

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

1. We have reviewed the accompanying statement of unaudited standalone financial results of Puravankara Limited (the "Company") for the quarter ended September 30, 2020 and year to date from April 1, 2020 to September 30, 2020 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above and based on the consideration of the review reports of other auditors of the partnership entities referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



5. Emphasis of Matter

We draw attention to the following notes to the accompanying financial results:

- (i) Note 06 in connection with the wholly-owned subsidiary being subject to an ongoing litigation. Pending resolution of the litigation, based on legal opinion, no provision has been made towards the resulting impact of customer's counter-claims on the subsidiary in the accompanying financial results.
- (ii) Note 07 in connection with certain ongoing legal proceedings in the Company. Pending resolution of the legal proceedings, 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.
- (iii) Note 08 in connection with 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 conclusion on the Statement is not modified in respect of these matters.

6. Other Matter

The accompanying Statement of quarterly unaudited standalone financial results include the financial results and other financial information in respect of 3 partnership entities, whose financial results include the Company's share of net loss after tax of Rs. 0.21 crore and Rs. 0.36 crore and total comprehensive loss of Rs. 0.21 crore and Rs. 0.36 crore for the quarter ended September 30, 2020 and for the period from April 1, 2020 to September 30, 2020 as considered in the Statement, whose financial results and other financial information have been reviewed by their respective independent auditors.

The reports of such other auditors on financial results and other financial information of these partnership entities have been furnished to us by the Management and our conclusion 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 reports of such other auditors.

Our conclusion on the Statement in respect of this matter is not modified with respect to our reliance on the work done and the reports of the other auditors.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004


per Adarsh Ranka

Partner

Membership No.: 209567

UDIN: 20209567AAAAGW5494

Place: Bengaluru, India

Date: November 13, 2020



Statement of Unaudited Standalone Financial Results for the quarter and six months ended September 30, 2020

(Rs. in Crores)

Sl. No.	Particulars	Quarter ended 30.09.2020 [Unaudited]	Preceding Quarter ended 30.06.2020 [Unaudited]	Corresponding Quarter ended 30.09.2019 [Unaudited]	Year to date figures for the current period ended 30.09.2020 [Unaudited]	Year to date figures for the preceding period ended 30.09.2019 [Unaudited]	Previous Year ended 31.03.2020 [Audited]
1	Income						
	(a) Revenue from operations	147.22	141.04	366.03	288.26	627.63	1,271.36
	(b) Other income	6.23	5.55	19.16	11.78	29.42	51.46
	Total income	153.45	146.59	385.19	300.04	657.05	1,322.82
2	Expenses						
	(a) Sub-contractor cost	21.07	32.21	45.90	53.28	144.41	228.35
	(b) Cost of raw materials and components consumed	4.32	2.43	7.49	6.75	9.45	24.11
	(c) Land purchase cost	-	64.23	1.41	64.23	1.97	8.42
	(d) (Increase)/ decrease in inventories of stock of flats, land stock and work-in-progress	36.23	(40.00)	190.82	(3.77)	232.32	500.27
	(e) Employee benefits expense	15.85	17.35	22.00	33.20	44.92	88.07
	(f) Finance cost	64.82	63.67	61.96	128.49	127.68	256.36
	(g) Depreciation and amortization expense	2.90	2.91	3.18	5.81	6.34	12.38
	(h) Other expenses	24.93	19.55	34.38	44.48	68.49	160.06
	Total expenses	170.12	162.35	367.14	332.47	635.58	1,278.02
3	Profit/(loss) before tax (1-2)	(16.67)	(15.76)	18.05	(32.43)	21.47	44.80
4	Tax expense						
	(i) Current tax charge/(credit)	-	-	(6.31)	-	-	-
	(ii) Deferred tax charge/(credit)	(5.21)	(5.60)	9.22	(10.81)	3.88	14.29
	Total	(5.21)	(5.60)	2.91	(10.81)	3.88	14.29
5	Net profit/(loss) for the period (3-4)	(11.46)	(10.16)	15.14	(21.62)	17.59	30.51
6	Other comprehensive income						
	(i) Items that will not be reclassified to profit and loss	(0.06)	0.31	(0.26)	0.25	(1.32)	1.99
	(ii) Income tax relating to items that will not be reclassified to profit and loss	0.02	(0.11)	0.09	(0.09)	0.46	(0.69)
	Total	(0.04)	0.20	(0.17)	0.16	(0.86)	1.30
7	Total Comprehensive Income for the period [Comprising Net profit for the period and Other Comprehensive Income (5+6)]	(11.50)	(9.96)	14.97	(21.46)	16.73	31.81
8(i)	Earnings per share (before extraordinary items) (of Rs. 5/- each) (not annualised):						
	a) Basic (in Rs.)	(0.48)	(0.43)	0.64	(0.91)	0.74	1.29
	b) Diluted (in Rs.)	(0.48)	(0.43)	0.64	(0.91)	0.74	1.29
8(ii)	Earnings per share (after extraordinary items) (of Rs. 5/- each) (not annualised):						
	a) Basic (in Rs.)	(0.48)	(0.43)	0.64	(0.91)	0.74	1.29
	b) Diluted (in Rs.)	(0.48)	(0.43)	0.64	(0.91)	0.74	1.29
9	Paid-up equity share capital (Face value of Rs. 5/- each)	118.58	118.58	118.58	118.58	118.58	118.58
10	Other equity as per the balance sheet						1,531.88

