

INDEPENDENT AUDITOR'S REPORT

To the Members of Purva Good Earth Properties Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Purva Good Earth Properties Private 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 Ind AS 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, the aforesaid 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 loss 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 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 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 2.4 to the accompanying 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.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(3) of the Act with respect to the preparation of these 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



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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 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 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.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Ind AS financial statements, including the disclosures, and whether the 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.

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.



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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 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 Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) According to the information and explanation given to us, no managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors as covered under 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 Ind AS financial statements – Refer Note 21(a) to the 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 were no amounts which were 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 Sudhir Kumar Jain
Partner
Membership Number: 213157

UDIN: 20213157AAAAAH5007

Place: Bengaluru
Date: June 25, 2020



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ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF PURVA GOOD EARTH PROPERTIES PRIVATE LIMITED

Report on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2016 ("the Order")

- (i) The Company does not own any property, plant and equipment or investment property. Accordingly, the provisions of clause 3(i) (a), (b) and (c) of the Order are not applicable to 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) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (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) According to the information and explanations given by the management, the provisions of Section 148(1) of the Act are not applicable to the Company and hence reporting under clause 3(vi) are not applicable.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including income-tax, goods and service tax, duty of custom, cess and other statutory dues applicable to it. The provisions relating to provident fund and employees' state insurance are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, goods and service tax, duty of custom, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to provident fund and employees' state insurance are not applicable to the Company.
- (c) According to the records of the Company, the dues 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 Statute | Nature of dues | Amount demanded (Rs. in lakhs) | Period to which amount relates | Forum where the dispute is pending |
|----------------------|----------------|--------------------------------|--------------------------------|--------------------------------------|
| Income Tax Act, 1961 | Income-tax | 1,063.60 | 2015-2017 | 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 dues to debenture holders. The Company has no outstanding dues to financial institutions, bank or 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.



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- (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 explanation given to us, no managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors as covered under the provisions of Section 197 read with Schedule V to the Act;
- (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 188 of the 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. The provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company and accordingly reporting under Clause 3(xiii) insofar as it relates to Section 177 of the Companies Act, 2013 is not applicable to the Company and hence not commented upon.
- (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 Sudhir Kumar Jain
Partner
Membership Number: 213157



UDIN: 20213157AAAAAH5007

Place: Bengaluru
Date: June 25, 2020

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF PURVA GOOD EARTH PROPERTIES PRIVATE LIMITED

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 Purva Good Earth Properties Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the 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 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 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 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 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 system over financial reporting with reference to these 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 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 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 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.



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Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these 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, an adequate internal financial controls system over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these 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 Sudhir Kumar Jain
Partner
Membership Number: 213157

UDIN: 20213157AAAAAH5007

Place: Bengaluru
Date: June 25, 2020



Purva Good Earth Properties Private Limited
Balance Sheet as at March 31, 2020
(All amounts in Rs. Lakhs, unless otherwise stated)

| | Note | March 31, 2020 | March 31, 2019 |
|--|------|-------------------|------------------|
| ASSETS | | | |
| Non-current assets | | | |
| (a) Financial assets | | | |
| (i) Loans | 3 | - | 19.51 |
| (b) Other non-current assets | 4a | 1,841.60 | 1,849.86 |
| Total non-current assets | | 1,841.60 | 1,869.37 |
| Current assets | | | |
| (a) Inventories | 5 | 28,141.99 | 27,370.63 |
| (b) Financial assets | | | |
| (i) Cash and cash equivalents | 6 | 2.65 | 1.29 |
| (c) Other current assets | 4b | 1,034.51 | 1,611.45 |
| Total current assets | | 29,179.15 | 28,983.37 |
| Total assets | | 31,020.75 | 30,852.74 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| (a) Equity share capital | 7 | 1.00 | 1.00 |
| (b) Other equity | 8 | (1,941.12) | (29.72) |
| Total equity | | (1,940.12) | (28.72) |
| LIABILITIES | | | |
| Non-current Liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 9a | 32,046.80 | 30,199.17 |
| Total non-current liabilities | | 32,046.80 | 30,199.17 |
| Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 9b | 574.25 | 386.25 |
| (ii) Trade payables | 10 | - | - |
| (A) total outstanding dues of micro enterprises and small enterprises | | 327.43 | 282.85 |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises | | 12.39 | 13.19 |
| (b) Other current liabilities | 11 | 914.07 | 682.29 |
| Total current liabilities | | 914.07 | 682.29 |
| Total equity and liabilities | | 31,020.75 | 30,852.74 |

