

# Walker Chandiook & Co LLP

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## **Review Report on Quarterly Consolidated Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements), 2015**

### **To the Board of Directors of Puravankara Projects Limited**

1. We have reviewed the accompanying statement of unaudited consolidated financial results ("the Statement") of Puravankara Projects Limited ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities for the quarter and half year ended 30 September 2016. Attention is drawn to Note 9 of the Statement that the figures for the corresponding quarter and half year ended 30 September 2015, including the reconciliation of net profit under Ind AS of the corresponding quarter with net profit reported under previous GAAP, as included in the Statement have not been subject to limited review or audit. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above and upon consideration of the review reports of other auditors, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in Section 133 of the Companies Act, 2013 read with SEBI Circular CIR/CFD/CMD/15/2015 dated 30 November 2015 and SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.



# Walker Chandiok & Co LLP

## Review Report on Quarterly Consolidated Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Cont'd)

4. We did not review the interim financial results of 23 subsidiaries included in the Statement, whose interim financial results reflect total assets (after eliminating intra-group transactions) of ₹ 432.33 crores as at the half year ended 30 September 2016 and total revenues (after eliminating intra-group transactions) of ₹ 17.13 crores and ₹ 40.95 crores for the quarter and half year ended 30 September 2016 respectively. These interim financial results of the said subsidiaries have been reviewed by other auditors whose review reports have been furnished to us and our report in respect thereof is based solely on the review reports of such other auditors. Our review report is not qualified in respect of this matter.
5. The statement also includes the Group's share of net profit of ₹ 1.28 crore and ₹ 2.06 crore for the quarter and half year ended 30 September 2016 as considered in the statement, in respect of 3 associates and 1 jointly controlled entity, whose interim financial statements have not been reviewed by us. These interim financial results are un-reviewed, and have been furnished to us by the Management and our report on the consolidated financial results, in so far as it relates to the amounts included in respect of these associates and jointly controlled entity, is based solely on such un-reviewed interim financial results. In our opinion and according to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

*Walker Chandiok & Co. LLP*  
For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No: 001076N/N500013

*Sanjay Banthia.*  
per **Sanjay Banthia**  
Partner  
Membership No. 061068

**Place:** Bengaluru  
**Date:** 8 December 2016





(₹/Crores, except share and per share data)

**Statement of consolidated unaudited financial results for the quarter and six months ended 30 September 2016 under Ind AS**

