

Devas Global Services LLP

Financial Statements

For the year ended 31 March 2021

Independent Auditors' Report

TO THE PARTNERS OF M/S. Devas Global Services LLP

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of M/S. Devas Global Services LLP ("the LLP"), which comprise the Balance Sheet as at 31st March 2021, and the statement of Profit and Loss for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

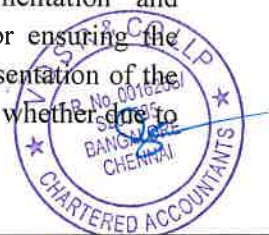
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the LLP as at March 31, 2021, and loss for the year ended on that date.

Basis for Opinion:

We conducted our audit in accordance with the Standards on Auditing (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the LLP 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 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 opinion.

Responsibilities of Partners and Those Charged with Governance for the Financial Statements:

The Partners are responsible with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the LLP in accordance with the accounting principles generally accepted in India, including the applicable accounting Standards specified under Income Tax Act., 1961. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the LLP 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 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the LLP'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 LLP or to cease operations, or has no realistic alternative but to do so.

These Partners are also responsible for overseeing the LLP's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:


1. Identify and assess the risks of material misstatement of the 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.
2. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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 LLP'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 LLP to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

For V D S R & Co LLP
Chartered Accountants
FRN No.: 001626S/S200085


Venkatesh Kamath S V
Partner
Membership No 202626



Place: Bengaluru

Date: 22.06.2021

(This document is certified through UDIN facility of ICAI and can be verified at www.udin.icai.org with reference number 21202626AAAAPT4999)

Devas Global Services LLP

Balance Sheet as at 31 March 2021

(All amounts in ₹, unless otherwise stated)

	Note	31 Mar 2021	31 Mar 2020
Contribution and Liabilities			
Partners' Funds			
Contribution	2	10,00,000	10,00,000
Partner's current account	3	(8,33,561)	(1,90,358)
		<u>1,66,439</u>	<u>8,09,642</u>
Current Liabilities			
Short-term borrowings	4	1,82,37,14,988	1,47,02,12,892
Trade payables	5	1,10,79,206	56,22,585
Other current liabilities	6	5,77,197	4,30,212
		<u>1,83,53,71,391</u>	<u>1,47,62,65,689</u>
Total		<u><u>1,83,55,37,830</u></u>	<u><u>1,47,70,75,331</u></u>
Assets			
Current Assets			
Inventories	9		1,45,39,70,131
Properties held for development			
Properties under development		<u>1,80,75,66,027</u>	<u>-</u>
		<u>1,80,75,66,027</u>	<u>1,45,39,70,131</u>
Cash and bank balances	10	11,38,309	3,66,836
Short-term loans and advances	7	2,56,33,493	2,15,38,364
Other current assets	8	12,00,000	12,00,000
		<u>1,83,55,37,830</u>	<u>1,47,70,75,331</u>
Total		<u><u>1,83,55,37,830</u></u>	<u><u>1,47,70,75,331</u></u>

Significant accounting policies and other explanatory information

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

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

For V D S R & Co LLP

Chartered Accountants

Firm Registration Number: 001626S/S200085

V. D. S. R. & Co. LLP

Venkatesh Kamath S V

Partner

Membership No: 202626

Bengaluru

Date : 23-06-2021



For and on behalf of Devas Global Services LLP

Amit Puravankara

Designated Partner

Representing Puravankara Limited

DPIN 00504524

Bengaluru

Date : 23-06-2021

Nani Rusi Choksey

Nani Rusi Choksey

Designated Partner

Representing Provident Housing Limited

DPIN 00504555

Bengaluru

Date : 23-06-2021



Devas Global Services LLP

Statement of Profit and Loss for the year ended 31 March 2021

(All amounts in ₹, unless otherwise stated)

	Note	31 Mar 2021	31 Mar 2020
Income			
Revenue from operations			
Other operating revenues		-	-
Other income		-	-
Total		-	-
Expenses			
Material and contract cost	11	1,13,38,860	68,83,714
Land cost		19,59,27,841	-
Decrease/(increase) in inventory of properties under development	12	(35,35,95,897)	(14,38,10,605)
Finance expense, net	13	13,60,07,966	12,24,14,427
Other expenses	14	1,09,64,433	1,46,65,164
Total		6,43,204	1,52,700
Profit/(Loss) before tax		(6,43,204)	(1,52,700)
Tax expense			
Current tax		-	-
Deferred tax		-	-
Profit/(Loss) after tax		(6,43,204)	(1,52,700)
Appropriation of Profit after tax			
Profit/(Loss) transferred to Partners' account		(6,43,204)	(1,52,700)

Significant accounting policies and other explanatory information
The notes referred to above form an integral part of the financial statements.
This is the Statement of Profit and Loss referred to in our report of even date

1

For V D S R & Co LLP

Chartered Accountants

Firm Registration Number: 001626S/S200085

Venkatesh Kamath S V

Partner

Membership No: 202626

Bengaluru

Date : 23-06-2021



For and on behalf of Devas Global Services LLP

Ashish Puravankara

Designated Partner

Representing Puravankara Limited

DPIN 00504524

Bengaluru

Date : 23-06-2021

Nani Rusi Choksey

Designated Partner

Representing Provident Housing Limited

DPIN 00504555

Bengaluru

Date : 23-06-2021



Devas Global Services LLP

Notes to the Financial Statements

1 Background

The LLP was incorporated on July 25, 2011 as Devas Global Services LLP to carry on the activities related to construction and property development.