Summary of significant accounting policies

2.2

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

As per report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049WE300004

per Sudhir Kumar Jain
Partner
Membership no.: 213157

Bengaluru
June 25, 2020

For and on behalf of the Board of Directors of
Purva Good Earth Properties Private Limited

Ashish Puravankara
Director
DIN 00504524

Bengaluru
June 25, 2020

Jasbir Ashish Puravankara
Director
DIN 01918184

Bengaluru
June 25, 2020



Purva Good Earth Properties Private Limited
Statement of Profit and Loss for the year ended March 31, 2020
(All amounts in Rs. Lakhs, unless otherwise stated)

| | Note | March 31, 2020 | March 31, 2019 |
|--|------|-------------------|----------------|
| Income | | | |
| Other income | 12 | 1.49 | 1.93 |
| Total | | 1.49 | 1.93 |
| Expenses | | | |
| Sub-contractor cost | | 541.96 | 206.23 |
| (Increase)/ decrease in work-in-progress | 13 | (771.36) | (2,325.71) |
| Finance costs | 14 | 1,895.02 | 1,895.02 |
| Other expenses | 15 | 247.27 | 236.12 |
| Total expenses | | 1,912.89 | 11.66 |
| Profit/(loss) for the year | | (1,911.40) | (9.73) |
| Other comprehensive income ('OCI') | | | |
| Items that will not be reclassified to profit or loss | | - | - |
| Items that will be reclassified to profit or loss | | - | - |
| Total other comprehensive income | | - | - |
| Total comprehensive income for the year (comprising profit and OCI) | | (1,911.40) | (9.73) |
| Earnings per equity share ('EPS') | | | |
| [Nominal value per equity share Rs 10 (March 31, 2019 Rs.10)] | | | |
| Basic (Rs.) | | (19,114.00) | (97.30) |
| Diluted (Rs.) | | (19,114.00) | (97.30) |
| Weighted average number of equity shares used in computation of FPS | | | |
| Basic (in numbers lakhs) | | 0.10 | 0.10 |
| Diluted (in numbers lakhs) | | 0.10 | 0.10 |

Summary of significant accounting policies

2.2

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

As per report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Sudhir Kumar Jain
Partner
Membership no.: 213157

Bengaluru
June 25, 2020

For and on behalf of the Board of Directors of
Purva Good Earth Properties Private Limited

Ashish Puravankara
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Bengaluru
June 25, 2020

Jasbir Ashish Puravankara
Director
DIN 01918184

Bengaluru
June 25, 2020



Purva Good Earth Properties Private Limited
Statement of cash flow for the year ended March 31, 2020
(All amounts in Rs. Lakhs, unless otherwise stated)

| | Note | March 31, 2020 | March 31, 2019 |
|--|------|----------------|----------------|
| A. Cash flow from operating activities | | | |
| Profit/(loss) before tax | | (1,911.40) | (9.73) |
| Adjustments to reconcile profit after tax to net cash flows | | | |
| Interest expense | | 1,895.00 | 1,895.00 |
| Interest income | | (1.49) | - |
| Operating profit before working capital changes | | (17.89) | 1,885.27 |
| Working capital adjustments: | | | |
| (Increase)/Decrease in other current assets | | 576.94 | (73.72) |
| (Increase)/Decrease in inventories | | (771.36) | (2,325.71) |
| (Increase)/Decrease in loans | | 21.00 | - |
| (Increase)/Decrease in non current assets | | 8.26 | (0.70) |
| (Increase)/Decrease in trade payables | | 44.58 | 196.59 |
| (Increase)/Decrease in current liabilities | | (48.17) | (47.91) |
| Cash (used in)/ received from operations | | (186.64) | (366.18) |
| Income tax paid (net) | | - | - |
| Net cash flows (used in)/from operating activities | | (186.64) | (366.18) |
| B. Cash flows from investing activities | | | |
| Net cash flows from / (used in) investing activities | | - | - |
| C. Cash flows from financing activities | | | |
| Proceeds from unsecured loans | | 188.00 | 365.58 |
| Net cash (used in)/from financing activities | | 188.00 | 365.58 |
| Net (decrease)/increase in cash and cash equivalents (A + B + C) | | 1.36 | (0.60) |
| Cash and cash equivalents at the beginning of the year | | 1.29 | 1.89 |
| Cash and cash equivalents at the end of the year | | 2.65 | 1.29 |
| Components of cash and cash equivalents | | | |
| Cash and cash equivalents | 6 | 2.65 | 1.29 |
| Cash and cash equivalents reported in cash flow statement | | 2.65 | 1.29 |

