PURAVANKARA®

30.08.2017

General Manager – DCS,
Listing Operations-Corporate Services Dept.
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The Manager,
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Stock Code: PURVA

cc_nse@nse.co.in

Dear Sir/ Madam,

Sub: Annual Report for the financial year 2016-17.
Ref: Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

We are hereby enclosing the Annual Report of the Company for the financial year 2016-17 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 duly approved and adopted by the members as per the provisions of the Companies Act, 2013.

This is for your information and record.

Yours Sincerely

For Puravankara Limited

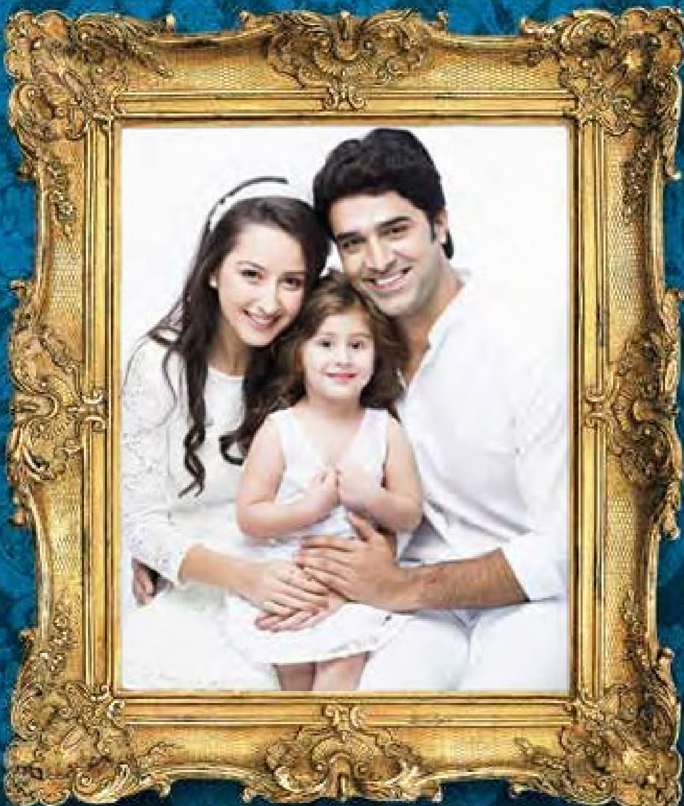
Bindu D
Company Secretary
M.N. 23290

Puravankara Limited ★ Bangalore-42 ★

PURAVANKARA LIMITED (formerly Puravankara Projects Ltd.)

Registered Office: #130/1, Ulsoor Road, Bengaluru - 560 042 Tel: +91 80 2559 9000 / 4343 9999 Fax: +91 80 2559 9350
Email: info@puravankara.com URL: www.puravankara.com CIN: L45200KA1986PLC051571

AN ISO 9001 COMPANY



customer-centricity

PURAVANKARA LIMITED

(FORMERLY PURAVANKARA PROJECTS LIMITED)

ANNUAL REPORT 2016-17

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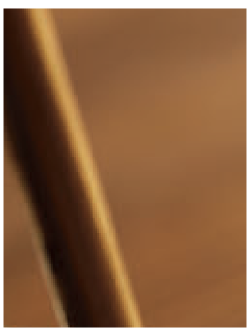
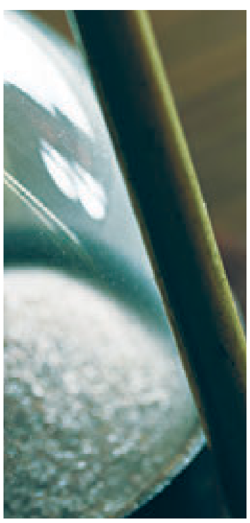




at Puravankara Limited, we believe that good customer service is not enough. A complete transformation in customer experience will do. In line with this conviction, we are focussing on investments in resources and infrastructure to enhance what is most important – customer trust.

