34 | - |
| | **256.36** | **238.01** |

*Gross of interest of ₹226.21 crores (March 31, 2019: ₹210.26 crores) inventorised to qualifying work in progress. The rate used to determine the amount of borrowing costs eligible for capitalisation is the effective interest rate of the underlying borrowings which is in the range of 9 to 16%.

## 31. Depreciation and amortization expense

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Depreciation of property, plant and equipment (refer note 3) | 5.44 | 6.27 |
| Depreciation of investment properties (refer note 4) | 0.49 | 2.14 |
| Amortization of intangible assets (refer note 5) | 1.17 | 1.28 |
| Depreciation of Right-of-use assets (note 36) | 5.28 | - |
| | **12.38** | **9.69** |

## 32. Other expenses

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Travel and conveyance | 4.65 | 5.38 |
| Repairs and maintenance | | |
| - Others | 19.85 | 19.00 |
| Legal and professional | 28.47 | 26.64 |
| Rent (refer note 36) | 5.93 | 13.16 |
| Rates and taxes | 30.64 | 22.97 |
| Security | 5.34 | 7.15 |
| Communication costs | 2.18 | 2.17 |
| Printing and stationery | 2.28 | 1.73 |
| Advertising and sales promotion | 37.55 | 28.43 |
| Brokerage costs | 9.98 | 8.73 |
| Exchange differences (net) | 0.06 | 0.31 |
| Corporate social responsibility expenses | 0.04 | 0.32 |
| Allowance for doubtful loan (refer note 39) | 1.87 | - |
| Miscellaneous expenses | 11.22 | 9.70 |
| | **160.06** | **145.69** |

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

Notes

1. Payment to auditor [included in legal and professional charges] *

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| As auditor: | | |
| Audit fee | 0.66 | 0.60 |
| Other services | 0.03 | 0.08 |
| Reimbursement of expenses | 0.02 | 0.02 |
| | **0.71** | **0.70** |

2. Details of CSR expenditure:

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| (a) Gross amount required to be spent during the year | 1.80 | 1.45 |
| (b) Amount spent | | |
| Construction/acquisition of any asset | | - |
| On purposes other than above | 0.04 | 0.32 |
| **Total** | **0.04** | **0.32** |
| (c) Balance amount unspent | 1.76 | 1.13 |

## 33. Fair value measurements

The fair value of the financial assets and liabilities is determined as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company does not have financial assets and liabilities carried at fair value.

Investment in subsidiaries, joint ventures and associates are carried at cost.

The management assessed that the carrying values of cash and cash equivalents, trade receivables, loans, trade payables, borrowings and other financial assets and liabilities (as listed below) approximate their fair values largely either due to their short-term maturities or because they are assets/ liabilities carried at amortised cost and their amortised cost approximates their fair values.

| Break up of financial assets carried at amortized cost | Notes | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| Loans | 7 | 695.81 | 729.39 |
| Trade receivables | 14 | 152.94 | 119.67 |
| Cash and cash equivalents | 15 | 70.92 | 77.33 |
| Bank balances other than cash and cash equivalents | 16 | 0.89 | 0.19 |
| Other financial assets | 8 | 57.91 | 30.93 |
| | | **978.47** | **957.51** |

| Break up of financial liabilities carried at amortized cost | Notes | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| Borrowings | 20 | 766.89 | 822.65 |
| Lease liabilities | 21 | 19.37 | - |
| Trade payable | 23 | 355.70 | 312.13 |
| Other financial liabilities | 21 | 1,411.87 | 1,395.97 |
| | | **2,553.84** | **2,530.75** |

## 34. Financial risk management

The Company's principal financial liabilities, comprise borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade receivables, cash and bank balances and other receivables that derive directly from its operations.

## Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

The Company's activities expose it to market risk, liquidity risk and credit risk.

The Company's management oversees the management of these risks and ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

### a. Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. Credit risk arises from cash and cash equivalents, trade receivables and deposits with banks and financial institutions.

#### Credit risk management

Other financial assets like bank deposits and other receivables are mostly with banks and hence, the Company does not expect any credit risk with respect to these financial assets.

With respect to trade receivables, the Company has constituted teams to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for all unsecured receivables based on lifetime expected credit loss.

#### Expected credit loss for trade receivables under simplified approach

The recoverability of trade receivables is assured as the registration of sold residential/commercial units is not processed till the time the Company does not receive the entire payment. Hence, as the Company does not have significant credit risk, it does not present the information related to ageing pattern. The company has widespread customer base and no single customer accounted for 10% or more of revenue in any of the years indicated.

During the periods presented, the Company made no write-offs of trade receivables.

### b. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and also generating cash flow from operations.

Management monitors the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows and maintaining debt financing plans.

The break-up of cash and cash equivalents and other current bank balances is as below:

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Cash and cash equivalents | 70.92 | 77.33 |
| Bank balances other than cash and cash equivalents | 0.89 | 0.19 |
| | 71.81 | 77.52 |

#### Maturities of financial liabilities

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities.

| March 31, 2020 | On demand | Less than 1 year | 1 year to 5 years | 5 years and above | Total |
|---|---|---|---|---|---|
| **Financial liabilities - non-current** | | | | | |
| Borrowings*# | - | 164.55 | 1,255.12 | - | 1,419.67 |
| Lease liabilities | - | - | 11.90 | 0.89 | 12.79 |
| Security deposits | - | - | 8.69 | 10.12 | 18.81 |
| **Financial liabilities - current** | | | | | |
| Borrowings# | 131.69 | 251.61 | 343.84 | - | 727.14 |
| Trade payables | - | 262.40 | 93.31 | - | 355.71 |
| Lease liabilities | - | 6.58 | - | - | 6.58 |
| Security deposits | - | 2.26 | - | - | 2.26 |
| Other financial liabilities | - | 3.59 | 31.34 | - | 34.93 |

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| March 31, 2019 | On demand | Less than 1 year | 1 year to 5 years | 5 years and above | Total |
|---|---|---|---|---|---|
| **Financial liabilities - non-current** | | | | | |
| Borrowings*# | - | 165.43 | 1,395.04 | 65.49 | 1,625.96 |
| Security deposits | - | 1.29 | 3.02 | 9.80 | 14.11 |
| **Financial liabilities - current** | | | | | |
| Borrowings# | 138.40 | 58.17 | 371.29 | - | 567.86 |
| Trade payables | - | 204.21 | 107.92 | - | 312.13 |
| Other financial liabilities | - | 1.57 | 34.46 | - | 36.03 |

* Includes current maturities of long-term borrowings

# Gross of transaction costs

### c. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity/ real-estate risk.

The sensitivity analysis in the following sections relate to the position as at March 31, 2020 and March 31, 2019. The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations/provisions.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2020 and March 31, 2019.

