Purva Star Properties Private Limited

Financial Statements

For the year ended 31 March 2019

Independent Auditor's Report

To the Members of Purva Star Properties Private Limited

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Purva Star Properties Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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 a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements as per the ICAI's Code of Ethics and the provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

KEY AUDIT MATTER	RESPONSE TO KEY AUDIT MATTER
Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard) The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. In the current year, Company recognised revenue of Rs. 30,89,84,496 /- as per Ind AS 115 for the year ended 31st March 2019. The determination of contract price and costs and time of recognition of revenue have a material impact on the financial statements. Accordingly, we have identified this as a Key Audit Matter. Refer note to the financial statements.	<u>**Principal Audit Procedures**</u> We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • We obtained understanding and tested, on sample basis, the design of Internal Controls and revenue recognition process. • We obtained and examined the computation of the adjustment to retained earnings as at the transition date • We tested mathematical accuracy of revenue and costs of sample selected contacts on sample basis. • We performed analytical review on revenue and margins of different contracts on sample basis. • Comparing the transaction price with the government valuation price.

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	• We performed test of details, on a sample basis, and examined the underlying customer/JDA contracts and sale deed/ handover documents, evidencing the transfer of control of the asset to the customer. • We obtained and examined the computation of the fair value of the construction service under JDA • Where there is significant differences in margins and costs, we obtained management explanation with the underlying supporting documentation, on sample basis.

Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

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

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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

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accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and 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 control 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 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 Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

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 financial controls 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 system 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 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 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period 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.

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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 – A, 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, 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 financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) on the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   g) 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, in our opinion and to the best of our information and according to the explanations given to us:

      i. the Company does not have any pending litigations which would impact its financial position.

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ii. the Company did not have any long-term contracts including derivate contracts for which there were any material foreseeable loss.

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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Venkatesh Kamath S V
Partner
Membership No 202626

Place: Bengaluru
Date: 17/05/2019

Annexure – A to the Independent Auditor's Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2019, we report that:

1.

   a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   b. These fixed assets have been physically verified by the management at reasonable intervals having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

   c. As per the information and explanation given to us and on the basis of our examination of the records of the Company, the Company does not own any immovable properties and hence this clause not applicable.

2. The Management has conducted physical verification of inventory at reasonable intervals and no material discrepancies were noticed.

3. According to information and explanations given to us, the Company has granted loan to its holding company covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act") during the year.

   a. In our opinion and according to the information and explanations given to us, and having regard to management's representation that the terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.

   b. Schedule of repayment of principal and payment of interest has not been stipulated and loans are repayable on demand. As at reporting date, outstanding loan amount had been repaid by the holding company.

   c. There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.

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4. According to information and explanations given to us, the Company has not granted any loans, made any investments, extended any guarantees and provided any security to or on behalf of the parties referred in section 185 and 186 of the Companies Act, 2013.

5. The Company has not accepted any deposits from the public.

6. According to information and explanations given to us, for the activities carried out by the Company, Central Government has prescribed the maintenance of cost records, under section 148(1) of the Act as per Companies (cost records and audit) Rules. The Company believes that current records available with the Company provide the information under the rules. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 of the Act, in respect of the activities carried out by the Company and are of the opinion that, prima facie, the prescribed accounts and records have been maintained. However, we have not made a detailed examination of records.

7.

   a. According to information and explanations given to us and on the basis of our examinations of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including, income-tax, sales tax, value added tax, duty of customs, service tax, cess, Goods and Service Tax (GST) and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance duty of excise and provident fund.

   According to the information and explanations given to us, no disputed amounts payable in respect of provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess, and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

   b. According to the information and explanations given to us and based on the examination of the records of the Company, there are no dues in respect of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax, which have not been deposited with the appropriate authorities on account of any dispute.

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8. The Company has availed credit facilities from the bank and has not defaulted in repayment of said dues during the year under review.

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officer or employees has been noticed or reported during the course of our audit.

11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided any remuneration during the reporting period. Accordingly paragraph 3(xi) of the Order not applicable.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

13. According to the information and explanations given to us and on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where ever applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected to him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Venkatesh Kamath S V
Partner
Membership No 202626

Place: Bengaluru
Date: 17/05/2019

Annexure – B – to the Auditors' Report

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 Star Properties Private Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the Ind AS 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 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 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, 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 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 and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and

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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 Company's internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting 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 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.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the

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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.

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Chartered Accountants
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Venkatesh Kamath S V
Partner
Membership No 202626

Place: Bengaluru
Date: 17/05/2019

Purva Star Properties Private Limited
Balance Sheet for the year ended March 31, 2019
(All amounts in ₹, unless otherwise stated)

	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	838,183	1,569,396
(b) Financial assets			
(i) Loans	4a	93,015,000	84,825,166
(c) Deferred tax assets (net)	5	409,043,321	555,283
Total non-current assets		**502,896,505**	**86,949,845**
Current assets			
(a) Inventories	6	3,760,181,646	509,877,715
(b) Financial assets			
(i) Trade receivables	7	248,434,131	114,977,233
(ii) Cash and cash equivalents	8	97,613,756	18,143,405
(iii) Loans	4b	-	597,186,186
(iv) Other financial assets	9	-	159,079,488
(c) Other current assets	10	260,955,733	155,370,859
Total current assets		**4,367,185,265**	**1,554,634,887**
Total assets		**4,870,081,770**	**1,641,584,732**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	11	100,000	100,000
(b) Other equity	12	(250,258,961)	739,795,885
Total equity		**(250,158,961)**	**739,895,885**
LIABILITIES			
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14b	50,967,589	
(ii) Trade payables	15	680,981,864	284,231,085
(iii) Other financial liabilities	16	252,264,428	546,215,588
(b) Other current liabilities	17	4,136,026,849	50,479,294
(c) Current tax liabilities (net)	18	-	20,762,900
Total current liabilities		**5,120,240,731**	**901,688,847**
Total equity and liabilities		**4,870,081,770**	**1,641,584,732**
Summary of significant accounting policies	2.2		

