

**Independent Auditor's Report on the Quarterly and Year to Date Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended**

To  
The Board of Directors of  
Puravankara Limited

**Report on the audit of the Standalone Financial Results****Opinion**

We have audited the accompanying statement of quarterly and year to date standalone financial results of Puravankara Limited (the "Company"), for the quarter ended March 31, 2020 and for the year ended March 31, 2020 (the "Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the separate audited financial statements and on the other financial information of the partnership entities, the Statement:

- (i) is presented in accordance with the requirements of the Listing Regulations in this regard; and
- (ii) gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2020 and for the year ended March 31, 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

- (i) We draw attention to Note 5 to the accompanying financial results in connection with the wholly-owned subsidiary being subject to an ongoing litigation. Pending resolution of the litigation, no provision has been made towards the resulting impact of customer's counter-claims on the subsidiary in the accompanying financial results. Our opinion is not modified in respect of this matter.
- (ii) We draw attention to Note 6 to the accompanying financial results in connection with certain ongoing litigations in the Company. Pending resolution of the litigations, based on legal opinions, no provision has been made towards any claims and the underlying recoverable, deposits and advances are classified as good and recoverable in the accompanying financial results. Our opinion is not modified in respect of this matter.
- (iii) We draw attention to Note 9 to the accompanying financial results, which describes the management's evaluation of Covid-19 impact on the future business operations and future cash flows of the Company. In view of the uncertain economic conditions, the management's evaluation of the impact on the subsequent periods is highly dependent upon conditions as they evolve. Our opinion is not modified in respect of this matter.





## **Management's Responsibilities for the Standalone Financial Results**

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement 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 the Statement.

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 Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results 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 Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

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.

## **Other Matter**

- (i) The accompanying Statement of quarterly and year to date standalone financial results include the audited financial results in respect of 3 partnership entities, whose financial statements and other financial information include the Company's share of net loss after tax of Rs. 0.04 crore and Rs. 0.80 crore and total comprehensive loss of Rs. 0.04 crore and Rs. 0.80 crore for the quarter ended March 31, 2020 and for the year ended March 31, 2020, respectively, as considered in the Statement, whose financial statements have been audited by their respective independent auditors.


The reports of such other auditors on financial statements of these partnership entities have been furnished to us and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these partnership entities, is based solely on the report of such other auditors. Our opinion on the Statement is not modified in respect of the above matter.

- (ii) The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

  
per Adarsh Ranka  
Partner  
Membership No.: 209567



UDIN: 20209567AAAADH8748

Place: Bengaluru  
Date: June 26, 2020



**Statement of Audited Standalone Financial Results for the quarter and year ended March 31, 2020**

(Rs. in Crores)