Interest rate risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in Interest rate. The entity's exposure to the risk of changes in Interest rates relates primarily to the entity's operating activities (when receivables or payables are subject to different interest rates) and the entity's net receivables or payables.

The Company is affected by the price volatility of certain commodities/ real estate. Its operating activities require the ongoing development of real estate. The Company's management has developed and enacted a risk management strategy regarding commodity/ real estate price risk and its mitigation. The Company is subject to the price risk variables, which are expected to vary in line with the prevailing market conditions.

#### Interest rate sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant. The impact on the entity's profit before tax is due to changes in the fair value of financial assets and liabilities.

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Interest rates – increase by 50 basis points (50 bps) | 10.64 | 9.92 |
| Interest rates – decrease by 50 basis points (50 bps) | (10.64) | (9.92) |

Note: The above impact is gross of interest to be inventorised to qualifying assets.

## 35 Capital Management

The Company's objectives when managing capital are to maximise returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors its capital using gearing ratio, which is net debt divided by total equity. Net debt comprises long term borrowings, short term borrowings, current maturities of long term borrowings less cash and cash equivalents and other bank balances. Total equity comprises equity share capital and other equity.

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Long term borrowings | 45.07 | 254.78 |
| Current maturities of long term borrowings | 1,355.86 | 1,345.83 |
| Short term borrowings | 721.82 | 567.87 |
| Less: Cash and cash equivalents | (70.92) | (77.33) |
| Less : Bank balances other than cash and cash equivalents | (0.89) | (0.19) |
| Net debt | 2,050.93 | 2,090.96 |
| Total equity | 1,650.46 | 1,647.88 |
| Gearing ratio | 1.24 | 1.27 |

In order to achieve the objective of maximize shareholders value, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. Any significant breach in meeting the financial covenants would allow the bank to call borrowings. There have been no breaches in the financial covenants of above-mentioned interest-bearing borrowing.

No changes were made in the objectives, policies or processes for managing capital during the current and previous years.

## 36 Leases

### Company as a lessee:

The Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method recognising the right of use asset as if the Standard had been applied since the commencement date. The difference between right of use asset, lease liability and deferred tax thereon has been recognised as transitional adjustment to retained earnings on the transition date as summarised below. Accordingly, the comparatives have not been restated and hence not comparable with previous period figures.

In the statement of profit and loss for the current year, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost of ROU and finance cost for interest accrued on lease liability.

In the context of initial application, the Company has exercised the option — not to apply the new recognition requirements to short-term leases and to leases of low-value asset.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

| Particulars | Total |
|---|---|
| **Ind AS 116 transition impact (net)** | **17.60** |
| Additions | 1.48 |
| Depreciation expense | (5.28) |
| **As at 31 March 2020** | **13.80** |

Set out below are the carrying amounts of lease liabilities and the movements during the period:

| Particulars | Amount |
|---|---|
| **Ind AS 116 transition impact (net)** | 23.75 |
| Additions | 1.48 |
| Accretion of interest | 2.34 |
| Payments | (8.19) |
| **As at 31 March 2020** | 19.38 |
| Current | 6.58 |
| Non-current | 12.79 |
| | **19.38** |

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

The maturity analysis of lease liabilities are disclosed in Note 34 (Financial risk management objectives and policies).

The effective interest rate for lease liabilities is 10.75% with maturity between two - twenty years

The following are the amounts recognised in profit or loss:

| Particulars | March 31, 2020 |
|---|---|
| Depreciation expense of right-of-use assets | 5.28 |
| Interest expense on lease liabilities | 2.34 |
| Expense relating to short-term leases (included in other expenses) | 5.93 |
| **Total amount recognised in profit or loss** | **13.55** |

The Company had total cash outflows for leases of ₹14.12 crore in 31 March 2020. The Company also had non-cash additions to right-of-use assets and lease liabilities of ₹1.48 crore in 31 March 2020.

**The effect of adoption Ind AS 116 as at 1 April 2019 (increase/(decrease)) is, as follows:**

| Particulars | Amount |
|---|---|
| **Assets** | |
| Right-of-use assets | 17.60 |
| Deferred tax assets | 2.14 |
| Total assets | 19.74 |
| **Liabilities** | |
| Lease liabilities | 23.75 |
| Total liabilities | 23.75 |
| Total adjustment on equity: | |
| Retained earnings | (4.01) |

### Company as lessor

The Company has entered into operating leases (cancellable and non-cancellable) on its investment property portfolio with varying lease terms of upto eighteen years and with escalation and renewal clauses. All leases include a clause to enable upward revision of the lease rental on periodical basis. The Company is also required to maintain the property over the lease term.

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Lease income for cancellable and non-cancellable operating leases | **8.89** | **5.45** |

Future minimum rentals receivable under non-cancellable operating leases are as follows:

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| a) Within one year | 5.11 | 6.82 |
| b) Later than one but not later than five years | 7.44 | 14.50 |
| c) Later than five years | 0.07 | 0.57 |
| **Total** | **12.62** | **21.89** |

## 37 Commitments and contingencies

### a. Other commitments

(i) As at March 31, 2020, the Company did not have any contracts remaining to be executed on capital account that were not provided for (March 31, 2019 - ₹Nil).

(ii) As at March 31, 2020, the Company has given ₹223.75 crores (March 31, 2019: ₹218.25 crores) as advances/ deposits for purchase of land/ joint development. Under the agreements executed with the land owners, the Company is required to make further payments and/or give share in area/ revenue from such development in exchange of undivided share in land based on the agreed terms/ milestones.