this customer trust is reflected in every aspect of our business - wider touch points, higher sales, enhanced customer satisfaction, better word-of-mouth feedback and repeat business.

the result is reflected in our financials: Puravankara enjoys one of the fastest sectoral growth numbers - CAGR of 9.51% and 30.72 mn sq. ft of space delivered over the past five years, project completion within promised timelines and more than 14,604 happy families already staying in our homes today.

at Puravankara Limited, we believe that robust financials are the best way to take customer interests ahead.

our debt-equity ratio of 0.84, among the lowest in India's real estate sector, is a reflection of our competitive positioning and Balance Sheet robustness.

our comprehensive regulatory preparedness is an insurance against sectoral shakeout following the implementation of RERA.

ideally positioning Puravankara to capitalise on a post-RERA real sector industry (USD 1.3 trn, FY2018-24).

vision

we envision a future wherein Puravankara is a household name pan-India. We have global aspirations too. A future wherein our brand symbolises unique landmarks and superior community living of the highest standards of quality and customer delight.

the you philosophy

philosophy

at Puravankara, all our endeavours revolve around just one stakeholder – our customer. Their needs, dreams and aspirations are pivotal to our decisions. We call this 'The You Philosophy'.

who we are – real estate experience of 43 years

since its inception in 1975, Puravankara has anchored its foundations around quality and timely delivery. This credo, combined with uncompromising values, customer-centricity, robust engineering and transparency, has helped the Company emerge among preferred real estate brands in India

the Group commenced operations in Mumbai and has established a significant presence in the cities of Bengaluru, Kochi, Chennai, Coimbatore, Hyderabad, Pune and Mangaluru with 30.72 mn sq. ft of completed projects and another 24.92 mn sq. ft under development

the Group enjoys a considerable presence in the overseas geographies of UAE, Sri Lanka, and Gulf countries.

core values

Puravankara's core values are integral with its consistent evolution across the last four decades with the objectives to emerge as one of India's largest residential real estate development brands.

[CONTINUED ON THE NEXT PAGE]

customer-centricity

our business – completed projects of 30.72 mn sq. ft and 24.92 mn sq. ft under development

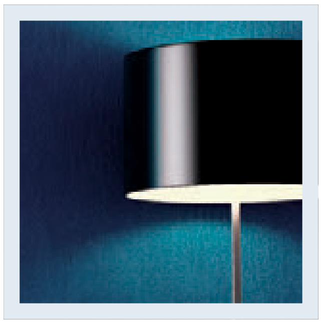
Puravankara is engaged in creating premium residential realty across India, with a large footprint in Southern India and a growing presence in West India.

Provident Housing Limited, a 100% subsidiary of Puravankara Limited, is engaged in the development of premium affordable housing, largely in South and West India.

Provident Housing Limited has grown from strength to strength, having successfully completed a cumulative 7.70 mn sq. ft.

the subsidiary has 4.53 mn sq. ft (our economic interest of 3.73 mn sq. ft) of projects under development.

all this would not have been possible without the active support and trust of our customers, many of who are our brand evangelists.



promoters – cumulative business experience of over 60 years
at the helm is Mr. Ravi Puravankara, Chairman, first-generation entrepreneur and promoter of the Puravankara Group.

the second promoter generation in the business is represented by Mr. Ashish R. Puravankara (Managing Director).

collectively, the Group's 9-member senior management team enjoys a robust 150 person-years of cumulative quality experience in the real estate sector, with a strong focus on customer- centric aspects, ability to learn, capacity to lead, motivate, inspire, delegate and empower.

employees – total employee base of 936
the Group had a workforce of 936 employees on its payroll (as on 31 March 2017).

the Company's high manpower productivity levels (and increasing automation of some manual processes) is reflected in the fact that turnover per employee has grown substantially over the past two years.

the Company's investment in customer relationship management initiatives strengthened its engagement with customers leading to customer delight and sales referrals.

listing – market capitalization (BSE) increased 43.17% in 2016-17.
Puravankara's shares (nominal value ₹5) are listed on the NSE and BSE.