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

As per report of even date

For V D S R & Co LLP.,
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CHARTERED ACCOUNTANTS

Venkatesh Kamath S V
Partner
Membership No: 202626

Place: Bengaluru
Date: 17/05/2019

For and on behalf of the Board of Directors

Ashish Ravi Puravankara
Director
DIN 00504524

Place: Bengaluru
Date: 17/05/2019

Amanda Joy Puravankara
Director
DIN 07128042

Purva Star Properties Pvt. Ltd.
BANGALORE

Purva Star Properties Private Limited
Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in ₹, unless otherwise stated)	Note	March 31, 2019	March 31, 2018
Income			
Revenue from operations	19	309,422,395	1,082,275,633
Other income	20	32,886,008	57,208,273
Total		**342,308,403**	**1,139,483,906**
Expenses			
Material and contract cost	21	1,102,022,620	725,010,532
Purchase of land stock		-	10,704,846
(Increase)/ decrease in inventory of work-in-progress	22	(963,036,372)	(1,969,470)
Employee benefits expense	23	1,683,720	-
Finance costs	24	49,009,817	74,200,092
Depreciation and amortization expense	25	755,654	755,388
Other expenses	26	111,586,383	21,109,231
Total expenses		**302,021,822**	**829,810,619**
Profit before tax		**40,286,581**	**309,673,287**
Tax expense	27		
Current tax		6,961,584	104,987,762
Excess/short tax of earlier years		209,112	-
Deferred tax		8,410,997	1,917,245
Total tax expense		**15,581,692**	**106,905,007**
Profit for the year		**24,704,889**	**202,768,280**
Other comprehensive income ('OCI')		-	-
Total other comprehensive income		-	-
Total comprehensive income for the year (comprising profit and OCI)		**24,704,889**	**202,768,280**
Earnings per equity share ('EPS')			
(Nominal value per equity share Rs. 10 (March 31, 2018 - Rs.10)			
Basic (Rs.)		2,470	20,277
Diluted (Rs.)		2,470	20,277
Weighted average number of equity shares used in computation of EPS			
Basic - in numbers		10,000	10,000
Diluted - in numbers		10,000	10,000
Summary of significant accounting policies	2.2		

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

As per report of even date

For V D S R & Co LLP.,
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Venkatesh Kamath S
Partner
Membership No: 202626

Place: Bengaluru
Date: 17/05/2019

For and on behalf of the Board of Directors

Ashish Ravi Puravankara
Director
DIN 00504524

Amanda Joy Puravankara
Director
DIN 07128042

Place: Bengaluru
Date: 17/05/2019

Purva Star Properties Private Limited
Standalone Statement of cash flow for the year ended March 31, 2019
(All amounts in ₹, unless otherwise stated)

	31 Mar 2019	31 Mar 2018
A. Cash flow from operating activities		
Profit before tax and prior period items	**40,286,581**	**309,673,287**
Adjustments for:		
Depreciation and amortization	755,654	755,388
Ind AS 115 reversals	(1,423,247,773)	-
Finance expense, net	49,009,817	74,200,092
Operating profit before working capital changes	**(1,333,195,721)**	**384,628,768**
Movements in working capital :		
(Increase)/Decrease in trade receivables	(133,456,898)	(11,082,103)
(Increase)/Decrease in loans and advances and other current assets	642,490,966	509,576,131
(Increase)/Decrease in properties under development	(3,250,303,930)	(1,969,470)
Increase/(Decrease) in current liabilities and provisions	4,453,124,458	56,321,278
Cash received from operations	**378,658,875**	**937,474,603**
Direct taxes paid (net)	(7,170,696)	(104,987,762)
Net cash from operating activities	**371,488,180**	**832,486,841**
B. Cash flows from investing activities		
Purchase of fixed assets, including capital advances	(24,441)	-
Net cash (used in) investing activities	**(24,441)**	**-**
C. Cash flows from financing activities		
Loans repaid to related parties		
Loans from subsidiaries		-
Proceeds from/(repayments of) term loans	(293,951,160)	(101,785,652)
Dividend paid	-	(216,643,765)
Proceeds from/(repayments of) Short term borrowings	50,967,589	(486,215,588)
Interest paid	(49,009,817)	(74,200,092)
Net cash generated from/(used in) financing activities	**(291,993,388)**	**(878,845,097)**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**79,470,350**	**(46,358,256)**
Cash and cash equivalents at the beginning of the year	**18,143,405**	**64,501,661**
Cash and cash equivalents at the end of the year	**97,613,756**	**18,143,405**
Components of cash and cash equivalents		
Cash and bank balances (as per note 8 to the financial statements)	97,613,756	18,143,405
Less: Bank deposits and margin monies considered separately	-	-
	97,613,756	**18,143,405**
Summary of significant accounting policies	2.2	

The accompanying notes from an integral part of financial statements.