Sl. No.	Particulars	Quarter ended 31.03.2020 [Audited] (Refer Note 8)	Preceding Quarter ended 31.12.2019 [Unaudited]	Corresponding Quarter ended 31.03.2019 [Audited] (Refer Note 8)	Current Year ended 31.03.2020 [Audited]	Previous Year ended 31.03.2019 [Audited]
1	<b>Income</b>					
	(a) Revenue from operations	270.51	373.22	448.01	1,271.36	1,471.91
	(b) Other income	13.89	8.15	15.66	51.46	67.13
	<b>Total income</b>	<b>284.40</b>	<b>381.37</b>	<b>463.67</b>	<b>1,322.82</b>	<b>1,539.04</b>
2	<b>Expenses</b>					
	(a) Sub-contractor cost	53.18	30.76	97.58	228.35	262.66
	(b) Cost of raw materials and components consumed	8.03	6.63	11.96	24.11	44.51
	(c) Land purchase cost	1.00	5.45	8.93	8.42	216.89
	(d) (Increase)/ decrease in inventories of stock of flats, land stock and work-in-progress	72.39	195.56	163.84	500.27	406.33
	(e) Employee benefits expense	18.44	24.71	20.76	88.07	83.66
	(f) Finance cost	65.51	63.17	63.04	256.36	238.01
	(g) Depreciation and amortization expense	2.98	3.06	3.53	12.38	9.69
	(h) Other expenses	58.37	33.20	43.49	160.06	145.69
	<b>Total expenses</b>	<b>279.90</b>	<b>362.54</b>	<b>413.13</b>	<b>1,278.02</b>	<b>1,407.44</b>
3	<b>Profit before tax (1-2)</b>	<b>4.50</b>	<b>18.83</b>	<b>50.54</b>	<b>44.80</b>	<b>131.60</b>
4	<b>Tax expense</b>					
	(i) Current tax charge/(credit)	-	-	(13.65)	-	-
	(ii) Deferred tax charge/(credit)	2.99	7.42	32.55	14.29	39.83
	<b>Total</b>	<b>2.99</b>	<b>7.42</b>	<b>18.90</b>	<b>14.29</b>	<b>39.83</b>
5	<b>Net profit/(loss) for the period (3-4)</b>	<b>1.51</b>	<b>11.41</b>	<b>31.64</b>	<b>30.51</b>	<b>91.77</b>
6	<b>Other comprehensive income</b>					
	(i) Items that will not be reclassified to profit and loss	3.24	0.07	0.15	1.99	(0.65)
	(ii) Income tax relating to items that will not be reclassified to profit and loss	(1.13)	(0.02)	(0.05)	(0.69)	0.23
	<b>Total</b>	<b>2.11</b>	<b>0.05</b>	<b>0.10</b>	<b>1.30</b>	<b>(0.42)</b>
7	<b>Total Comprehensive Income for the period [Comprising Net profit/(loss) for the period and Other Comprehensive Income (5+6)]</b>	<b>3.62</b>	<b>11.46</b>	<b>31.74</b>	<b>31.81</b>	<b>91.35</b>
8(i)	Earnings per share (before extraordinary items) (of Rs. 5/- each) (not annualised):					
	a) Basic (in Rs.)	0.06	0.48	1.33	1.29	3.86
	b) Diluted (in Rs.)	0.06	0.48	1.33	1.29	3.86
8(ii)	Earnings per share (after extraordinary items) (of Rs. 5/- each) (not annualised):					
	a) Basic (in Rs.)	0.06	0.48	1.33	1.29	3.86
	b) Diluted (in Rs.)	0.06	0.48	1.33	1.29	3.86
9	Paid-up equity share capital (Face value of Rs. 5/- each)	118.58	118.58	118.58	118.58	118.58
10	Other equity as per the balance sheet				1,531.88	1,529.30



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**Statement of Audited Standalone Financial Results for the quarter and year ended March 31, 2020**

Notes :

1 The above standalone financial results of Puravankara Limited ('the Company') have been reviewed by the Audit Committee and approved at the meeting of the Board of Directors of the Company held on 26.06.2020. The statutory auditors of the Company have audited the standalone financial results of the Company for the quarter and year ended 31.03.2020.

2 The standalone statement of assets and liabilities are as below:

		(Rs. in Crores)	
	Particulars	As at 31.03.2020 [Audited]	As at 31.03.2019 [Audited]
<b>A</b>	<b>ASSETS</b>		
1	Non-Current Assets		
	(a) Property, plant and equipment	39.92	29.39
	(b) Capital work in progress	-	33.42
	(c) Investment property	33.73	61.61
	(d) Other Intangible assets	2.90	3.33
	(e) Financial assets		
	(i) Investments	63.22	45.89
	(ii) Loans	619.71	659.00
	(iii) Other financial assets	32.29	19.87
	(f) Deferred tax assets (net)	188.94	201.78
	(g) Other non-current assets	97.99	107.40
	(h) Assets for current tax (net)	48.55	35.18
	<b>Sub-total - Non Current Assets</b>	<b>1,127.25</b>	<b>1,196.87</b>
2	Current Assets		
	(a) Inventories	4,060.01	4,500.63
	(b) Financial assets		
	(i) Trade receivables	152.94	119.67
	(ii) Cash and cash equivalents	70.92	77.33
	(iii) Bank balances other than (ii) above	0.89	0.19
	(iv) Loans	76.10	70.39
	(v) Other financial assets	25.62	11.06
	(c) Other current assets	211.81	184.39
	<b>Sub-total - Current Assets</b>	<b>4,598.29</b>	<b>4,963.66</b>
	<b>TOTAL ASSETS</b>	<b>5,725.54</b>	<b>6,160.53</b>
<b>B</b>	<b>EQUITY</b>		
	(a) Equity share capital	118.58	118.58
	(b) Other equity	1,531.88	1,529.30
	<b>Sub-total - Equity</b>	<b>1,650.46</b>	<b>1,647.88</b>
<b>C</b>	<b>LIABILITIES</b>		
1	Non-Current Liabilities		
	(a) Financial liabilities		
	(i) Borrowings	45.07	254.78
	(ii) Other financial liabilities	31.61	14.11
	(b) Provisions	6.21	7.34
	<b>Sub-total - Non Current Liabilities</b>	<b>82.89</b>	<b>276.23</b>
2	Current Liabilities		
	(a) Financial liabilities		
	(i) Borrowings	721.82	567.87
	(ii) Trade payables		
	a) total outstanding dues of micro enterprises and small enterprises	7.32	0.48
	b) total outstanding dues of creditors other than micro enterprises and small enterprises	348.38	311.65
	(iii) Other financial liabilities	1,399.64	1,381.86
	(b) Other current liabilities	1,514.46	1,973.03
	(c) Provisions	0.57	1.53
	<b>Sub-total - Current Liabilities</b>	<b>3,992.19</b>	<b>4,236.42</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,725.54</b>	<b>6,160.53</b>