the Company's market capitalisation on the BSE stood at ₹1592 crore as on 31 March 2017, a 43.17% increase over ₹1112 crore as on 31 March 2016.

the Company declared a substantially higher dividend of 45% (₹2.25) per equity share for the year 2016-17 against 15.61% dividend disbursed in 2015-16.

our growth story

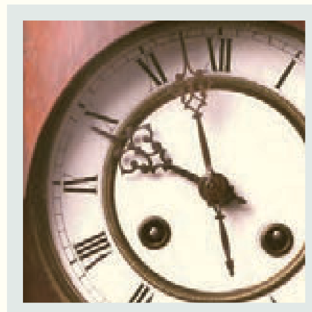
employee base
936

delivered space
30.72
mn sq. ft

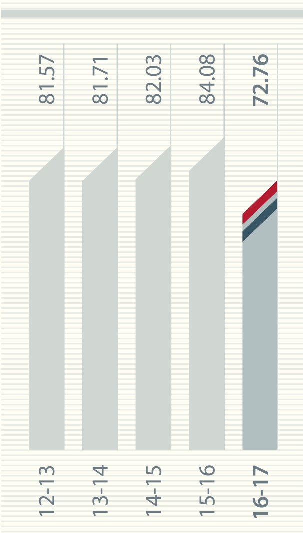
income from operations
₹1429
crore

land bank
72.76
mn sq. ft

this is how our



land bank
[mn sq ft]



drivers

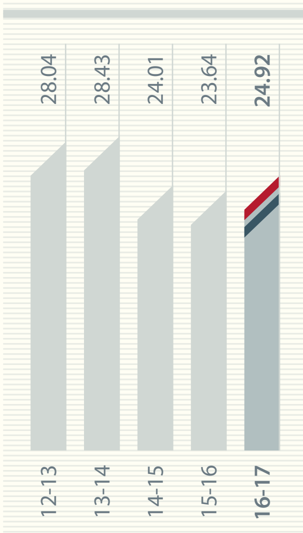
identification of land and vicinity development potential

appropriate and prudent capital allocation

structuring the most optimal financial deal

partnership-based approach helps sustain Balance Sheet strength

projects under development
[mn sq ft]



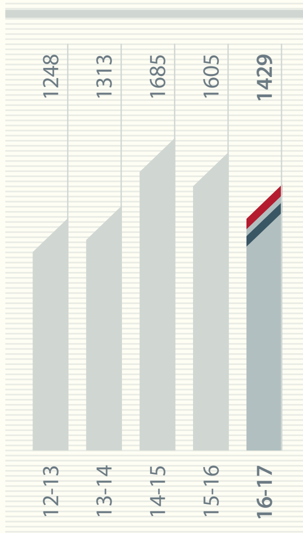
drivers

progressive technology leverage to enhance construction pace – and improved timelines as well as best -in-class quality standards

detailed SOPs aiding seamless construction progress – aligning processes to best serve customers

proactive strategy to get all statutory and regulatory clearances to ensure minimal interruptions – by putting customer delivery first

income from sales
[₹ crore]



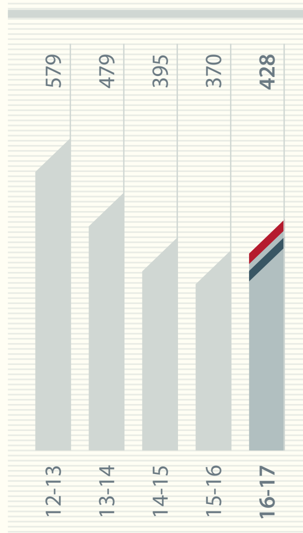
drivers

consistent launches with strategic marketing to create customer excitement and generate sales

compliant revenue recognition process

progressively higher realisations – better product mix as well as better sales realisation per sq ft

operating profit (EBIDT)
[₹ crore]