As per our report of even date attached

For V D S R & Co LLP.,
Chartered Accountants
Firm Registration Number: 001626S/S200085

V D S R & CO LLP F.R. No. 001626S/S200085 BANGALORE CHENNAI CHARTERED ACCOUNTANTS

Venkatesh Kamath S V
Partner
Membership No: 202626

Place: Bengaluru
Date: 17/05/2019

For and on behalf of the Board of Directors

Ashish Puravankara
Director
DIN 504524

Place: Bengaluru
Date: 17/05/2019

Amanda Joy Puravankara
Director
DIN 7128042

Purva Star Properties Pvt. Ltd. BANGALORE

Purva Star Properties Private Limited
Statement of changes in equity for the year ended March 31, 2019
(All amounts in ₹, unless otherwise stated)

A. Equity share capital

Particulars	As at 01 April 2017	Movement during 2017-18	As at March 31, 2018	Movement during 2018-19	As at March 31, 2019
10,000 Equity shares of face value of Rs. 10 each fully paid	100,000	-	100,000	-	100,000
	100,000	-	100,000	-	100,000

B. Other equity

Particulars	Reserves and surplus			
	Securities premium reserve	General reserve	Retained Earnings	Total
Balance as at 1 April 2017	-	-	753,671,370	753,671,370
Profit for the year	-	-	202,768,280	202,768,280
Other Comprehensive Income	-	-	-	-
Total comprehensive income for the year	-	-	956,439,650	956,439,650
Dividends (including tax on dividend)	-	-	(216,643,765)	(216,643,765)
Balance as at March 31, 2018	-	-	739,795,885	739,795,885
Profit for the year	-	-	24,704,889	24,704,889
Other Comprehensive Income	-	-		-
Total comprehensive income for the year	-	-	764,500,774	764,500,774
Dividends (including tax on dividend)	-	-	-	-
IndAs 115 reversals	-	-	(1,014,759,735)	(1,014,759,735)
Balance as at March 31, 2019	-	-	(250,258,961)	(250,258,961)

Summary of significant accounting policies 2.2

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

As per report of even date

For V D S R & Co LLP.,
Chartered Accountants
Firm Registration Number: 001626S/S200085

V D S R & CO LLP F.R. No. 001626S/ S200085 BANGALORE CHENNAI CHARTERED ACCOUNTANTS

Venkatesh Kamath S V
Partner
Membership No: 202626

Place: Bengaluru
Date: 17/05/2019

For and on behalf of the Board of Directors

Ashish Ravi Puravankara
Director
DIN 00504524

Amanda Joy Puravankara
Director
DIN 07128042

Place: Bengaluru
Date: 17/05/2019

Purva Star Properties Private Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2019
(All amounts in Indian Rs., unless otherwise stated)

1. Corporate information

Purva Star Properties Private Limited was incorporated on 13 April 2007 under Companies Act, 1956. The registered office is located at 130/1, Ulsoor Road, Bengaluru 560042, India. The Company is engaged in the business of construction, development and sale of all or any part of housing projects, commercial premises and other related activities.

The Ind AS financial statements were authorized for issue in accordance with a resolution of the directors on May 17, 2019.

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 financial statements of the Company are prepared and presented in accordance with Ind AS.

The financial statements have been prepared on the historical cost basis 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.

The Company has applied the modified retrospective approach to all contracts as of April 1, 2018 and has given impact of application of Ind AS 115 by debit to retained earnings as at the said date by Rs. 390 crores (net of tax). Accordingly, the comparatives have not been restated and hence not comparable with previous period figures. The impact of application of Ind AS 115 and Amendments to Ind AS 40 for the year ended March 31, 2019 is as detailed in note 38.

(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

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BANGALORE
CHENNAI
CHARTERED ACCOUNTANTS

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.

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.

(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 life is estimated based on planned usage and technical evaluation thereon:

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CHARTERED ACCOUNTANTS

Category of Asset	Useful lives (in years)	Useful lives as per Schedule II (in years)
Furniture and fixtures	10	10
Computer equipment	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, 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 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.

(g) 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.

(h) 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.

(i) 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.

(j) 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 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.

(k) 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.

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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 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

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BANGALORE
CHENNAI
CHARTERED ACCOUNTANTS

Purva Star Properties Pvt. Ltd.
BANGALORE

is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

b. Interest income

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

(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.

The Company 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 income taxes levied by the same tax authority.

iii. Minimum alternate tax (MAT)

MAT payable for a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available in the statement of profit and loss as deferred tax with a corresponding asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward, in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961. The said asset is shown as 'MAT Credit Entitlement' under Deferred Tax. The Company reviews the same at each reporting date and writes down the

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BANGALORE
CHENNAI
CHARTERED ACCOUNTANTS

Purva Star Properties Pvt. Ltd.
BANGALORE

asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(m) 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.

(n) 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.

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. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

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. Equity investment in subsidiaries, joint ventures and associates
Investment in subsidiaries, joint ventures and associate 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.

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Purva Star Properties Pvt. Ltd. BANGALORE

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 carried 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.

Interest-bearing loans and borrowings are subsequently measured at amortized cost using EIR method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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.

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.

(o) 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.

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F.R. No. 001626S/S200085
BANGALORE
CHENNAI
CHARTERED ACCOUNTANTS

(p) 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.

(q) 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 to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

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.

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BANGALORE

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.

c) Accounting for revenue and land cost for projects executed through joint development arrangements

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.

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.

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.

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.

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 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.

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.