Sl. No.	Particulars	Quarter ended			Six months ended	
		30 Sep 16	30 Jun 16	30 Sep 15	30 Sep 16	30 Sep 15
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1.	<b>Income from operations</b>					
	Revenue from projects	375.23	308.02	421.86	683.25	875.43
	Other operating revenues	2.30	3.33	2.08	5.63	5.03
	<b>Total Income from operations</b>	<b>377.53</b>	<b>311.35</b>	<b>423.94</b>	<b>688.88</b>	<b>880.46</b>
2.	<b>Expenses</b>					
	Material and contract cost	177.00	180.02	282.34	357.02	540.27
	Land cost	26.33	53.83	108.19	80.16	329.75
	Increase in inventory of properties under development and properties held for sale	(15.75)	(65.45)	(145.55)	(81.20)	(365.52)
	Employee benefit expense	25.71	24.55	28.26	50.26	59.45
	Depreciation and amortization expense	4.16	4.14	3.67	8.30	7.43
	Repairs and maintenance- others	3.81	3.53	5.11	7.34	11.29
	Legal and professional charges	7.53	10.48	16.14	18.01	30.65
	Rent	4.12	3.04	3.47	7.16	7.07
	Rates and taxes *	2.41	2.81	10.13	5.22	23.21
	Security charges	6.39	3.12	3.48	9.51	6.90
	Advertising and sales promotion	11.13	8.83	5.85	19.96	17.83
	Brokerage and referral charges	1.38	0.99	2.09	2.37	5.59
	Other expenses	6.19	6.16	5.52	12.35	10.21
	<b>Total expenses</b>	<b>260.41</b>	<b>236.05</b>	<b>328.70</b>	<b>496.46</b>	<b>684.13</b>
3.	<b>Profit from operations before other income, finance expense, exceptional items, share of profit/(loss) of associate and minority interest (1-2)</b>	<b>117.12</b>	<b>75.30</b>	<b>95.24</b>	<b>192.42</b>	<b>196.33</b>
4.	Other income	1.35	0.30	3.84	1.65	4.73
5.	<b>Profit from Ordinary activities before finance expense, exceptional items, share of profit/(loss) of associate and minority interest (3+4)</b>	<b>118.47</b>	<b>75.60</b>	<b>99.08</b>	<b>194.07</b>	<b>201.06</b>
6.	Finance expense, net	59.51	62.35	59.07	121.86	113.68
7.	<b>Profit from ordinary activities before exceptional items, share of profit/(loss) of associate and minority interest (5-6)</b>	<b>58.96</b>	<b>13.25</b>	<b>40.01</b>	<b>72.21</b>	<b>87.38</b>
8.	Exceptional items	-	-	-	-	-
9.	<b>Profit from ordinary activities before share of profit/(loss) of associate and minority interest (7-8)</b>	<b>58.96</b>	<b>13.25</b>	<b>40.01</b>	<b>72.21</b>	<b>87.38</b>
10.	Tax expense	18.12	4.15	13.00	22.27	29.77
11.	<b>Net profit from ordinary activities after tax and before share of profit/(loss) of associate and minority interest (9-10)</b>	<b>40.84</b>	<b>9.10</b>	<b>27.01</b>	<b>49.94</b>	<b>57.61</b>
12.	Extraordinary items (net of tax expenses)	-	-	-	-	-
13.	<b>Net profit from ordinary activities before share of profit/(loss) of associate and minority interest (11-12)</b>	<b>40.84</b>	<b>9.10</b>	<b>27.01</b>	<b>49.94</b>	<b>57.61</b>
14.	Share of profit/(loss) of associates, net	1.28	0.78	(0.07)	2.06	(0.06)
15.	Minority interest	-	0.36	0.03	0.36	0.14
16.	<b>Net Profit for the period (13+14+15)</b>	<b>42.12</b>	<b>10.24</b>	<b>26.97</b>	<b>52.35</b>	<b>57.69</b>
17.	Other Comprehensive Income/(Loss) (net of tax expense)	0.44	(0.10)	(0.07)	0.34	(0.23)
18.	<b>Total Comprehensive Income/(Loss) for the period (16+17)</b>	<b>42.56</b>	<b>10.14</b>	<b>26.90</b>	<b>52.69</b>	<b>57.46</b>
19.	Paid-up equity share capital (face value ₹ 5/share)	118.58	118.58	118.58	118.58	118.58
20.	Earnings per share (before extraordinary items) (not annualised)					
	Basic : (₹)	1.79	0.43	1.13	2.22	2.42
	Diluted : (₹)	1.79	0.43	1.13	2.22	2.42
	Earnings per share (after extraordinary items) (not annualised)					
	Basic : (₹)	1.79	0.43	1.13	2.22	2.42
	Diluted : (₹)	1.79	0.43	1.13	2.22	2.42

\* Primarily includes plan sanction fee.



## Consolidated statement of assets and liabilities :

Particulars	As at 30 Sep 2016
<b>ASSETS</b>	
<b>Non-current assets</b>	
(a) Property, Plant and Equipment	76.72
(b) Capital work-in-progress	0.08
(c) Investment Property	39.88
(d) Other Intangible assets	4.43
(e) Financial Assets	
(i) Investments	53.76
(ii) Loans	181.20
(iii) Investment in convertible debentures	46.88
(iv) Others	33.06
(f) Deferred tax assets (net)	21.51
(h) Property held for development	1,359.59
(g) Other non-current assets	123.27
<b>Current assets</b>	
(a) Inventories	
Raw materials	24.94
Properties under development	2,547.28
Properties held for sale	703.66
(b) Financial Assets	
(i) Trade receivables	501.08
(ii) Cash and cash equivalents	141.22
(iii) Bank balances other than (iii) above	10.14
(iv) Loans	19.80
(v) Others	2.63
(c) Current Tax Assets (Net)	2.91
(d) Other current assets	455.85
<b>Total assets</b>	<b>6,349.89</b>
<b>EQUITY AND LIABILITIES</b>	
<b>Equity</b>	
(a) Equity Share capital	118.57
(b) Other Equity	2,247.53
<b>Liabilities</b>	
<b>Non-current liabilities</b>	
(a) Financial Liabilities	
(i) Borrowings	1,444.15
(ii) Trade payables	-
(iii) Other financial liabilities	6.76
(b) Provisions	10.55
Deferred tax liabilities (Net)	10.96
(d) Other non-current liabilities	
<b>Current liabilities</b>	
(a) Financial Liabilities	
(i) Borrowings	482.24
(ii) Trade payables	311.84
(iii) Other liabilities	1,309.13
(iv) Other financial liabilities	395.10
(b) Other current liabilities	-
(c) Provisions	2.26
(d) Current Tax Liabilities (Net)	10.80
<b>Total liabilities and equity</b>	<b>6,349.89</b>



- 1 The above quarterly consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting on 08 December 2016 and have undergone "Limited Review" by the Statutory Auditors of the Company.
- 2 The consolidated financial results have been prepared in accordance with the principles and procedures of Indian Accounting Standards ("Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in Section 133 of the Companies Act, 2013.
- 3 The Group is engaged in the development and construction of residential and commercial properties which is considered to be the only reportable business segment in line with the provisions of the Ind AS 108. Further the Group does not have significant foreign operations.
- 4 The Company has adopted Ind AS from 01 April 2016 and accordingly, these consolidated financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder. The date of transition to Ind AS is 01 April 2015. The impact of transition has been accounted for in the opening reserves and comparative period results have been restated accordingly. The opening balance sheet as at 01 April 2015 and the results for the subsequent periods would be finalised and will be subject to audit at the time of annual financial statements for the year ended 31 March 2017.