Summary of significant accounting policies

2.2

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

As per report of even date

For S.R. Battiboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049WE300004

per Sudhir Kumar Jain
Partner
Membership no.: 213157

Bengaluru
June 25, 2020

For and on behalf of the Board of Directors of
Purva Good Earth Properties Private Limited

Ashish Puravankara
Director
DIN 00504524

Bengaluru
June 25, 2020

Jasbir Ashish Puravankara
Director
DIN 01918184

Bengaluru
June 25, 2020



Purva Good Earth Properties Private Limited
Statement of changes in equity for the year ended March 31, 2020
(All amounts in Rs. Lakhs, unless otherwise stated)

A. Equity share capital
(refer note 7)

| | As at April 01, 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 Rs. 10 each fully paid 0.1 Lakhs (March 31, 2019 - 0.10 lakhs) equity shares | 1.00 | - | 1.00 | - | 1.00 |
| | 1.00 | - | 1.00 | - | 1.00 |

B. Other equity
(refer note 8)

| | Reserves and surplus | |
|------------------------------|----------------------|-------------------|
| | Retained Earnings | Total |
| Balance as at April 01, 2018 | (19.99) | (19.99) |
| Loss for the year | (9.73) | (9.73) |
| Other comprehensive income | - | - |
| Balance as at 31 March 2019 | (29.72) | (29.72) |
| Loss for the year | (1,911.40) | (1,911.40) |
| Other comprehensive income | - | - |
| Balance as at 31 March 2020 | (1,941.12) | (1,941.12) |

Summary of significant accounting policies

2.2

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

As per report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049WE300004

per Sudhir Kumar Jain
Partner
Membership no.: 213157

Bengaluru
June 25, 2020



For and on behalf of the Board of Directors of
Purva Good Earth Properties Private Limited

Ashish Puravankara
Director
DIN 00504524

Bengaluru
June 25, 2020

Jasbir Ashish Puravankara
Director
DIN 01918184

Bengaluru
June 25, 2020



Purva Good Earth Properties Private Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2020
(All amounts in Indian Rs. lacs, unless otherwise stated)

1. Corporate information

Purva Good Earth Properties Private Limited (the 'Company') was incorporated on April 10, 2007 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 is engaged in the business of real estate development.

During the year, the Company has incurred losses of Rs.1911.40 lakhs (March 31, 2019: Rs.9.73 lakhs) and as at March 31, 2020, it has accumulated losses of Rs.1941.12 lakhs (March 31, 2019: Rs.29.72 lakhs) against equity capital of Rs.1 lakh (March 31, 2019: Rs.1 lakh). The Company is in the initial phase of its operations and in the process of executing a real estate project. Further, Provident Housing Limited, the holding company and Puravankara Limited, the ultimate holding company are committed to provide financial and operational support to the Company for its profitable operations in the foreseeable future.

The Ind AS financial statements were authorized for issue in accordance with a resolution of the Board of Directors on June 25, 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 Ind AS financial statements of the Company are prepared and presented in accordance with Ind AS.

The 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.

2.2 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.

Ind AS 116 supersedes Ind AS 17 Leases. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Company applied Ind AS 116 with effect from April 1, 2019 to all lease contracts existing on April 1, 2019, where the Company is a lessee, using the modified retrospective method. The Company elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets). The application of Ind AS 116 has no material impact on the financial statements of the current year.

(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) 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.

(e) 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.

Where the Company is lessee

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.

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-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.

(f) 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.

(g) 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.



Purva Good Earth Properties Private Limited
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(All amounts in Indian Rs. lacs, unless otherwise stated)

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.

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.

(h) 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.

(i) Revenue recognition

Interest income

Interest income, including income arising from other financial instruments measured at amortized cost, is recognized using the effective interest rate method.

(j) 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.

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.

(k) Retirement and other employee benefits

The provisions of the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 and Employees' State Insurance Act, 1948, Payment of Gratuity Act, 1972 etc. are not applicable to the Company as the number of employees are less than the minimum required employees under the said acts.

(l) 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.