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F.R. No. 001626S/
BANGALORE
CHENNAI
CHARTERED ACCOUNTANTS

Purva Star Properties Private Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2019

(All amounts in ₹, unless otherwise stated)

3 Property, plant and equipment

Particulars	Plant and machinery	Office equipments	Furniture and fixtures	Total
Gross carrying amount at cost				
At April 1, 2017	-	3,816,242	412,850	4,229,092
Additions	-	-	-	-
Disposals	-	-	-	-
At March 31, 2018	-	**3,816,242**	**412,850**	**4,229,092**
Additions	9,500	6,271	8,670	24,441
Disposals	-	-	-	-
At March 31, 2019	**9,500**	**3,822,513**	**421,520**	**4,253,533**
Accumulated depreciation				
At April 1, 2017	-	1,740,255	164,053	1,904,308
Charge for the year	-	725,086	30,302	755,388
Adjustments for disposals	-	-	-	-
At March 31, 2018	-	**2,465,341**	**194,355**	**2,659,696**
Charge for the year	15	725,279	30,361	755,654
Adjustments for disposals	-	-	-	-
At March 31, 2019	**15**	**3,190,619**	**224,716**	**3,415,350**
Net block				
At March 31, 2018	-	**1,350,901**	**218,495**	**1,569,396**
At March 31, 2019	**9,485**	**631,894**	**196,804**	**838,183**

Notes:

a. **Deemed carrying cost**

For property, plant and equipment existing as on the date of transition to Ind AS, i.e., 01 April 2015, the Company has used previous GAAP carrying value as deemed costs.

Notes:

a. Capitalized borrowing cost

There are no borrowing costs capitalized during the year ended March 31, 2019 and March 31, 2018.

b. Property, plant and equipment pledged as security

No assets has been pledged

S R & CO LLP F.R. No. 101626S/ S200085 BANGALORE CHENNAI CHARTERED ACCOUNTANTS

BANGALORE

Purva Star Properties Private Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2019
(All amounts in ₹, unless otherwise stated)

4 Loans	March 31, 2019	March 31, 2018
a Non current		
Unsecured, considered good		
Security deposits	93,015,000	84,825,166
	93,015,000	**84,825,166**
b Current		
(Unsecured, considered good)		
Loans to holding company	-	597,186,186
	-	**597,186,186**
	93,015,000	**682,011,352**

5 Deferred tax assets (net)	March 31, 2019	March 31, 2018
Deferred tax asset arising on account of :		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	361,467	242,624
Impact of financial assets and liabilities carried at amortized cost	408,681,855	312,659
	409,043,321	**555,283**

6 Inventory	March 31, 2019	March 31, 2018
Raw materials, components and stores	8,379	-
Land stock	-	160,153,997
Work-in-progress	113,042,703	349,723,718
Stock of flats	3,647,130,564	-
	3,760,181,646	**509,877,715**

7 Trade receivables	March 31, 2019	March 31, 2018
Unsecured, considered good		
Outstanding for a period exceeding six months	46,567,688	55,165,463
Other receivable	201,866,443	59,811,770
	248,434,131	**114,977,233**

8 Cash and cash equivalents	March 31, 2019	March 31, 2018
Cash on hand	17,447	-
Balances with banks		
In current accounts	97,596,309	18,143,405
	97,613,756	**18,143,405**

9 Other financial assets	March 31, 2019	March 31, 2018
Current		
Unbilled revenue	-	159,079,488
	-	**159,079,488**

10 Other assets	March 31, 2019	March 31, 2018
Current		
Advances to suppliers	8,038,466	3,103,510
Prepaid expenses	35,235,490	2,300,651
Duties and taxes recoverable	44,177,852	100,745,251
Other advances	293,936	254,036
Other recievables	173,209,988	48,967,412
	260,955,733	**155,370,859**

F.R. No. 016263/S200085 BANGALORE CHENNAI CHARTERED ACCOUNTANTS

	March 31, 2019	March 31, 2018
11 Equity share capital		
Authorized shares		
1,00,000 (31 March 2018- 10,000) equity shares of ₹ 10 each	1,000,000	1,000,000
Issued, subscribed and fully paid-up shares		
10,000 (31 March 2018- 10,000) equity shares of ₹ 10 each	100,000	100,000

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

Equity shares

	March 31, 2019		March 31, 2018	
	Number	Rs.	Number	Rs.
Balance at the beginning of the year	10,000	100,000	10,000	100,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	10,000	100,000	10,000	100,000

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 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

	March 31, 2019		March 31, 2018	
	No of shares	% holding in the class	No of shares	% holding in the class
Equity shares of Rs. 10 each fully paid-up				
Purvankara Limited	10,000	100.00%	10,000	100.00%

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.

V D S R & CO LLP
F.R. No. 001626S/ S200085
BANGALORE
CHENNAI
CHARTERED ACCOUNTANTS

Purva Star Properties Pvt. Ltd.
BANGALORE

Purva Star Properties Private Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2019
(All amounts in ₹, unless otherwise stated)

12 Other equity

	March 31, 2019	March 31, 2018
Reserves and surplus		
Securities premium	-	-
General reserve	-	-
Retained earnings		
Balance at the beginning of the year	739,795,885	753,671,370
Dividend (including dividend distribution tax) - refer note 13	-	(216,643,765)
IndAs 115 adjustment	(1,014,759,735)	-
Total comprehensive income for the year	24,704,889	202,768,280
Balance at the end of the year	(250,258,961)	739,795,885
Total other equity	(250,258,961)	739,795,885

13 Distribution made and proposed

	March 31, 2019	March 31, 2018
Cash dividends on equity shares declared and paid		
Final dividend for the year ended March 31, 2019 nil per share (March 31, 2018 ₹ 18,000 per share)	-	180,000,000
Dividend distribution tax (DDT) on final dividend *	-	36,643,765
	-	216,643,765
Proposed dividends on equity shares **		
Proposed dividend for the year ended March 31, 2018 Nil per share (March 31, 2018 ₹18,000 per share)	-	-
Dividend distribution tax on proposed dividend *	-	-
	-	-

* Net of credit of DDT paid by subsidiaries
** Proposed dividends on equity shares 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.