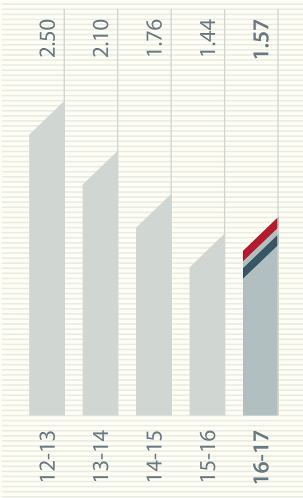
drivers

high compliance with phase-wise construction – in line with RERA guidelines

enhancing resource productivity and equipment utilization – greater bang for the buck

numbers stack up

interest cover
[times]



drivers

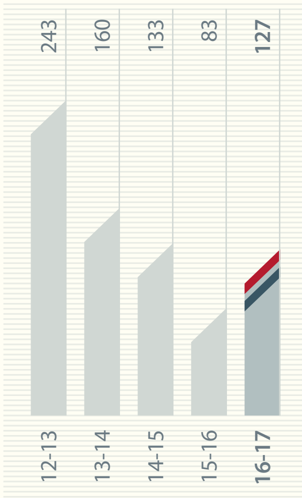
focus on consistent debt moderation – lowered absolute debt in FY 2016-17 with 0.84 debt-equity ratio as of March 31, 2017

timely fulfillment of debt obligations

strong interest cover, providing lender comfort

lower cost of capital, with interest rates sub-11% per annum

post-tax profit
[₹ crore]



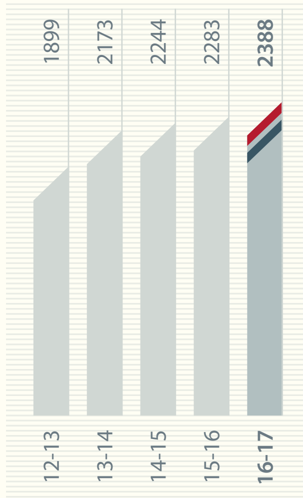
drivers

focus on 'premiumisation' through the Puravankara brand

focus on smart cost management under the Provident brand

the cumulative effect of this has resulted in consistent growth in net profit, combined with a rising return on capital employed (ROCE) and return on net worth (RONW)

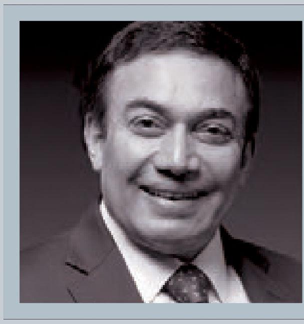
net worth
[₹ crore]



drivers

consistent focus on plough-back of surpluses

strong net worth ensures operational sustainability



the big picture

for many companies, the year FY2016-17 was about addressing unforeseen challenges like the demonetization-induced cash crunch and stricter enforcement of regulations like RERA (Real Estate Regulatory Authority) that came into effect from 1 May 2017.

even as India's economic growth was expected to be lower in 2016-17 compared with the previous year, the long-term narrative remains strong, especially with structural re-sets in terms of monetization and the proposed implementation of the Goods and Services Tax (GST) Act. The domestic economy is picking up; the external sector is stable; these augur well for the Indian economy.

industry overview

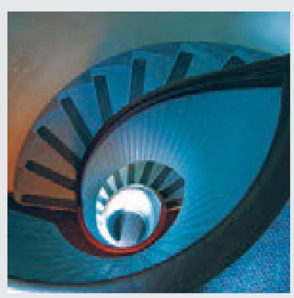
the opportunities in the Indian real estate industry are extensive. The Indian real estate market is expected to touch US$ 180 billion by 2020; the housing sector alone contributes ~6% to the country's gross domestic product (GDP). Two-thirds of India's population is below 35 years of age.