- 5 During the quarter and half year ended 30 September 2016 and 30 September 2015, the Company has received dividend/ interim dividend of ₹ 18.50 and ₹ 36.76, respectively, from its wholly owned subsidiaries. In accordance with Income Tax Act, dividend distribution tax of ₹ 3.76 and ₹ 7.48, respectively, paid by the subsidiaries on the aforesaid dividend has been adjusted with the dividend distribution tax of the Company. Consequently, the above amount has been credited to reserves & surplus.

- 6 (a) During the quarter ended 30 June 2014, the Company had entered into a sale deed and agreement to sale undivided share (UDS) of its property under development aggregating to 50% of the said property for a cash consideration of ₹ 320.81. Of the total consideration, ₹ 155.81 was received for the 25% portion of the land and accordingly recorded as revenue during quarter ended 30 June 2014. The balance consideration amounting to ₹ 165 towards the remaining 25% of the said property was deferred on account of the consideration being contingent on receipt of plan sanction.

(a) During the quarter ended 30 June 2014, the Company had entered into a sale deed and agreement to sale undivided share (UDS) of its property under development aggregating to 50% of the said property for a cash consideration of ₹ 320.81. Of the total consideration, ₹ 155.81 was received for the 25% portion of the land and accordingly recorded as revenue during quarter ended 30 June 2014. The balance consideration amounting to ₹ 165 towards the remaining 25% of the said property was deferred on account of the consideration being contingent on receipt of plan sanction.

b) During the half year ended 30 September 2015, the Company entered into an agreement to sell a land parcel (included within property under development) located in Bengaluru for a cash consideration of ₹ 140.00.

- 7 During the quarter ended 30 September 2016, the Company and two of its subsidiaries (the Group) were subjected to proceedings under section 132 of the Income Tax Act, 1961. The Group has made necessary submissions as required under section 132 of the Income Tax Act. The Company did not record additional tax charge since the management is of the view that the final outcome of the disputes should be in favour of the Group and/or the disallowances are mainly on account of temporary differences. Pending final assessment no adjustments have been recorded in the financial results for the quarter ended 30 September 2016.

- 8 Unaudited Financial results of Puravankara Projects Limited (Standalone information) :

Particulars	Quarter ended			Six months ended	
	30 Sep 16	30 Jun 16	30 Sep 15	30 Sep 16	30 Sep 15
Income from operations	298.50	216.20	200.03	514.70	561.15
Profit before tax for the period	68.43	6.30	43.55	74.73	89.30
Total Comprehensive Income/(Loss) after tax for the period	54.11	3.98	42.16	58.09	71.82

- 9 The reconciliation of net profit as previously reported (referred to as 'Previous GAAP') and the total comprehensive income /(loss) as per Ind AS for the quarter 30 September 2015 and six months ended is as per table below :

Particulars	Quarter ended 30 Sep 2015	Six months ended 30 Sep 2015
Net profit under Previous GAAP	23.47	46.70
Ind AS adjustments		
Application of Guidance Note on real estate revenue recognition retrospectively	2.59	11.16
Impact of financial assets and liabilities carried at amortised cost	2.08	2.48
Impact of reversal of lease straightlining	0.26	0.56
Reclassification of actuarial loss on employee benefit to other comprehensive income	0.07	0.23
Deferred tax impact on above adjustments	(1.53)	(3.58)
Impact on account of minority interest	0.03	0.14
Net Profit/ (loss) as per Ind AS	26.97	57.69
Other comprehensive income (OCI) (net of tax)	(0.07)	(0.23)
Total comprehensive income /(loss) for the period	26.90	57.46

- 10 Prior period comparatives have been regrouped/reclassified wherever necessary to conform to the presentation in the current period and are compliant with Ind AS. The management has exercised necessary due diligence to ensure that the consolidated financial results give a true and fair view. This information has not been subject to limited review by the auditors.

On behalf of the Board of Directors  
of Puravankara Projects Limited

*Nani R Choksey*

Nani R Choksey  
Joint Managing Director  
DIN 00504555

Bengaluru  
08 December 2016