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**Statement of Audited Standalone Financial Results for the quarter and year ended March 31, 2020**

3 The standalone statement of cash flows are as below:

		(Rs. in Crores)	
	Particulars	Current Year ended 31.03.2020 [Audited]	Previous Year ended 31.03.2019 [Audited]
<b>A.</b>	<b>Cash flow from operating activities</b>		
	Profit before tax	44.80	131.60
	Adjustments to reconcile profit after tax to net cash flows		
	Depreciation and amortization expense	12.38	9.69
	Financial guarantee income	(1.12)	(1.86)
	Liabilities no longer required written-back	(5.14)	(26.69)
	Loss on sale of property, plant and equipment	(0.09)	(0.31)
	Profit on sale of investment property	-	(26.81)
	Provision for doubtful advances	1.87	-
	Dividend income on investments	(10.50)	(6.00)
	Share in loss of partnership entities' investment (post tax)	0.72	0.91
	Finance costs	256.36	238.01
	Interest income	(19.22)	(24.44)
	<b>Operating profit before working capital changes</b>	<b>280.06</b>	<b>294.10</b>
	Working capital adjustments:		
	(Increase)/decrease in trade receivables	(33.27)	46.53
	(Increase)/ decrease in inventories	501.26	407.88
	(Increase)/ decrease in loans	5.40	(2.93)
	(Increase)/ decrease in other financial assets	(14.56)	25.61
	(Increase)/ decrease in other assets	(18.02)	9.05
	Increase/ (decrease) in trade payables	43.58	55.75
	Increase/ (decrease) in other financial liabilities	0.04	23.46
	Increase/ (decrease) in other liabilities	(467.56)	(941.08)
	Increase/ (decrease) in provisions	(0.10)	(1.16)
	<b>Cash (used in)/ received from operations</b>	<b>296.83</b>	<b>(82.79)</b>
	Income tax paid (net)	(13.37)	(14.51)
	<b>Net cash flows (used in)/from operating activities</b>	<b>283.46</b>	<b>(97.30)</b>
<b>B.</b>	<b>Cash flows from investing activities</b>		
	Proceeds from sale of investment properties	-	35.60
	Purchase of property, plant and equipment (including capital work in progress and capital advances)	(3.90)	(4.36)
	Purchase of intangible assets	(0.74)	(1.50)
	Proceeds from sale of property, plant and equipment	1.95	0.71
	Investments made in equity of subsidiaries and associates	(5.42)	(0.10)
	Loans given to subsidiaries, associates and joint ventures	(108.14)	(346.48)
	Loans repaid by subsidiaries, associates and joint ventures	158.75	346.74
	Investment in bank deposits (original maturity of more than three months)	(41.56)	(38.04)
	Redemption of bank deposits (original maturity of more than three months)	28.44	29.27
	Dividend received	10.50	6.00
	Interest received	3.04	12.22
	<b>Net cash flows from / (used in) investing activities</b>	<b>42.92</b>	<b>40.06</b>
<b>C.</b>	<b>Cash flows from financing activities</b>		
	Proceeds from secured term loans	461.50	1,139.28
	Repayment of secured term loans	(514.10)	(777.29)
	Repayments of unsecured term loans	-	46.00
	Loans taken from subsidiaries, associates and joint ventures	25.28	76.46
	Loans repaid to subsidiaries, associates and joint ventures	(5.55)	(128.93)
	Dividend paid (including taxes)	(25.21)	(45.71)
	Interest and other charges paid	(244.24)	(230.07)
	<b>Net cash (used in)/from financing activities</b>	<b>(302.32)</b>	<b>79.74</b>
	<b>Net (decrease)/increase in cash and cash equivalents (A + B + C)</b>	<b>24.06</b>	<b>22.50</b>
	Cash and cash equivalents at the beginning of the year	(51.39)	(73.89)
	<b>Cash and cash equivalents at the end of the year</b>	<b>(27.33)</b>	<b>(51.39)</b>
	<b>Components of cash and cash equivalents</b>		
	Cash and cash equivalents as per balance sheet	70.92	77.33
	Less: Cash credit facilities from banks	(98.25)	(128.72)
	<b>Cash and cash equivalents reported in cash flow statement</b>	<b>(27.33)</b>	<b>(51.39)</b>