14 Borrowings

	March 31, 2019	March 31, 2018
a Non-current borrowings		
Secured loans		
Term loans		
From others	252,264,428	546,215,588
	252,264,428	546,215,588
Amount disclosed under "Other current financial liabilities" (refer note 16)	(252,264,428)	(546,215,588)
	-	-
b Current borrowings		
Interest free loan from related parties repayable on demand	50,967,589	-
	50,967,589	-

Assets pledged as security
The carrying amounts of assets pledged as security for current and non-current borrowings are:

	March 31, 2019	March 31, 2018
Current		
Financial assets		
First charge		
Trade Receivables	248,434,131	114,977,233
Non-financial assets		
First charge		
Inventories	3,760,181,640	509,877,716

Details of nature of security, gurantees given by directors and repayment terms of borrowings

a. Category of loan	Term loans from others	Term loans from others
b. Effective interest rate	10-11%	10-11%
c. Maturity	2016-2020	2016-2020
d. Repayment details	48 instalments	48 instalments
e. Nature of security	Underlying project inventory and assignment of project receivables along with Holding Company share in with respect to Purva Westend Project	Underlying project inventory and assignment of project receivables along with Holding Company share in with respect to Purva Westend Project
f. Nature of guarantee	Nil	Nil

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F.R. No. 001626S/ S200085
BANGALORE CHENNAI
CHARTERED ACCOUNTANTS

Purva Star Properties Pvt. Ltd
BANGALORE

15 Trade payables

	March 31, 2019	March 31, 2018
Trade payable		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro and small enterprises	680,981,864	284,231,065
	680,981,864	**284,231,065**

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.

i. The principal amount remaining unpaid	-	-
ii. Interest due thereon remaining unpaid	-	-
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).	-	-
v. The amount of interest accrued during the year and remaining unpaid.	-	-
vi The amount of further interest remaining due and payable for earlier years	-	-

16 Other financial liabilities

	March 31, 2019	March 31, 2018
Current		
Current maturities of long term borrowings (refer note 11a)	252,264,428	546,215,588
	252,264,428	**546,215,588**

17 Other current liabilities

	March 31, 2019	March 31, 2018
Advances received from customers	4,129,021,767	-
Statutory dues payable	5,103,726	4,396,315
Other payables*	1,901,356	46,082,979
	4,136,026,849	**50,479,294**

*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.

18 Current tax liabilities (net)

	March 31, 2019	March 31, 2018
Provision for income tax	-	20,762,900
	-	**20,762,900**

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F.R. No. 001626S/ S200085
BANGALORE CHENNAI
CHARTERED ACCOUNTANTS

Purva Star Properties Pvt Ltd
BANGALORE

	March 31, 2019	March 31, 2018
19 Revenue from operations		
Revenue from operations		
Income from Sale of properties	308,984,496	1,082,025,461
	308,984,496	**1,082,025,461**
Other operating revenues		
Others	437,898	250,172
	437,898	**250,172**
	309,422,395	1,082,275,633
20 Other income		
Interest income on:		
Other deposits	-	-
Loan to holding company	19,938,447	44,354,900
from customers	1,061,235	1,962,466
Unwinding of discount relating to refundable security deposits	8,189,834	10,704,846
Others	3,696,492	186,061
	32,886,008	**57,208,273**
21 Material and contract cost		
Material and contract costs incurred during the year	1,102,022,620	725,010,532
	1,102,022,620	**725,010,532**
22 (Increase)/ decrease in inventory of stock of flats, land stock and		
Inventory at the beginning of the year		
Work-in-progress	509,877,715	507,908,245
Add: Effect of adoption of new accounting standards	2,287,259,179	-
Inventory at the end of the year		
Work-in-progress	113,042,703	509,877,715
Stock of flats	3,647,130,564	-
	(963,036,372)	**(1,969,470)**
23 Employee benefits expense		
Salaries, wages and bonus	1,683,720	-
	1,683,720	-
24 Finance costs		
Interest		
- Borrowings	45,108,714	68,077,626
Loan Processing charges	2,398,680	2,398,680
Bank charges	93,479	15,588
Others	1,408,945	3,708,199
	49,009,817	**74,200,092**

25 Depreciation and amortization expense

	March 31, 2019	March 31, 2018
Depreciation of property, plant and equipment (refer note 3)	755,654	755,388
	755,654	755,388

26 Other expenses

	March 31, 2019	March 31, 2018
Travel and conveyance	114,163	146,046
Repairs and maintenance	26,218,402	8,232,247
Legal and professional *	35,399,318	5,133,307
Rates and taxes	26,063,966	514,521
Security	813,881	794,587
Communication costs	15,422	108,304
Printing and stationery	596,881	368,374
Advertising and sales promotion	8,374,619	2,196,792
Brokerage and referral	522,566	1,345,776
Donation to political parties	12,500,000	-
Miscellaneous expenses	967,165	2,269,278
	111,586,383	21,109,231