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Statement of Unaudited Standalone Financial Results for the quarter and six months ended September 30, 2020

Notes :

- 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 13.11.2020. The statutory auditors of the Company have carried out a limited review on the above standalone financial results of the Company for the quarter and six months ended September 30, 2020.
- The standalone statement of assets and liabilities are as below:

		(Rs. in Crores)	
	Particulars	As at 30.09.2020 [Unaudited]	As at 31.03.2020 [Audited]
A	ASSETS		
1	Non-Current Assets		
	(a) Property, plant and equipment	34.78	39.92
	(b) Investment property	33.55	33.73
	(c) Intangible assets	2.47	2.90
	(d) Financial assets		
	(i) Investments	63.23	63.22
	(ii) Loans	633.67	630.63
	(iii) Other financial assets	31.61	32.29
	(e) Deferred tax assets (net)	199.65	188.94
	(f) Assets for current tax (net)	43.32	48.55
	(g) Other non-current assets	100.77	101.97
	Sub-total - Non Current Assets	1,143.05	1,142.15
2	Current Assets		
	(a) Inventories	4,047.55	4,045.11
	(b) Financial assets		
	(i) Trade receivables	129.92	152.94
	(ii) Cash and cash equivalents	94.59	70.92
	(iii) Bank balances other than (ii) above	2.59	0.89
	(iv) Loans	78.90	76.10
	(v) Other financial assets	28.01	25.62
	(c) Other current assets	198.77	211.81
	Sub-total - Current Assets	4,580.33	4,583.39
	TOTAL ASSETS	5,723.38	5,725.54
B	EQUITY		
	(a) Equity share capital	118.58	118.58
	(b) Other equity	1,510.42	1,531.88
	Sub-total - Equity	1,629.00	1,650.46
C	LIABILITIES		
1	Non-Current Liabilities		
	(a) Financial liabilities		
	(i) Borrowings	25.97	45.07
	(ii) Other financial liabilities	27.22	31.61
	(b) Provisions	3.88	6.21
	Sub-total - Non Current Liabilities	57.07	82.89
2	Current Liabilities		
	(a) Financial liabilities		
	(i) Borrowings	713.90	721.82
	(ii) Trade payables		
	a) total outstanding dues of micro enterprises and small enterprises	10.43	7.32
	b) total outstanding dues of creditors other than micro enterprises and small enterprises	313.03	348.38
	(iii) Other financial liabilities	1,488.12	1,399.64
	(b) Other current liabilities	1,508.50	1,514.46
	(c) Provisions	3.33	0.57
	Sub-total - Current Liabilities	4,037.31	3,992.19
	TOTAL EQUITY AND LIABILITIES	5,723.38	5,725.54



Statement of Unaudited Standalone Financial Results for the quarter and six months ended September 30, 2020