(iii) The Company is committed to provide financial support to some of its subsidiaries to ensure that these entities operate on going concern basis and are able to meet their debts and liabilities as they fall due.

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

iv) The Company, a subsidiary company and joint venture company had entered into 'Investment Agreement' with third party Investor for development of a residential project. As per the agreement, in the event of default, the Investor has right to exercise put option which will require the Company and the subsidiary company to purchase the Investor securities at a certain IRR on the investment by the Investor. However, if the Company and the subsidiary company does not accept the put option, the Investor has right to claim certain IRR on the investment made by Investor. Management is confident of the project being developed as per agreed terms and doesn't expect any liability in this regard.

## b. Contingent liabilities

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| i) Claims against the company not acknowledged as debts | | |
| - Value added tax | 11.35 | 7.89 |
| - Service tax | 38.18 | 40.66 |
| - Income tax | 52.46 | 52.46 |
| Guarantees given for subsidiary's borrowings from banks/ financial institutions | 497.65 | 614.70 |
| Others | - | - |

ii) The Company is carrying a provision of ₹0.40 crores towards compensation payable to its customers for delays in completion of certain RERA-registered real estate projects. After considering the circumstances and evaluation thereon, the management believes that these delays will not have any further impact on these financial statements.

iii) The Supreme Court of India in a judgment on Provident Fund dated February 28, 2019 addressed the principle for determining salary components that form part of Basic Salary for individuals below a prescribed salary threshold. Based on legal evaluation, the Company has implemented the changes with effect from March 1, 2019 i.e., immediate after pronouncement of the judgement, as part of statutory compliance. The Company will further evaluate need for additional provision, if any, on issuance of further clarity in this regard.

### Other Litigations:

iv) A wholly-owned subsidiary of the Company had initiated legal proceedings against its customer for recovery of receivables of ₹15 crores, inventories of ₹1 crore and customer's counter claim thereon, which is currently pending before the City Civil Court. Pending resolution of the aforesaid litigation, no provision has been made towards the resulting impact of customer's counter-claims on the subsidiary in the accompanying standalone Ind AS financial statement based on the legal opinion obtained by the management and the management's evaluation of the ultimate outcome of the litigation.

v) The Company is subject to certain ongoing litigations with respect to certain legal proceedings for certain properties, wherein the Company has outstanding deposits and advances of ₹44 crores. Further, the Company has ₹2 crores recoverable from a party which is subject to ongoing legal proceedings under Insolvency and Bankruptcy Code. Pending resolution of the aforesaid litigations, no provision has been made towards any claims and the underlying recoverable, deposits and advances are classified as good and recoverable in the accompanying financial results based on the legal evaluation by the management of the ultimate outcome of the litigations.

vi) The Company is also subject to certain legal proceedings and claims, which have arisen in the ordinary course of business, including certain litigation for commercial development or land parcels held for construction purposes, either through joint development arrangements or through outright purchases, the impact of which is not quantifiable. These cases are pending with various courts and are scheduled for hearings. After considering the circumstances and legal evaluation thereon, the management believes that these cases will not have an adverse effect on the financial statements.

## Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

vii) The Company has received letters from Securities Exchange Board of India (SEBI) on February 18, 2020 and on April 28, 2020 pursuant to the two complaints filed by unit owners in its commercial project to regulatory authorities. The complaint dated February 18, 2020 pertains to allegation that the Company has paid property taxes on behalf of JD landowners and undivided office space owners to the municipal authorities for its commercial project and hence diverted shareholder's funds. The complaint dated April 28, 2020 pertains to allegation that modus operandi of the transactions relating to its commercial projects of the Company is in the nature of 'Collective Investment Scheme' under Section 11AA of the SEBI Act.

In both of the above cases, the Company has submitted its responses along with necessary documents and is of the view that it is in compliance with the applicable rules and regulations. The matter is currently with the SEBI and the Company has not received any further communication in this regards.

**Note:** The Company does not expect any reimbursement in respect of the above contingent liabilities and it is not practicable to estimate the timing of the cash outflows, if any, in respect of aforesaid matters and it is not probable that an outflow of resources will be required to settle the above obligations/claims.

## 38 Revenue from contracts with customers:

### 38.1 Disaggregation of revenue

Set out below is the disaggregation of the Company's revenue from contracts with customers, which is in agreement with the contracted price.

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Revenue from real estate development** | | |
| Revenue recognised at a point in time | 1,212.47 | 1,357.65 |
| Revenue recognised over time | 40.54 | 73.02 |
| **Other operating revenue** | 18.35 | 41.24 |
| | **1,271.36** | **1,471.91** |

### 38.2 Contract balances

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Trade receivables | 152.94 | 119.67 |
| Contract liabilities - deferred revenue | 788.08 | 1,204.38 |

Trade receivables are generally on credit terms of upto 10 to 30 days. The increase in trade receivables is primarily on account of increased billing for new projects.

Contract liabilities represents transaction price allocated to unsatisfied performance obligations. The outstanding balances of these accounts decreased primarily on account of timing of revenue recognition under Ind AS 115.

Set out below is the amount of revenue recognised from:

| | | |
|---|---|---|
| Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period | 840.95 | 1,032.03 |
| Revenue recognised in the reporting period from performance obligations satisfied in previous periods | NIL | NIL |

### 38.3 Performance obligations

Aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period **

| | | |
|---|---|---|
| Revenue to be recognised at a point in time | 1,594.20 | 2,231.55 |
| Revenue to be recognised over time | 716.28 | 756.88 |

** The entity expects to satisfy the performance obligations when (or as) the underlying real estate projects to which such performance obligations relate are completed. Such real estate projects are in various stages of development and are expected to be completed in the coming periods of upto four years.