*** Payment to auditor [included in legal and professional charges]**		
As auditor:		
Audit fee	100,000	100,000
	100,000	100,000

Details of CSR expenditure:	March 31, 2019	March 31, 2018
(a) Gross amount required to be spent during the year	5,621,173	6,745,000
(b) Amount spent		
Construction/acquisition of any asset	-	-
On purposes other than above	200,000	205,000
Total	200,000	205,000
(b) Balance amount unspent		
Construction/acquisition of any asset	-	-
On purposes other than above	5,421,173	6,540,000
Total	5,421,173	6,540,000

S R & CO LLP
F.R. No. 001626S/S200085
BANGALORE
CHENNAI
CHARTERED ACCOUNTANTS

27 Income tax

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

Statemement of profit and loss:

	March 31, 2019	March 31, 2018
Profit or loss section:		
Current tax:		
Current income tax charge	6,961,584	104,987,762
Excess/short tax of earlier years	209,112	-
Deferred tax:		
Relating to origination/ reversal of temporary differences	15,372,580	1,917,245
MAT credit entitlement	(6,961,584)	-
Income tax expense reported in the statement of profit and loss	**15,581,692**	**106,905,007**
OCI section:		
Deferred tax related to items recognised in OCI during the year:		
Re-measurement gains/(losses) on defined benefit plans	-	-
Income tax charged to OCI	-	-
Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Accounting profit before income tax	**40,286,581**	**309,673,287**
Effective tax rate in India	29.120%	34.608%
Expected tax expense	11,731,452	107,171,731
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax on earlier year	209,112	
Effect of non-deductible expenses	3,641,128	1,066,911
Others		(1,333,635)
Income tax expense	**15,581,692**	**106,905,007**

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F.R. No. 101626S/ S200085
BANGALORE
CHENNAI
CHARTERED ACCOUNTANTS

Purva Star Properties Pvt. Ltd.
BANGALORE

28 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 measured at fair value.

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 amorised cost and their amortised cost approximates their fair values.

Break up of financial assets carried at amortized cost	Notes	March 31, 2019	March 31, 2018
Loans	2	93,015,000	682,011,352
Trade receivables	7	248,434,131	114,977,233
Cash and cash equivalents	8	97,613,756	18,143,405
		439,062,887	815,131,989

Break up of financial liabilities carried at amortized cost	Notes	March 31, 2019	March 31, 2018
Borrowings	14b	50,967,589	-
Trade payable	15	680,981,864	284,231,065
Other financial liabilities	16	252,264,428	546,215,588
		984,213,882	830,446,653

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F.R. No. 001626S/ S200085
BANGALORE CHENNAI
CHARTERED ACCOUNTANTS

Purva Star Properties Pvt. Ltd.
BANGALORE

29 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.

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/ unbilled revenue, 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

Trade receivables are secured in a form that 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 bank balances is as below:

	March 31, 2019	March 31, 2018
Cash and cash equivalents	97,613,756	18,143,405
	97,613,756	**18,143,405**

V D S R & CO LLP
F.R. No. 001626S/
S200085
BANGALORE
CHENNAI
CHARTERED ACCOUNTANTS

Purva Star Properties Pvt. Ltd.
BANGALORE

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. The amounts disclosed in the table are the contractual undiscounted cash flows.

March 31, 2019	On demand	Less than 1 year	1 years to 5 years	5 years and above	Total
Financial liabilities - current					
Trade payables	-	680,981,864	-	-	680,981,864
Borrowings		50,967,589	-	-	50,967,589
Other financial liabilities	-	252,264,428	-	-	252,264,428
TOTAL	-	**984,213,882**	-	-	**984,213,882**

March 31, 2018	On demand	Less than 1 year	1 years to 5 years	5 years and above	Total
Financial liabilities - current					
Borrowings		-	-	-	-
Trade payables	-	284,231,065	-	-	284,231,065
Other financial liabilities	-	280,000,000	266,215,588	-	546,215,588
TOTAL	-	**564,231,065**	**266,215,588**	-	**830,446,653**

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 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, 2019 and March 31, 2018.

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, 2019	March 31, 2018
Interest rates -- increase by 50 basis points (50 bps)	-	2,459,969
Interest rates -- decrease by 50 basis points (50 bps)	-	(2,459,969)

30 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.

Particulars	March 31, 2019	March 31, 2018
Long term borrowings	-	-
Current maturities of long term borrowings and finance lease obligations	252,264,428	546,215,588
Less: Cash and cash equivalents	(97,613,756)	(18,143,405)
Net debt	154,650,672	528,072,184
Total equity	(250,158,961)	739,895,885
Gearing ratio	(0.618)	0.71

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.

31 Construction contracts

Particulars	March 31, 2019	March 31, 2018
(i) Amount of contract revenue recognised as revenue for the year	309,422,395	1,082,275,633
(ii) Amounts in respect of contracts in progress at the reporting date:		
a. Aggregate amount of costs incurred and recognised profits/(losses)	1,007,968,881	2,621,639,008
b. Amount of advances received (net)	4,129,021,767	-
c. Amount of work in progress and the value of inventories	113,042,703	349,723,718
d. Excess of revenue recognized over actual bills raised (unbilled revenue).	-	159,079,488

F.R. No. 016265 S200085 BANGALORE CHENNAI
VDSR & CO LLP CHARTERED ACCOUNTANTS

(All amounts in Indian Rs. Crore, unless otherwise stated)

32 Revenue from contracts with customers:

Ind AS 115 Revenue from Contracts with Customers and Amendments to Ind AS 40 Investment Property consequent to issuance of Ind AS 115, mandatory for reporting periods beginning on or after April 1, 2018, replaces existing requirements of recognition of revenue and derecognition of investment property. The application of Ind AS 115 and Amendments to Ind AS 40 have impacted the Company's accounting for revenue from real estate projects and gain/loss arising from derecognition of investment property.