RERA represents the biggest industry headline. The landmark law seeks to introduce checks and balances to benefit the ecosystem, the customer being positioned as the principal beneficiary. The creation of a project-specific project-dedicated account, the upload of all project blueprints etc. before any kind of launch (even soft launch) to the RERA master site and strict penalties in the event of delays are customer-centric provisions of the landmark act.

as RERA takes root, the single biggest driver of success will be customer-centricity. The most successful real estate development company will not be one that is the largest or the one with the largest cash corpus on its books; it will be the one that services its customers with the highest sensitivity.

besides, this customer -centricity will extend far beyond how quickly one responds to customer queries and requirements; it will extend to how the customer remains the focus of all decisions taken within real estate development companies, comprising efficient apartment design, complete transparency on project status, use of the best materials, use of sales proceeds only for project progress and even a complete commitment to run the business in an ethical way. The new business mantra is – Do right by your customers.

in a single sentence, we believe that RERA has raised the level of the game for India's real estate sector, graduating what for many was an unorganised business into demanding standards generally applicable to listed and organised businesses across the country.



Reputed developers, especially with a timely execution track record, would see a polarization of demand. Discerning buyers will stick to quality

as the industry aligns with these new norms, Puravankara is attractively positioned to capitalise on this unprecedented opportunity. This is so for a simple reason: the company was already adhering to these norms as a standard part of its business; from this moment onwards, it will be business as usual.

the big message

the big message that I wish to send out to our stakeholders is that Puravankara is RERA-ready, not just RERA-compliant.

one of the other interesting developments was the introduction of REIT (Real Estate Investment Trust), which will have an important long-term bearing on developers, presenting them with the choice of either 'corporatizing' or risking takeover by bigger and better-organised counterparts. Demand for office space remains robust, despite some global uncertainty. Vacancy levels in markets like Pune and Bengaluru are 4-6%. The potential to enhance liquidity for developers and lower exit risks are obvious benefits. A large amount of foreign capital is chasing annuity projects.

besides, given the growth of employment and the structural shift in employment patterns, co-working spaces are increasing across Indian metros and Tier-II cities, providing start-ups with flexible working options around affordable rents. At the last count, even as there were more than 100 operators in this space across India, there was still a limited supply of co-working spaces. However, this segment is gaining traction, given its diverse advantages like cost-efficiency, employee motivation, people retention, productivity advantages and a central office location in a business district.

rise of affordable housing

there are a slew of supply side incentives that would propel affordable housing. These are interesting times, as affordable housing in India has received the coveted infrastructure status. As many as 10 million houses are projected to be built in India by 2019; this segment will now attract cheaper finance sources, including external commercial borrowings. Besides, the re-financing of housing loans by the National Housing Banks can strengthen sectoral prospects. Additionally, a new Credit Linked Subsidy Scheme (CLSS) for the mid-income group with a provision of ₹1,000 crore was announced in 2017-18. The tenure extension of loans under the CLSS of Pradhan Mantri Awas Yojana (PMAY) was increased from 15 to 20 years; the Budget also increased the allocation to PMAY from ₹15,000 crore to ₹23,000 crore in rural areas. Interestingly, the qualifying criteria for affordable housing were also revised to 30 sq. m and 60 sq. m on carpet rather than saleable area in the four main metros and non-metros, respectively. This effectively increases the size of the affordable housing market across India. We believe that the demonetization of high-value currency notes will cause land prices to ease in the next few years, especially in far-flung areas around Indian metros and Tier-II and Tier-III cities. Strategically, the government's dream of 'Housing for All by 2022' finally appears attainable.

affordable housing will provide a strong fillip to the home segment. At our Group, our Provident brand is attractively placed to capitalise on the projected growth of the affordable housing sector - with sales of 0.62 mn sq. ft in 2016-17 and a pipeline of 4.9 mn sq. ft. Our development pipeline has a bias towards value-for-money and affordable housing. We have already rolled out the CLSS across our brands and markets, and the initial response has been encouraging. We remain committed to provide cost-effective financing to ensure complete solutions for all customer needs.

how we enhance customer-centricity

"pre-cast. The automation of construction technology. Used first large-scale in Bengaluru by Puravankara!"