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

### 38.4 Assets recognised from the costs to obtain or fulfil a contract with a customer

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Inventories | | |
| - Work-in-progress | 217.18 | 575.63 |
| - Stock of flats | 256.86 | 419.54 |
| Prepaid expenses (represents brokerage costs pertaining to sale of real estate units) | 8.77 | 15.75 |

## 39. Related party transactions

### I Names of related parties and nature of relationship with the Company

#### (i) Subsidiaries

Prudential Housing and Infrastructure Development Limited

Centurions Housing and Constructions Private Limited

Melmont Construction 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

Purva Star Properties Private Limited

Purva Sapphire Land Private Limited

Purva Ruby Properties Private Limited

Starworth Infrastructure and Construction Limited

Provident Housing Limited

Jaganmata Property Developers Private Limited

Purva Property Services Private Limited (formerly Jyothishmati Business Centers Private Limited)

Vagishwari Land Developers Private Limited

Varishtha Property Developers Private Limited

Purva Pine Private Limited

Purva Oak Private Limited

IBID Home Private Limited

Provident Cedar Private Limited

Argan Properties Private Limited (until March 15, 2019)

Provident Meryta Private Limited

Devas Global Services LLP

D.V. Infrhomes Private Limited

#### (ii) Parties where control exists

Mr. Ravi Puravankara

#### (iii) Key management personnel ('KMP')

a. Directors

Mr. Ravi Puravankara

Mr. Ashish R Puravankara

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

Mr. Nani R Choksey

Mr. R V S Rao (until August 21, 2019)

Mr. Pradeep Guha

Mr. Anup Shah Sanmukh (with effect from July 23, 2019)

Ms. Suchitra Misra (until July 27, 2018)

Ms. Sonali Rastogi (with effect from October 26, 2018)

b. Other officers

Mr. Kuldeep Chawla (Chief Financial Officer)
Ms. Bindu Doraiswamy (Company Secretary)

### (iv) Relatives of key management personnel

Ms. Geeta S Vhatkar

### (v) Entities controlled/significantly influenced by key management personnel (other related parties)

Purva Developments

Puravankara Investments

Handiman Services Limited

Kenstream Ventures LLP

### (vi) Associates

Keppel Puravankara Development Private Limited

Propmart Technologies Limited

Sobha Puravankara Aviation Private Limited

Whitefield Ventures

### (vii) Joint venture

Pune Projects LLP

Purva Good Earth Properties Private Limited (Joint Venture of Provident Housing Limited)

## II Balances with related parties as on date are as follows:

| Nature of transaction | Subsidiaries | | Associates / Joint venture | | Key management personnel | | Relatives of KMP | | Other related parties | |
|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| **Loans given to** | | | | | | | | | | |
| Purva Realities Private Limited | 22.21 | 19.23 | - | - | - | - | - | - | - | - |
| Melmont Construction Private Limited | 120.73 | 119.38 | - | - | - | - | - | - | - | - |
| Prudential Housing and Infrastructure Development Limited | - | 1.87 | - | - | - | - | - | - | - | - |
| Nile Developers Private Limited | 14.98 | 14.58 | - | - | - | - | - | - | - | - |
| Vaigai Developers Private Limited | 11.77 | 11.51 | - | - | - | - | - | - | - | - |
| Purva Good Earth Properties Private Limited | - | - | 0.01 | 0.01 | - | - | - | - | - | - |
| Purva Star Properties Private Limited | - | 5.10 | - | - | - | - | - | - | - | - |
| Purva Sapphire Land Private Limited | 0.12 | 0.59 | - | - | - | - | - | - | - | - |
| Purva Ruby Properties Private Limited | 32.88 | 31.09 | - | - | - | - | - | - | - | - |
| Grand Hills Developments Private Limited | 0.02 | 0.02 | - | - | - | - | - | - | - | - |

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Nature of transaction | Subsidiaries | | Associates / Joint venture | | Key management personnel | | Relatives of KMP | | Other related parties | |
|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Starworth Infrastructure and Construction Limited | 23.12 | 39.85 | - | - | - | - | - | - | - | - |
| Pune Projects LLP | - | - | 76.07 | 70.39 | - | - | - | - | - | - |
| Jaganmata Property Developers Private Limited | 35.12 | 32.06 | - | - | - | - | - | - | - | - |
| Provident Housing Limited | 47.00 | 91.17 | - | - | - | - | - | - | - | - |
| IBID Home Private Limited | 8.56 | 4.36 | - | - | - | - | - | - | - | - |
| Devas Global Services LLP | 137.02 | 132.88 | - | - | - | - | - | - | - | - |
| Purva Property Services Private Limited (formerly Jyothishmati Business Centers Private Limited) | 0.07 | - | - | - | - | - | - | - | - | - |
| Purva Oak Private limited | 0.00 | - | - | - | - | - | - | - | - | - |
| Purva Pine Private limited | 0.00 | - | - | - | - | - | - | - | - | - |
| Varishtha Property Developers Private Limited | 0.00 | - | - | - | - | - | - | - | - | - |
| Vagishwari Land Developers Private Limited | 0.00 | - | - | - | - | - | - | - | - | - |
| Whitefield Ventures | - | - | 0.02 | - | - | - | - | - | - | - |
| **Loans taken from** | | | | | | | | | | |
| Centurions Housing and Constructions Private Limited | 3.85 | 7.62 | - | - | - | - | - | - | - | - |
| Purva Star Properties Private Limited | 27.53 | - | - | - | - | - | - | - | - | - |
| Puravankara Investments | - | - | - | - | - | - | - | - | 1.88 | 1.88 |
| Purva Developments | - | - | - | - | - | - | - | - | 0.18 | 0.18 |
| **Advances for land contracts paid to** | | | | | | | | | | |
| Geeta S Vhatkar | - | - | - | - | - | - | 21.13 | 21.13 | - | - |
| **Advances for land contracts received from** | | | | | | | | | | |
| Provident Housing Limited | - | 28.00 | | - | | - | | - | | - |
| **Advances to Contractors** | | | | | | | | | | |
| Starworth Infrastructure and Construction Limited | 20.12 | - | - | - | - | - | - | - | - | - |
| **Security deposits and advance paid to** | | | | | | | | | | |
| Ravi Puravankara | - | - | - | - | 2.21 | 2.21 | - | - | - | - |
| **Dues from** | | | | | | | | | | |
| Provident Housing Limited | 1.40 | 0.94 | - | - | - | - | - | - | - | - |
| Pune Projects LLP | - | - | 0.48 | 0.28 | - | - | - | - | - | - |
| Purva Star Properties Private Limited | 0.14 | - | - | - | - | - | - | - | - | - |
| IBID Home Private Limited | 0.03 | - | - | - | - | - | - | - | - | - |
| Propmart Technologies Limited | - | - | 0.10 | - | - | - | - | - | - | - |
| Starworth Infrastructure & Construction Limited | 1.01 | - | - | - | - | - | - | - | - | - |
| **Dues to** | | | | | | | | | | |
| Starworth Infrastructure and Construction Limited | 55.29 | 32.09 | - | - | - | - | - | - | - | - |
| Provident Housing Limited | 6.23 | - | - | - | - | - | - | - | - | - |
| Handiman Services Limited | - | - | - | - | - | - | - | - | 1.42 | 1.98 |
| IBID Home Private Limited | 0.07 | - | - | - | - | - | - | - | - | - |
| Kenstream Ventures LLP | - | - | - | - | - | - | - | - | 1.52 | - |
| **Guarantees given by** | | | | | | | | | | |
| Ravi Puravankara | - | - | - | - | - | 49.11 | - | - | - | - |
| Ashish R. Puravankara | - | - | - | - | - | 49.11 | - | - | - | - |
| Provident Housing Limited | 259.97 | 230.76 | | | | | | | | |