Significant accounting policies

a. Basis of preparation

The accounts of the LLP are prepared under the historical cost convention using the accrual method of accounting in accordance with the generally accepted accounting principles in India.

b. Use of estimates

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

c. Revenue recognition

Revenue from projects

Revenue from real estate projects is recognized when it is reasonably certain that the ultimate collection will be made and that there is buyers' commitment to make the complete payment. The following specific recognition criteria must also be met before revenue is recognized:

Revenue from real estate projects is recognized upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements/ other legally enforceable documents. Where the LLP still has obligations to perform substantial acts even after the transfer of all significant risks and rewards, revenue in such cases is recognized by applying the percentage of completion method only if the following thresholds have been met.

As per the "Guidance Note on Accounting for Real Estate Transactions (Revised 2012)" (Guidance note), construction revenue on projects have been recognized on percentage of completion method provided the following thresholds have been met:

- (a) all critical approvals necessary for the commencement have been obtained;
- (b) the expenditure incurred on construction and development costs is not less than 25 percent of the total estimated construction and development costs;
- (c) at least 25 percent of the saleable project area is secured by agreements with buyers; and
- (d) at least 10 percent of the agreements are realized at the reporting date in respect of such contracts.

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

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

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

Unbilled revenue represents revenue recognized over and above the amount due as per payment plans agreed with the customers. Progress billings which exceed the costs and recognized profits to date on projects under construction are disclosed as advance received from customers under other current liabilities.

d. Fixed assets

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

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

e. Depreciation/amortization

Depreciation/amortization on fixed assets is provided as per the Income tax Act, 1961. Assets individually costing less than ₹ 5,000 are fully depreciated in the period of purchase.



Devas Global Services LLP

f. Borrowing cost

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

g. Advertisement and promotional expenses

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

h. Cash and cash equivalents

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

i. Inventory

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

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

Properties held for development

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

Properties under development

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

j. Tax expense

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

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

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

k. Provisions and contingent liabilities

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



Devas Global Services LLP

(All amounts in ₹, unless otherwise stated)

	31 Mar 2021	31 Mar 2020
2 Partners' Capital Account		
Puravankara Limited		
Opening balance	9,99,900	9,99,900
Add: Funds introduced during the period (net)	-	-
	<u>9,99,900</u>	<u>9,99,900</u>
Provident Housing Limited		
Opening balance	100	100
Add: Funds introduced during the period (net)	-	-
	<u>100</u>	<u>100</u>
Total Contributions	<u><u>10,00,000</u></u>	<u><u>10,00,000</u></u>
3 Partners' Current Account		
Puravankara Limited		
Opening balance	(1,90,340)	(37,656)
Add: Share of net loss for the year	(6,43,139)	(1,52,684)
	<u>(8,33,480)</u>	<u>(1,90,340)</u>
Provident Housing Limited		
Opening balance	(18)	(18)
Add: Share of net loss for the year	(64)	(15)
	<u>(82)</u>	<u>(18)</u>
Total	<u><u>(8,33,561)</u></u>	<u><u>(1,90,358)</u></u>
4 Short-term borrowings		
Unsecured		
Term loans		
From others	10,00,00,000	10,00,00,000.00
Loan from Grand Hills Developments Pvt Ltd repayable on demand	19,65,88,990	-
Loan from Puravankara Limited repayable on demand	1,52,71,25,998	1,37,02,12,892
	<u>1,87,77,14,988</u>	<u>1,47,07,17,892</u>
5 Trade payables		
Trade payables	1,10,79,206	56,22,585
	<u>1,10,79,206</u>	<u>56,22,585</u>
6 Other current liabilities		
Duties and taxes payable	5,28,163	3,81,178
Other payables	49,034	49,034
	<u>5,77,197</u>	<u>4,30,212</u>



Devas Global Services LLP

(All amounts in ₹, unless otherwise stated)