3 The standalone statement of cash flows are as below:

		(Rs. in Crores)	
	Particulars	Year to date figures for the current period ended 30.09.2020 [Unaudited]	Year to date figures for the preceding period ended 30.09.2019 [Unaudited]
A.	Cash flow from operating activities		
	Profit/(Loss) before tax	(32.43)	21.47
	Adjustments to reconcile profit after tax to net cash flows:		
	Depreciation and amortization expense	5.81	6.34
	Financial guarantee income	(0.56)	(0.56)
	Liabilities no longer required written-back	(0.90)	(0.20)
	Profit on sale of property, plant and equipment	-	0.48
	Loss on sale of property, plant and equipment	(0.01)	-
	Provision for doubtful advances	-	1.87
	Dividend income on investments	-	(10.50)
	Share in loss of partnership firm investments (post tax)	(0.22)	(0.21)
	Finance cost	128.49	127.68
	Interest income	(7.50)	(9.69)
	Operating profit before working capital changes	92.68	136.68
	Working capital adjustments:		
	(Increase)/decrease in trade receivables	23.02	(35.42)
	(Increase)/ decrease in inventories	(2.43)	232.35
	(Increase)/ decrease in loans	0.40	(1.65)
	(Increase)/ decrease in other financial assets	1.14	(15.04)
	(Increase)/ decrease in other assets	(67.13)	13.21
	Increase/ (decrease) in trade payables	49.14	38.00
	Increase/ (decrease) in other financial liabilities	(4.40)	17.10
	Increase/ (decrease) in other liabilities	(0.28)	(203.02)
	Increase/ (decrease) in provisions	0.70	(1.14)
	Cash (used in)/ received from operations	92.84	181.07
	Income tax paid (net)	5.22	(6.44)
	Net cash flows (used in)/from operating activities	98.06	174.63
B.	Cash flows from investing activities		
	Purchase of property, plant and equipment (including capital work in progress and capital advances)	(0.06)	(2.40)
	Purchase of intangible assets	(0.01)	(0.23)
	Proceeds from sale of property, plant and equipment	0.01	0.47
	Investments made in equity of subsidiaries, associates and joint ventures	(0.01)	(5.42)
	Loans given to subsidiaries, associates and joint ventures	(78.06)	(53.48)
	Loans repaid by subsidiaries, associates and joint ventures	74.58	23.65
	Investment in bank deposits (original maturity of more than 3 months)	(8.56)	(38.58)
	Redemption of bank deposits (original maturity of more than 3 months)	7.53	28.31
	Dividend received	-	10.50
	Interest received	1.15	1.24
	Net cash flows from / (used in) investing activities	(3.43)	(35.94)
C.	Cash flows from financing activities		
	Proceeds from secured term loans	107.54	241.28
	Repayment of secured term loans	(116.55)	(239.05)
	Loans taken from related parties	12.84	22.11
	Loans repaid to related parties	(6.45)	(4.73)
	Payment of lease liabilities	(4.16)	-
	Finance cost paid	(48.84)	(123.72)
	Net cash (used in)/from financing activities	(55.62)	(104.11)
	Net (decrease)/increase in cash and cash equivalents (A + B + C)	39.01	34.58
	Cash and cash equivalents at the beginning of the period	(27.33)	(51.39)
	Cash and cash equivalents at the end of the period	11.68	(16.81)
	Components of cash and cash equivalents		
	Cash and cash equivalents as per balance sheet	94.59	125.19
	Less: Cash credit and other facilities from banks	(82.91)	(142.00)
	Cash and cash equivalents reported in cash flow statement	11.68	(16.81)



Statement of Unaudited Standalone Financial Results for the quarter and six months ended September 30, 2020

- 4 During the quarter ended September 30, 2020, the Company has incorporated Purva Woodworks Private Limited on August 8, 2020, as its subsidiary.
- 5 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.
- 6 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 Commercial 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.
- 7 The Company is subject to legal proceedings for obtaining clear and marketable title for certain properties wherein the Company has outstanding deposits and advances of Rs. 91 crores. Further, the Company has Rs. 5 crore recoverable from parties, which are subject to ongoing legal proceedings. Pending resolution of the aforesaid legal proceedings, 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 legal proceedings.
- 8 The outbreak of Covid-19 pandemic globally and in India has caused significant disturbance and slowdown of economic activities. Due to the lockdown announced by the Government, the Company's operations were slowed down/suspended for part of the current quarter and for the six months period ended September 30, 2020 and accordingly the accompanying financial results for the current quarter and six months period ended September 30, 2020 are impacted and not fully comparable with those of previous periods.

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 at the period-end are fully recoverable. Though the management has availed for the moratorium on payment of loan instalments as provided by the Reserve Bank of India vide COVID-19 - Regulatory Package, the management has estimated the future cash flows for the Company 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.

During the six months period ended September 30, 2020, the Company has also made a detailed assessment of the progress of construction work on its ongoing projects during the period of lockdown and has concluded that the same was only a temporary slowdown in activities and has accordingly inventorised the borrowing costs incurred in accordance with Ind AS 23. The outbreak of Covid-19 has also resulted in delay in completion of certain ongoing customer contracts. In this regard, a wholly-owned subsidiary of the Company has initiated proceedings with its customer for extension of project completion timeline and waiver of liquidated damages amounting to Rs.9 crores. Pending resolution of the aforesaid matter, no provision has been made towards such liquidated damages in the accompanying financial results based on the terms of the customer contract and impact of Covid-19 pandemic.

The Government has initiated steps to lift the lockdown and the Company has resumed its operations gradually. The Company will continue to closely observe the evolving scenario and take into account any future developments arising out of the same.

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

Nani R. Choksey

Nani R. Choksey
Vice-Chairman & Whole-time Director
DIN: 00504555

Bengaluru, India
November 13, 2020