"two questions asked upfront to the customer enables me to curate my pitch during a tele-call. The first, 'Are you looking at the project as an investment or for end use?' and 'What is your approximate budget?' Getting into the skin of the customer makes selling easier thereafter."

strengthening Puravankara

at Puravankara, we believe we are prepared for the industry upturn due to the following initiatives:

going beyond positive customer experience towards a transformational experience and complete customer- centricity

geographic diversification; increased non-South projects; extension into western Indian markets (Pune, Mumbai and Goa)

diversification from the residential into the commercial realty segment

strategic allocation of resources into the Puravankara and Provident realty brands covering the luxury and affordable premium housing segments.

conscious focus on debt optimization to strengthen the Balance Sheet and reinforce preparedness

i derive confidence from the fact that we achieved sales of 1.53 mn sq. ft in 2016-17 for Puravankara Limited on a standalone basis, which represents a 64% growth over the previous year. Importantly, our average realization was higher by 7% at ₹5,897 per sq. ft in 2016-17.

our luxury brand Puravankara saw sales of ₹905 crore, a 75% increase over 2015-16. Sales of completed or nearing completion projects are flowing straight to the bottom line, with improved operating surpluses for the Group.

being responsive - 01

in a 60-acre plot, we have given 6 acres to L&T for precast manufacturing. This is perhaps the first such interesting instance of an 'operation within an operation', which helped accelerate project construction, control inventory, save time, moderate logistics and optimise costs

being responsive - 02

customers are always at the centre of all our communication. We circulate a fortnightly newsletter internally just so that our associates can remain up-to-date with market events and regulatory trends for onward transmission to customers

being responsive - 03

we have a rule. A complaint must be resolved within 48 hours. If it extends beyond, the complaint is escalated not just to the team leader but also to the senior-most management. This is how seriously we take customer complaints

something interesting!

between our Provident and Puravankara residential brands, our price range straddles from ₹ 3,500- ₹ 9,500 per sq. ft, encompassing a large range of consumer preferences and the real estate price chain!

being responsive - 04

a proud moment when a deal of one of our projects was closed within the first call that lasted for 53 minutes with a customer based in the US!

being responsive - 05

the published price in the advertisement is the price the customer pays, all inclusive. No 'conditions apply'. This is the sense of transparency that we bring to the table!

being responsive - 06

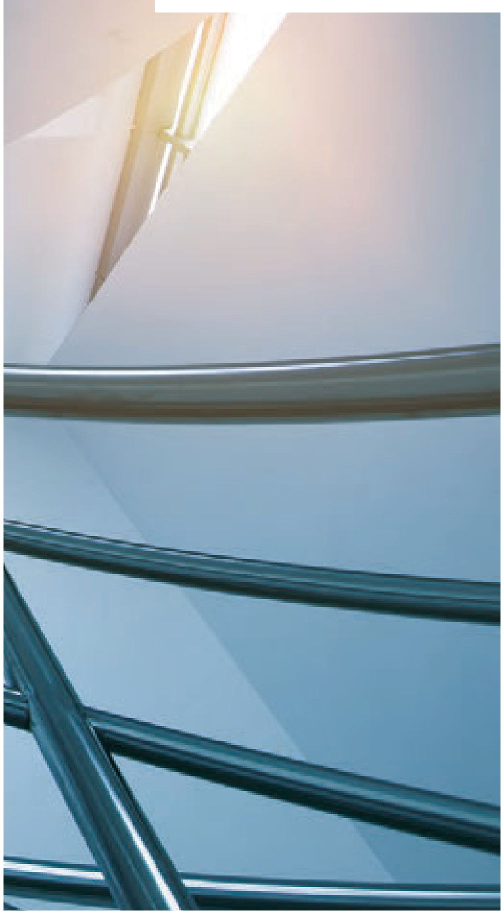
we employ a laser- like focus on costs. For instance, we have replaced most in -Company travel with either VC or Skype

at Puravankara, customer-centricity is all about delivering more than just peace of mind

in today's demanding environment, customers are more loyal to the quality of experiences than to companies, products and brands.