	Non-current		Current	
	31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
7 Loans and advances				
Other loans and advances (Unsecured, considered good)				
Advances to Suppliers *	-	-	21,47,600	48,12,649
Prepaid expenses	-	-	35,73,085	-
Taxes and duties recoverable	-	-	1,99,12,808	1,67,25,715
	-	-	2,56,33,493	2,15,38,364
Total loans and advances	-	-	2,56,33,493	2,15,38,364
* Advances recoverable in cash or kind or for value to be received.				
8 Other assets				
Other receivables	-	-	12,00,000	12,00,000
	-	-	12,00,000	12,00,000
9 Inventories				
Properties held for development				
At the beginning of the period	-	-	1,45,39,70,131	1,31,01,59,526
Add: Additions during the period	-	-	35,35,96,897	14,38,10,605
Less: Transferred to Subsidiaries	-	-	-	-
Less: Transferred to properties under development	-	-	(1,80,75,66,027)	-
	-	-	-	1,45,39,70,130.83
Properties under development				
Land cost	-	-	19,59,27,841	-
Material and construction cost	-	-	1,61,16,38,186	-
	-	-	1,80,75,66,027	-
	-	-	1,80,75,66,027	1,45,39,70,131
10 Cash and bank balances				
Cash and cash equivalents				
Cash on hand			10	2,57,010
Balances with banks:				
On current accounts			11,38,299	1,09,826
			11,38,309	3,66,836



Devas Global Services LLP

(All amounts in ₹, unless otherwise stated)

31 Mar 2021

31 Mar 2018

11 Material and contract cost

Inventory of building material at the beginning of the quarter/year
 Add : Incurred during the quarter/year
 Material and contract costs
 Less : Inventory of building material at the end of the quarter/year

-	-
1,13,38,860	68,83,714
-	-
1,13,38,860	68,83,714

12 Decrease/(increase) in inventory of properties under development

Inventory at the beginning of the year
 Inventory at the end of the year

1,45,39,70,131	1,31,01,59,526
1,80,75,66,027	1,45,39,70,131
(35,35,95,897)	(14,38,10,605)

13 Finance expense, net

Finance expense:

Bank charges
 Others

1,103	9,488
13,60,06,863	12,24,04,030
13,60,07,966	12,24,14,427

Finance income:

-	-
-	-

Finance expense, net

13,60,07,966	12,24,14,427
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Includes finance expense capitalized and included in properties under development

13,60,06,863	12,24,04,939
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14 Other expenses

Travel and conveyance
 Legal and professional expense
 Rates and taxes
 Security charges
 Communication costs
 Advertising and sales promotion
 Miscellaneous expenses

95,283	1,00,163
86,61,074	68,57,464
2,35,510	60,48,081
19,68,227	14,85,253
-	725
-	1,70,829
4,339	2,649
1,09,64,433	1,46,65,164

Payment to auditor (on accrual basis, excluding taxes)

As auditor:

Audit fee

20,000	20,000
20,000	20,000



Devas Global Services LLP

(All amounts in ₹, unless otherwise stated)

15 Related party transactions

(i) Partners

Puravankara Limited (Represented by Mr. Ashish Puravankara)
Provident Housing Limited (Represented by Mr. Nani R Choksey)

(ii) Entities controlled by key management personnel (other related parties)

Grand Hills Developments Private Limited

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

Nature of transaction	Key management personnel		Other related parties	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Loans taken from				
Puravankara Limited (Represented by Mr. Ashish Puravankara)	18,70,56,010	13,90,35,594	-	-
Grand Hills Developments Private Limited	-	-	19,65,88,990	-
Loans repaid to				
Puravankara Limited (Represented by Mr. Ashish Puravankara)	3,01,42,902	9,75,97,260	-	-

(iv) Balances with related parties at the year end are as follows

Nature of transaction	Key management personnel		Other related parties	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Loans taken from				
Puravankara Limited (Represented by Mr. Ashish Puravankara)	1,52,71,25,998	1,37,02,12,892	-	-
Grand Hills Developments Private Limited	-	-	19,65,88,990	-

16 Supplementary statutory information

	31 March 2021	31 March 2020
i. Earnings in foreign currency (on receipt basis)	Nil	Nil
ii. Expenditure in foreign currency (on accrual basis)	Nil	Nil
iii. Value of imports at CIF basis	Nil	Nil
iv. Contingent liabilities	Nil	Nil
v. Capital commitment	Nil	Nil
vi. Donation to political party	Nil	Nil

17 Covid-19 impact

The LLP has considered the possible effects that may result from the COVID-19 pandemic on the carrying value of assets (including property, plant and equipment, 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 LLP. The Company has performed sensitivity analysis on the assumptions used and based on the current estimates, the LLP expects that the carrying amount of these assets as reflected in the balance sheet as at March 31, 2021, are fully recoverable. The management has estimated the future cash flows for the LLP 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.

Further, the LLP's management has also made a detailed assessment of the progress of construction work on its ongoing projects during the period of lockdown and has concluded that the same was only a temporary slowdown in activities.

For V D S R & Co LLP

Chartered Accountants

Firm Registration Number: 001626S/S200085

Venkatesh Kamath S V

Partner

Membership No: 202626

Bengaluru

Date : 23-06-2021



For and on behalf of Devas Global Services LLP

(Signature)

Ashish Puravankara
Designated Partner
Representing Puravankara Limited
DPIN 00504524

Bengaluru

Date : 23-06-2021

(Signature)

Nani Rusi Choksey
Designated Partner
Representing Provident Housing Limited
DPIN 00504555

Bengaluru

Date : 23-06-2021