As the Company has adopted Ind AS 115 using the modified retrospective method, the Company has provided the relevant disclosures required by Ind AS 115 for the year ended March 31, 2019 and the comparative information for the year ended March 31, 2018 has not been provided.

32.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers by timing of transfer of goods or services.

	March 31, 2019
Timing of transfer of goods or services	
Revenue from goods or services transferred to customers at a point in time	26,636,122
Revenue from goods or services transferred over time	282,348,375
	308,984,497

32.2 Contract balances and performance obligations

	March 31, 2019
Trade receivables	248,434,131
Contract liabilities *	

* Contract liabilities represent amounts collected from customers based on contractual milestones and liability under joint development agreements entered into with landlords pursuant to agreements executed with such customers/ landlords for construction and sale of residential units. The terms of agreements executed with customers require the customers to make payment of consideration as fixed in the agreement on achivement of contractual milestones though such milestones may not necessarily coincide with the point in time at which the entity transfers control of such units to the customer. The Company is liable for any structural or other defects in the residential units as per the terms of the agreements executed with customers and the applicable laws and regulations.

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	16,576,121
Revenue recognised in the reporting period from performance obligations satisfied in previous periods	Nil
Aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period **	4,471,671,510

** The entity expects to satisfy the said performance obligations as explained in note 2.2(k) 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 as at March 31, 2019.

32.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	March 31, 2019
Revenue as per contracted price	308,984,497
Adjustments	
Discount	-
Revenue from contract with customers	308,984,497

32.4 Assets recognised from the costs to obtain or fulfil a contract with a customer

Inventories	3,760,181,646
Prepaid expenses (represents brokerage costs pertaining to sale of residential units)	34,789,861

32.5 The effect of adopting Ind AS 115 as at 1 April 2018 was as follows

1

Assets	Reference	Increase/ (decrease)
Inventories	a	2,287,259,179
Unbilled Revenue	a	(159,079,654)
Prepaid expenses	a	26,458,654
Deferred tax assets	b	416,899,033
Total assets		**2,571,537,213**
Liabilities		
Borrowings		
Contract liabilities	a	3,404,729,106
Provisions	a	181,568,007
Total liabilities		**3,586,297,113**
Total adjustment to equity		**(1,014,759,901)**

Explanation of reasons for significant changes

a The Company has reversed revenue and cost of sales as at April 1, 2018 with respect to contracts that do not meet the revenue recognition criteria under Ind AS 115. The same has resulted in recognition of contract liabilities and increase in inventories as at April 1, 2018. Further the incremental costs of obtaining contracts with respect to which revenue has been reversed as above has been recognised as asset under Prepaid expenses.

b Represents tax effect of transitional adjustments made under Ind AS 115

2 Standalone Statement of Profit and Loss for the year ended March 31, 2019

	Reference	Ind AS 115	Previous Ind AS	Increase/ (decrease)
Income				
Revenue from operations	19	309,422,395	1,140,585,958	(831,163,563)
Other income	20	32,886,008	32,886,008	-
		342,308,403	1,173,471,966	(831,163,563)
Expenses				
Sub-contractor cost			-	
Cost of raw materials, components and stores consumed	21	1,102,022,620	1,102,022,620	-
Purchase of land stock		-	-	-
(Increase)/ decrease in inventories of stock of flats, land stock and work-in-p	22	(963,036,372)	222,902,600	(1,185,938,972)
Employee benefits expense	23	1,683,720	1,683,720	-
Finance costs	24	49,009,817	49,009,817	-
Depreciation and amortization expense	25	755,654	755,654	-
Other expenses	26	111,586,383	111,586,383	-
Total expenses		**302,021,822**	**1,487,960,795**	**(1,185,938,972)**
Profit before share of profit/ (loss) from investment in associates and joint ventures		**40,286,581**	**(314,488,828)**	**354,775,409**
Total tax expense - deferred tax charge/ credit	27	**15,581,692**	**(91,370,035)**	**106,951,727**
Profit for the year		**24,704,889**	**(223,118,793)**	**247,823,682**

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CHARTERED ACCOUNTANTS

Purva Star Properties Private Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2019
(All amounts in Indian Rs. Crore, unless otherwise stated)