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Nature of transaction | Subsidiaries | | Associates / Joint venture | | Key management personnel | | Relatives of KMP | | Other related parties | |
|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| **Guarantees given to** | | | | | | | | | | |
| Provident Housing Limited | 458.93 | 574.63 | - | - | - | - | - | - | - | - |
| Starworth Infrastructure and Construction Limited | 38.72 | 40.07 | - | - | - | - | - | - | - | - |

## III The transactions with related parties for the year are as follows:

| Nature of transaction | Subsidiaries | | Associates / Joint venture | | Key management personnel | | Relatives of KMP | | Other related parties | |
|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| **Interest income on loans** | | | | | | | | | | |
| Pune Projects LLP | - | - | 5.57 | 5.54 | - | - | - | - | - | - |
| **Interest expense on loans** | | | | | | | | | | |
| Centurions Housing and Constructions Private Limited | 0.43 | 0.42 | - | - | - | - | - | - | - | - |
| Purva Star Properties Private Limited | 1.20 | 1.99 | - | - | - | - | - | - | - | - |
| **Loans given to** | | | | | | | | | | |
| Melmont Construction Private Limited | 1.35 | 8.60 | - | - | - | - | - | - | - | - |
| Purva Ruby Properties Private Limited | 1.80 | 3.37 | - | - | - | - | - | - | - | - |
| Nile Developers Private Limited | 0.40 | 0.17 | - | - | - | - | - | - | - | - |
| Starworth Infrastructure and Construction Limited | 1.34 | 41.85 | - | - | - | - | - | - | - | - |
| Provident Housing Limited | 75.69 | 127.16 | - | - | - | - | - | - | - | - |
| Pune Projects LLP | - | - | 1.80 | 1.49 | - | - | - | - | - | - |
| Jaganmata Property Developers Private Limited | 3.47 | 2.85 | - | - | - | - | - | - | - | - |
| Purva Realities Private Limited | 2.98 | 9.80 | - | - | - | - | - | - | - | - |
| Vaigai Developers Private Limited | 0.26 | 0.06 | - | - | - | - | - | - | - | - |
| Prudential Housing and Infrastructure Development Limited | - | 0.01 | - | - | - | - | - | - | - | - |
| Purva Sapphire Land Private Limited | 0.01 | 0.08 | - | - | - | - | - | - | - | - |
| IBID Home Private Limited | 4.25 | 4.07 | - | - | - | - | - | - | - | - |
| Purva Star Properties Private Limited | 0.70 | 11.00 | - | - | - | - | - | - | - | - |
| Devas Global Services LLP | 13.90 | 132.88 | - | - | - | - | - | - | - | - |
| Purva Property Services Private Limited (formerly Jyothishmati Business Centers Private Limited) | 0.07 | - | - | - | - | - | - | - | - | - |
| Purva Oak Private limited | 0.00 | - | - | - | - | - | - | - | - | - |
| Purva Pine Private limited | 0.00 | - | - | - | - | - | - | - | - | - |
| Vagishwari Land Developers Pvt Ltd | 0.00 | - | - | - | - | - | - | - | - | - |
| Varishtha Property Developers Pvt Ltd | 0.00 | - | - | - | - | - | - | - | - | - |
| D. V. Infrhomes Private Limited | 0.09 | - | - | - | - | - | - | - | - | - |
| Whitefield Ventures | - | - | 0.02 | - | - | - | - | - | - | - |
| **Loans repaid to** | | | | | | | | | | |
| Centurions Housing and Constructions Private Limited | 4.16 | - | - | - | - | - | - | - | - | - |
| Purva Star Properties Private Limited | - | 128.93 | - | - | - | - | - | - | - | - |

## Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Nature of transaction | Subsidiaries | | Associates / Joint venture | | Key management personnel | | Relatives of KMP | | Other related parties | |
|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| **Loans taken from** | | | | | | | | | | |
| Centurions Housing and Constructions Private Limited | - | 7.25 | - | - | - | - | - | - | - | - |
| Purva Star Properties Private Limited | 26.46 | 69.21 | - | - | - | - | - | - | - | - |
| **Loans repaid by** | | | | | | | | | | |
| Purva Sapphire Land Private Limited | 0.48 | 0.08 | - | - | - | - | - | - | - | - |
| Purva Realities Private Limited | - | 26.58 | - | - | - | - | - | - | - | - |
| Purva Star Properties Private Limited | 5.80 | 4.11 | - | - | - | - | - | - | - | - |
| Prudential Housing and Infrastructure Development Limited | - | 0.01 | - | - | - | - | - | - | - | - |
| Centurions Housing and Constructions Private Limited | - | 1.45 | - | - | - | - | - | - | - | - |
| Starworth Infrastructure and Construction Limited | 18.07 | 41.92 | - | - | - | - | - | - | - | - |
| Purva Ruby Properties Private Limited | 0.01 | 0.76 | - | - | - | - | - | - | - | - |
| Provident Housing Limited | 119.86 | 253.10 | - | - | - | - | - | - | - | - |
| Pune Projects LLP | - | - | 1.69 | 1.48 | - | - | - | - | - | - |
| Melmont Construction Private Limited | - | 17.06 | - | - | - | - | - | - | - | - |
| Nile Developers Private Limited | - | 0.08 | - | - | - | - | - | - | - | - |
| Vaigai Developers Private Limited | - | 0.06 | - | - | - | - | - | - | - | - |
| Jaganmata Property Developers Private Limited | 0.41 | 0.02 | - | - | - | - | - | - | - | - |
| IBID Home Private Limited | 0.05 | 0.03 | - | - | - | - | - | - | - | - |
| Devas Global Services LLP | 9.76 | - | - | - | - | - | - | - | - | - |
| D. V. Infrhomes Private Limited | 0.09 | - | - | - | - | - | - | - | - | - |
| **Allowance for doubtful loan** | | | | | | | | | | |
| Prudential Housing and Infrastructure Development Limited | 1.87 | - | - | - | - | - | - | - | - | - |
| **Advance paid to** | | | | | | | | | | |
| Sobha Puravankara Aviation Private Limited | - | - | 5.64 | 6.40 | - | - | - | - | - | - |
| Starworth Infrastructure and Construction Limited | 23.89 | - | - | - | - | - | - | - | - | - |
| **Advances for land contracts paid** | | | | | | | | | | |
| Geeta S Vhatkar | - | - | - | - | - | - | - | 2.56 | - | - |
| **Investment in Shares** | | | | | | | | | | |
| Welworth Lanka Holding Private Limited | 0.29 | - | - | - | - | - | - | - | - | - |
| Keppel Puravankara Development Private Limited | - | - | 5.15 | - | - | - | - | - | - | - |
| Devas Global Services LLP | - | 0.10 | - | - | - | - | - | - | - | - |
| **Investment in other equity** | | | | | | | | | | |
| Provident Housing Limited | - | 1.98 | - | - | - | - | - | - | - | - |
| Starworth Infrastructure and Construction Limited | - | 0.46 | - | - | - | - | - | - | - | - |
| Nile Developers Private Limited | 6.82 | - | - | - | - | - | - | - | - | - |
| Vaigai Developers Private Limited | 5.09 | - | - | - | - | - | - | - | - | - |
| **Sub-contractor cost** | | | | | | | | | | |
| Starworth Infrastructure and Construction Limited | 81.37 | 81.80 | - | - | - | - | - | - | - | - |

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Nature of transaction | Subsidiaries | | Associates / Joint venture | | Key management personnel | | Relatives of KMP | | Other related parties | |
|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Purva Star Properties Private Limited | - | 1.11 | - | - | - | - | - | - | - | - |
| **Rental income** | | | | | | | | | | |
| Provident Housing Limited | 0.62 | 0.35 | - | - | - | - | - | - | - | - |
| **Dividend received** | | | | | | | | | | |
| Centurions Housing and Constructions Private Limited | 5.50 | 1.00 | - | - | - | - | - | - | - | - |
| Provident Housing Limited | 5.00 | 5.00 | - | - | - | - | - | - | - | - |
| **Reimbursement of expenses from** | | | | | | | | | | |
| Provident Housing Limited | 4.20 | - | - | - | - | - | - | - | - | - |
| Pune Projects LLP | - | - | 0.22 | - | - | - | - | - | - | - |
| Starworth Infrastructure and Construction Limited | 0.63 | 1.26 | - | - | - | - | - | - | - | - |
| Propmart Technologies Limited | - | - | 0.11 | - | - | - | - | - | - | - |
| Purva Star Properties Private Limited | 0.08 | - | - | - | - | - | - | - | - | - |
| IBID Home Private Limited | 0.03 | - | - | - | - | - | - | - | - | - |
| **Transfer of Security Deposit received to** | | | | | | | | | | |
| Kenstream Ventures LLP | - | - | - | - | - | - | - | - | 1.52 | - |
| **Repayment on cancellation of land advance contract** | | | | | | | | | | |
| Provident Housing Limited | 28.00 | - | - | - | - | - | - | - | - | - |
| **Income from administration charges** | | | | | | | | | | |
| Pune Projects LLP | - | - | 7.83 | 2.95 | - | - | - | - | - | - |
| **Security and other expenses** | | | | | | | | | | |
| Handiman Services Limited | - | - | - | - | - | - | - | - | 8.69 | 10.87 |
| **Rent** | | | | | | | | | | |
| Sobha Puravankara Aviation Private Limited | - | - | 5.64 | 1.13 | - | - | - | - | - | - |
| Starworth Infrastructure and Construction Limited | - | 2.21 | - | - | - | - | - | - | - | - |
| Puravankara Investments | - | - | - | - | - | - | - | - | 3.74 | 3.63 |
| **Brokerage expenses** | | | | | | | | | | |
| Propmart Technologies Limited | - | - | 0.35 | 0.15 | - | - | - | - | - | - |
| **Travel and conveyance expenses** | | | | | | | | | | |
| Sobha Puravankara Aviation Private Limited | - | - | 0.07 | 0.12 | - | - | - | - | - | - |
| **Guarantees given by** | | | | | | | | | | |
| Ravi Puravankara | - | - | - | - | - | 49.11 | - | - | - | - |
| Ashish R. Puravankara | - | - | - | - | - | 49.11 | - | - | - | - |
| Provident Housing Limited | 90.00 | 225.85 | - | - | - | - | - | - | - | - |
| **Guarantees given by related party closed during the year** | | | | | | | | | | |
| Ravi Puravankara | - | - | - | - | 49.11 | - | - | - | - | - |
| Ashish R. Puravankara | - | - | - | - | 49.11 | - | - | - | - | - |
| Provident Housing Limited | 60.79 | - | - | - | - | - | - | - | - | - |
| **Guarantees given on behalf of related party** | | | | | | | | | | |
| Provident Housing Limited | 128.41 | 483.28 | - | - | - | - | - | - | - | - |
| Starworth Infrastructure and Construction Limited | 3.70 | 21.37 | - | - | - | - | - | - | - | - |
| **Guarantees given on behalf of related party closed during the year** | | | | | | | | | | |
| Provident Housing Limited | 244.11 | 360.81 | - | - | - | - | - | - | - | - |

## Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Nature of transaction | Subsidiaries | | Associates / Joint venture | | Key management personnel | | Relatives of KMP | | Other related parties | |
|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Purva Star Properties Private Limited | - | 54.62 | - | - | - | - | - | - | - | - |
| Starworth Infrastructure and Construction Limited | 5.05 | - | - | - | - | - | - | - | - | - |
| **Remuneration - short term employee benefits (Employee benefits expense) *** | | | | | | | | | | |
| Ravi Puravankara | - | - | - | - | 1.17 | 2.52 | - | - | - | - |
| Ashish R Puravankara | - | - | - | - | 1.31 | 2.20 | - | - | - | - |
| Nani R Choksey | - | - | - | - | 2.40 | 2.20 | - | - | - | - |
| Bindu Doraiswamy | - | - | - | - | 0.23 | 0.19 | - | - | - | - |
| Kuldeep Chawla | - | - | - | - | 1.53 | 1.29 | - | - | - | - |
| **Professional charges (director's sitting fees and commission)** | | | | | | | | | | |
| R V S Rao | - | - | - | - | 0.08 | 0.17 | - | - | - | - |
| Anup S Shah | - | - | - | - | 0.12 | - | - | - | - | - |
| Pradeep Guha | - | - | - | - | 0.16 | 0.16 | - | - | - | - |
| Suchitra Misra | - | - | - | - | - | 0.06 | - | - | - | - |
| Sonali Rastogi | - | - | - | - | 0.14 | 0.06 | - | - | - | - |

* As the future liability for gratuity and leave benefits is provided on an actuarial basis for the company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

### IV. Other information:

1. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables, other than those disclosed above. The Company has not recorded any provision/ write-off of receivables relating to amounts owed by related parties.

2. In respect of the transactions with the related parties, the Company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013 where applicable, and the details have been disclosed above, as required by the applicable accounting standards.

3. The Company has given loans to related parties and has provided guarantees on behalf of related parties for loans taken by them from third parties. Such loans are intended to be used by the related parties to fund their business operations.

4. Disclosure as per Schedule V(A) of the Securities and Exchange Board of India (Listing obligations and disclosure requirements) Regulations, 2015 of the loans, advances, etc. to subsidiaries, associates and other entities in which the directors are interested:

| Name of the entity | March 31, 2020 | | March 31, 2019 | |
|---|---|---|---|---|
| | Closing Balance | Maximum amount due | Closing Balance | Maximum amount due |
| Pune Projects LLP | 76.07 | 76.08 | 70.39 | 70.39 |
| Purva Realities Private Limited | 22.21 | 22.21 | 19.23 | 36.01 |
| Melmont Construction Private Limited | 120.73 | 120.73 | 119.38 | 127.88 |
| Prudential Housing and Infrastructure Development Limited | - | 1.87 | 1.87 | 1.87 |
| Purva Good Earth Properties Private Limited | 0.01 | 0.01 | 0.01 | 0.01 |
| Grand Hills Developments Private Limited | 0.02 | 0.02 | 0.02 | 0.02 |
| Purva Sapphire Land Private Limited | 0.12 | 0.59 | 0.59 | 0.59 |
| Purva Ruby Properties Private Limited | 32.88 | 32.89 | 31.09 | 31.09 |
| Nile Developers Private Limited | 14.98 | 14.98 | 14.58 | 14.58 |
| Vaigai Developers Private Limited | 11.77 | 11.77 | 11.51 | 11.51 |

## Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| | | | | |
|---|---|---|---|---|
| Starworth Infrastructure and Construction Limited | 23.12 | 40.75 | 39.85 | 39.92 |
| Jaganmata Property Developers Private Limited | 35.12 | 35.51 | 32.06 | 32.06 |
| Provident Housing Limited | 47.00 | 131.10 | 91.17 | 290.41 |
| IBID Home Private Limited | 8.56 | 8.56 | 4.36 | 4.36 |
| Purva Star Properties Private Limited | - | 5.21 | 5.10 | 5.10 |
| Devas Global Services LLP | 137.02 | 143.73 | 132.88 | 132.88 |
| Purva Property Services Private Limited (formerly Jyothishmati Business Centers Private Limited) | 0.07 | 0.07 | - | - |
| Purva Oak Private limited | 0.00 | 0.00 | - | - |
| Purva Pine Private limited | 0.00 | 0.00 | - | - |
| Varishtha Property Developers Pvt Ltd | 0.00 | 0.00 | - | - |
| Vagishwari Land Developers Pvt Ltd | 0.00 | 0.00 | - | - |
| Whitefield Ventures | 0.02 | 0.02 | - | - |

5. As at March 31, 2020, with respect to the Company's borrowings, the director of the Company has given fund shortfall undertaking towards funding of underlying projects/ working capital. Also refer note 20.

### 40. Defined benefit plan - Gratuity

A. The Company has gratuity as defined benefit retirement plan for its employees. The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity at the rate of 15 days basic salary for each year of service until the retirement age. As at March 31, 2020 and March 31, 2019 the plan assets were invested in insurer managed funds.