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**Statement of Audited Standalone Financial Results for the quarter and year ended March 31, 2020**

- 4 The Company's business activity falls 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. Further, the Company is domiciled in India and does not have significant foreign operations.
- 5 A wholly-owned subsidiary of the Company had initiated legal proceedings against its customer for recovery of receivables of Rs.15 crores, inventories of Rs.1 crore and customer's counter claim thereon, which is currently pending before the City Civil Court. Pending resolution of the aforesaid litigation, no provision has been made towards the resulting impact of customer's counter-claims on the subsidiary in the accompanying financial results based on the legal opinion obtained by the management and the management's evaluation of the ultimate outcome of the litigation.
- 6 The Company is subject to certain ongoing litigations with respect to certain legal proceedings for certain properties, wherein the Company has outstanding deposits and advances of Rs. 44 crores. Further, the Company has Rs.2 crores recoverable from a party which is subject to ongoing legal proceedings under Insolvency and Bankruptcy Code. Pending resolution of the aforesaid litigations, no provision has been made towards any claims and the underlying recoverable, deposits and advances are classified as good and recoverable in the accompanying financial results based on the legal evaluation by the management of the ultimate outcome of the litigations.
- 7 Effective 01.04.2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 01.04.2019 using the modified retrospective method recognising the right of use asset as if the Standard had been applied since the commencement date. The difference between right of use asset and lease liability of Rs. 3.99 crores has been recognised as transitional adjustment to retained earnings on the date of initial application i.e. 01.04.2019. Accordingly, the comparatives have not been restated and hence not comparable with previous period figures. The effect of this adoption is not significant on the financial results for the quarter and year ended 31.03.2020.
- 8 The figures for the quarter ended 31.03.2020 and corresponding quarter ended 31.03.2019 are the derived figures between audited figures in respect of the full financial year ended 31.03.2020 and 31.03.2019, respectively and the unaudited published year-to-date figures in respect of nine months ended 31.12.2019 and 31.12.2018, respectively, being the date of the end of the third quarter of the financial year which were subjected to limited review.
- 9 World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown with effect from March 25, 2020 and the Company suspended the operations in all ongoing projects in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations of the Company by way of interruption in project execution, supply chain disruption, unavailability of personnel during the lock-down period.
- The Company has considered the possible effects that may result from the Covid-19 pandemic on the carrying value of assets including property, plant and equipment, investment property, investments, inventories, loans, land advance/deposits and receivables. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources of information to assess the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on the current estimates, the Company expects that the carrying amount of these assets, as reflected in the balance sheet as at March 31, 2020, are fully recoverable. The Company has also estimated the future cash flows with the possible effects that may result from the COVID-19 pandemic and does not foresee any adverse impact on realising its assets and in meeting its liabilities as and when they fall due. The actual impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these financial results.
- The Central and State Governments have initiated steps to lift the lockdown and the Company will adhere to the same as it resumes its activities. Construction at sites has restarted. The Company will continue to closely observe the evolving scenario and take into account any future developments arising out of the same.
- 10 The Taxation Laws (Amendment) Ordinance, 2019 ('the Ordinance') provides an option to domestic companies to pay income-tax at a lower rate of 25.17% instead of the normal rate of 34.94%, if it opts for not availing of certain specified exemptions or incentives. The Company has made an assessment of the impact of the Ordinance and has decided to not opt for the lower tax rate of 25.17%. Consequently, the Company has continued to measure the current and deferred taxes at the normal rate of 34.94%.

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

*Nani R. Choksey*

Nani R. Choksey  
Joint Managing Director  
DIN: 00504555

Bengaluru, India  
June 26, 2020