3 Standalone Balance Sheet as at March 31, 2019

	Reference	Ind AS 115	Previous Ind AS	Increase/ (decrease)
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	838,183	838,183	-
(b) Financial assets				
(i) Loans	4a	93,015,000	93,015,000	-
(c) Deferred tax assets (net)	5	409,043,321	99,096,015	(309,947,306)
Total non-current assets		**502,896,505**	**192,949,198**	**(309,947,306)**
Current assets				
(a) Inventories	6	3,760,181,646	286,983,494	(3,473,198,152)
(b) Financial assets				
(i) Trade receivables	7	248,434,131	248,434,131	-
(ii) Cash and cash equivalents	8	97,613,756	97,613,756	-
(iii) Other financial assets		-	265,950,390	265,950,390
(c) Other current assets	10	260,955,733	234,497,079	(26,458,654)
Total current assets		**4,367,185,265**	**1,133,478,850**	**(3,233,706,415)**
Total assets		**4,870,081,770**	**1,326,428,048**	**(3,543,653,722)**
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	11	100,000	100,000	-
(b) Other equity	12	(250,258,961)	516,677,092	766,936,053
Total equity		**(250,158,961)**	**516,777,092**	**766,936,053**
LIABILITIES				
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	14b	50,967,589	50,967,589	-
(ii) Trade payables :				
(A) Total outstanding dues of micro enterprises and small enterprises				
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	15	680,981,864	680,981,864	-
(iii) Other financial liabilities	16	252,204,420	252,204,428	-
(b) Other current liabilities	17	4,136,026,849	(174,562,925)	(4,310,589,774)
Total current liabilities		**5,120,240,731**	**809,650,957**	**(4,310,589,774)**
Total equity and liabilities		**4,870,081,770**	**1,326,428,048**	**(3,543,653,722)**

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Purva Star Properties Private Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2019
(All amounts in ₹, unless otherwise stated)

33 Related party transactions

i. **Holding Company**
   Puravankara Limited

ii. **Key management personnel**
   Mr. Ashish Puravankara
   Mr. Amanda Joy Puravankara

iii. **Entities controlled by key management personnel (other related parties):**
   Handiman Services Limited

iv. **Fellow Subsidiaries/Associate entities:**
   Starworth Infrastructure and Constructions Limited
   Melmont Construction Private Limited
   Centurion Housing & Constructions Private Limited
   Prudential Housing & Infrastructure Development Limited
   Purva Ruby Properties Private Limited
   Nile Developers Private Limited
   Vaigai Developers Private Limited
   Purva Sapphire Land Private Limited
   Purva Realities Private Limited
   Pune Projects LLP
   Grand Hils Development Pvt Ltd

v. **Balances with related parties at the year end are as follows:**

Nature of transaction	Holding Company		Other related parties	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Loans given to				
Puravankara Limited	-	597,186,186	-	-
Loans taken from				
Puravankara Limited	50,967,589	-	-	-
Dues to				
Starworth Infrastructure and Constructions Limited	-	-	299,081,607	195,105,015
Handiman Services Limited	-	-	384,434	217,913

vi. **The transactions with related parties for the year are as follows**

Nature of transaction	Holding Company		Other related parties	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Interest income on loan				
Puravankara Limited	19,938,447	44,354,900	-	-
Loans given to				
Puravankara Limited	3,306,714	609,542,841	-	-
Starworth Infrastructure and Constructions Limited	-	-	-	2,028,758
Melmont Construction Private Limited	-	-	-	86,457
Centurion Housing & Constructions Private Limited	-	-	-	45,684,304
Prudential Housing & Infrastructure Development Limited	-	-	-	280
Purva Ruby Properties Private Limited	-	-	-	2,167,742
Nile Developers Private Limited	-	-	-	24,188
Vaigai Developers Private Limited	-	-	-	1,883
Purva Sapphire Land Private Limited	-	-	-	380
Purva Realities Private Limited	-	-	-	17,133
Loans repaid by				
Puravankara Limited	600,492,901	850,849,719	-	-
Pune Projects LLP	-	-	-	12,395,448
Centurion Housing & Constructions Private Limited	-	-	-	185,745,394
Purva Realities Private Limited	-	-	-	18,723
Melmont Construction Private Limited	-	-	-	1,150,252
Prudential Housing & Infrastructure Development Limited	-	-	-	83,777
Grand Hils Development Pvt Ltd	-	-	-	300
Purva Sapphire Land Private Limited	-	-	-	825,428
Purva Ruby Properties Private Limited	-	-	-	3,554,113
Nile Developers Private Limited	-	-	-	661,283
Vaigai Developers Private Limited	-	-	-	480,030
Starworth Infrastructure and Constructions Limited	-	-	-	389,614,041
Loans taken from				
Puravankara Limited	120,940,495	-	-	-
Loans repaid to				
Puravankara Limited	50,034,459	-	-	-
Purchase of material and services				
Starworth Infrastructure and Constructions Limited	-	-	719,078,644	689,159,692
Security and maintenance expenses				
Handiman Services Limited	-	-	1,408,356	1,119,504
Dividend paid				
Puravankara Limited	-	180,000,000	-	-

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Purva Star Properties Pvt Ltd
BANGALORE

34 Supplementary statutory information	March 31, 2019	March 31, 2018
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 parties	12,500,000	Nil

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the Balance Sheet.

	March 31, 2019	March 31, 2018
35 Unhedged foreign currency exposure	Nil	Nil

36 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.

37 The figures of previous year have been regrouped/reclassified, where necessary, to conform to this year's classification.

Summary of significant accounting policies 2.2

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

As per report of even date

For V D S R & Co LLP.,
Chartered Accountants
Firm Registration Number: 001626S/S200085

R & Co LLP
F.R. No. 001626S/ S200085
BANGALORE
CHENNAI
CHARTERED ACCOUNTANTS

Venkatesh Kamath S V
Partner
Membership No: 202626

Place: Bengaluru
Date: 17/05/2019

For and on behalf of the Board of Directors

Ashish Ravi Puravankara
Director
DIN 00504524

Amanda Joy Puravankara
Director
DIN 07128042

Place: Bengaluru
Date: 17/05/2019