The following tables set out the funded status of gratuity plans and the amount recognized in Company's financial statements :

#### 1 The amounts recognized in the Balance Sheet are as follows:

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Present value of the obligation as at the end of the year | 16.10 | 16.40 |
| Fair value of plan assets as at the end of the year | (9.89) | (9.06) |
| **Net liability recognized in the Balance Sheet** | **6.22** | **7.34** |
| Non-current | 6.21 | 7.34 |
| Current | - | - |

#### 2 Changes in the present value of defined benefit obligation

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Defined benefit obligation as at beginning of the year | 16.40 | 14.73 |
| Service cost | 1.71 | 2.00 |
| Interest cost | 1.27 | 1.13 |
| Actuarial losses/(gains) arising from | | |
| - change in demographic assumptions | (0.05) | - |
| - change in financial assumptions | 1.52 | - |
| - experience variance (i.e. Actual experiences assumptions) | (3.03) | 0.61 |
| Past service cost | - | - |
| Benefits paid | (1.61) | (2.09) |
| Others | (0.12) | 0.02 |
| Defined benefit obligation as at the end of the year | 16.10 | 16.40 |

#### 3 Changes in the fair value of plan assets

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Fair value as at the beginning of the year | 9.06 | 7.67 |
| Return on plan assets | 0.70 | 0.68 |
| Actuarial (losses)/gains | 0.43 | (0.03) |

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Contributions | 2.03 | 3.03 |
| Benefits paid | (2.34) | (2.09) |
| Others | - | (0.20) |
| Fair value as at the end of the year | **9.89** | **9.06** |
| Assumptions used in the above valuations are as under: | | |
| Discount rate | 6.40% | 7.70% |
| Further Salary Increase | - | 6.00% |
| Attrition rate | 6.00% | 5.00% |

### 4 Net gratuity and leave benefits cost for the year ended March 31, 2020 and March 31, 2019 comprises of following components.

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Service cost | 1.71 | 2.00 |
| Net interest cost on the net defined benefit liability | 0.57 | 0.45 |
| Interest cost | - | - |
| Return on plan assets | - | - |
| Defined benefit costs recognized in Statement of Profit and Loss | 2.28 | 2.45 |

### 5 Other Comprehensive Income

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Change in demographic assumptions | (0.05) | - |
| Change in financial assumptions | 1.52 | - |
| Experience variance (i.e. Actual experience vs assumptions) | (3.03) | 0.61 |
| Return on plan assets, excluding amount recognized in net interest expense | (0.43) | 0.03 |
| **Defined benefit costs recognized in other comprehensive income** | **(1.99)** | **0.64** |

6 Experience adjustments

| Particulars | March 31, 2020 | March 31, 2019 | March 31, 2018 | March 31, 2017 | March 31, 2016 |
|---|---|---|---|---|---|
| Defined benefit obligation as at the end of the year | 16.10 | 16.40 | 14.73 | 12.19 | 10.24 |
| Plan assets | 9.89 | 9.06 | 7.67 | 4.87 | 0.99 |
| Net surplus/(deficit) | (6.22) | (7.34) | (7.06) | (7.32) | (9.25) |
| Experience adjustments on plan liabilities | 3.03 | (0.61) | (1.07) | (0.07) | (0.62) |
| Experience adjustments on plan assets | 0.43 | (0.03) | (0.16) | 0.57 | (0.09) |

## B. Sensitivity Analysis

A quantitative sensitivity analysis for significant assumption for Gratuity plan is as shown below:

| Assumptions | March 31, 2020 | | March 31, 2019 | |
|---|---|---|---|---|
| | Discount Rate | | Discount Rate | |
| Sensitivity Level | (1.0%) | 1.0% | (1.0%) | 1.0% |
| Impact on defined benefit obligation (₹Crores) | 1.36 | (1.18) | 1.44 | (1.25) |
| % change compared to base due to sensitivity | 8.3% | (7.3%) | 8.8% | (7.6%) |

| Assumptions | March 31, 2020 | | March 31, 2019 | |
|---|---|---|---|---|
| | Further Salary Increase | | Further Salary Increase | |
| Sensitivity Level | (1.0%) | 1.0% | (1.0%) | 1.0% |
| Impact on defined benefit obligation (₹Crores) | (1.20) | 1.35 | (1.28) | 1.45 |
| % change compared to base due to sensitivity | (7.5%) | 8.4% | (7.8%) | 8.8% |

# Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Assumptions | March 31, 2020 | | March 31, 2019 | |
|---|---|---|---|---|
| | Attrition Rate | | Attrition Rate | |
| Sensitivity Level | (1.0%) | 1.0% | (1.0%) | 1.0% |
| Impact on defined benefit obligation (₹Crores) | 0.04 | (0.07) | (0.40) | 0.26 |
| % change compared to base due to sensitivity | 0.2% | (0.5%) | (2.4%) | 1.6% |

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

There is no change in the method of valuation for the prior period.

## C. Effect of Plan on Entity's Future Cash Flows

### a. Expected contributions to the plan asset for the next annual reporting period

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Expected contributions to the plan asset for the next annual reporting period | 8.33 | 3.00 |

### b. Maturity profile of the defined benefit obligation

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Within the next 12 months | 2.20 | 2.22 |
| Between 2 and 5 years | 5.54 | 5.02 |
| More than 5 years | 22.32 | 29.89 |
| **Total expected payments** | **30.06** | **37.13** |

## 41. Segmental information

The Company's business activities fall within a single reportable segment, i.e. real estate development. Hence, there are no additional disclosures to be provided under Ind-AS 108 - Segment information with respect to the single reportable segment, other than those already provided in the financial statements.

The Company is domiciled in India. The Company's revenue from operations from external customers relate to real estate development in India and all the non-current assets of the Company are located in India.

## 42. Standards issued but not yet effective

As at March 31, 2020, there are no standards that have been issued but not yet effective, which will impact the Company's financial statements.

## 43. Unhedged foreign currency exposure

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Unhedged foreign currency exposure | Nil | Nil |

As per report of even date

For **S.R. Batliboi & Associates LLP**
*Chartered Accountants*
ICAI Firm registration number: 101049W/E300004

per **Adarsh Ranka**
*Partner*
Membership no.: 209567

Bengaluru
June 26, 2020

For and on behalf of the Board of Directors of **Puravankara Limited**

**Ashish R Puravankara**
*Managing Director*
DIN 00504524

**Nani R Choksey**
*Joint Managing Director*
DIN 00504555

**Kuldeep Chawla**
*Chief Financial Officer*

**Bindu Doraiswamy**
*Company Secretary*

Bengaluru
June 26, 2020

# Notes

# Notes


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