in the real estate sector, the word 'experience' comprises the manner in which a company communicates its offering through various media, how warmly the Company receives customer queries, how patiently it is willing to explain the project's fundamentals, how cheerfully it is willing to field questions, how ethically the company is willing to conduct itself, how transparently the Company is willing to engage with the customer, how often the company engages with the customer and how it is willing to extend the transaction into an ongoing relationship that makes the customer feel that he or she made the right decision.

at Puravankara, we think ourselves to be a customer relationship management enterprise as well as a company engaged in providing world-class residential (and commercial) spaces.



with RERA emerging as a regulation reality that accelerates industry reforms, the Company was proactive in its preparedness. This has been reflected in the following realities:

the appointment of a RERA Compliance Officer for centralised responsibility

the restructuring of key processes including agreement changes to reflect the computation of carpet area sold

the creation of dedicated customer receivable accounts for different projects, enhancing allocation discipline the empowerment of buyers seeking quality and an execution track record

the RERA institutional reform is designed to enhance customer-centricity in the organisation's operating culture.

over the last three years, Puravankara invested almost ₹2,900 crore in construction activities and is expected to benefit from increased sales traction with most of our properties nearing completion.

some of the Company's customer-centric strengths comprise the following:

one, we possess transparent documentation practices that make it easy for customers to comprehend the fine print with clear interpretation

two, we strengthened our post-sale customer management; we allocated dedicated relationship managers to handle customer queries; we sent reminders on payments and handheld customers through the engagement process leading to apartment handover

three, we invited experts to appraise completed properties in detail prior to project handover, even as we proactively focused on plugging these gaps and minimizing customer complaints

four, even as we addressed the above, we strengthened our culture of understanding customer needs and responding to customer grievances through a dedicated cell

the result is that when customers invest in our projects, they trust us, invest their life's savings and that makes it our responsibility to deliver more than just brick-and-mortar: complete peace of mind!

peace of mind

how we enhance customer-centricity

"we have moved from labour to non-labour intensive, ready-to-use machine-driven technologies. For instance, the use of Plasmolite technology has saved walls from brickwork, hollow-block and plastering. These walls possess 20 times more strength than block-work masonry with better sound insulation (more than 50 decibels against 32 decibels of block work walls). Besides, erection takes just a third of the time compared to the conventional system with a lower dependence on skilled labour."

core strengths

01 cash flows

a strong brand equity, strategic project location, unmatched customer amenities and timely construction make it possible to generate significant sales traction leading to consistent fund inflows. These inflows are used in timely capital repayments, re-deployed in the business and distributed as surplus to our shareholders

the diversity of our project locations in major Southern and Western Indian cities enables us to generate sustainable cash flows and earnings throughout the project lifecycle

02 cost and efficiency

the use of appropriate technology, including pre-cast, as well as systems and processes that are at the core of cost efficient execution, make it possible to enhance speed and moderate costs.

we enjoy scale benefits and cost synergies including operational benefits of shared back-office functions, IT and financial resources

we benefit from opportunities to transfer key skills and capabilities across the Group, catalysing a culture of learning and knowledge-building

03 technical excellence

we possess first-class technical skills that enable us to offer built-to-last products to customers

we employ well-qualified engineers, architects and consultants ensuring that our properties comply completely with statutory regulations, ensuring the optimal use of space

04 operational effectiveness

our dedicated customer focus enhances brand loyalty and a positive word-of-mouth recall

we streamline our processes to drive efficiency, customer service and the customer management experience

05 financial discipline

we invest rigour in our capital allocation, channelizing funds into opportunities that generate the best risk-adjusted returns

we prudently manage our portfolio that makes it possible to deepen our presence in Bengaluru even as we diversify into the fast-growing Western Indian markets of Mumbai, Pune and Goa

we manage construction and financial risks with proactive prudence

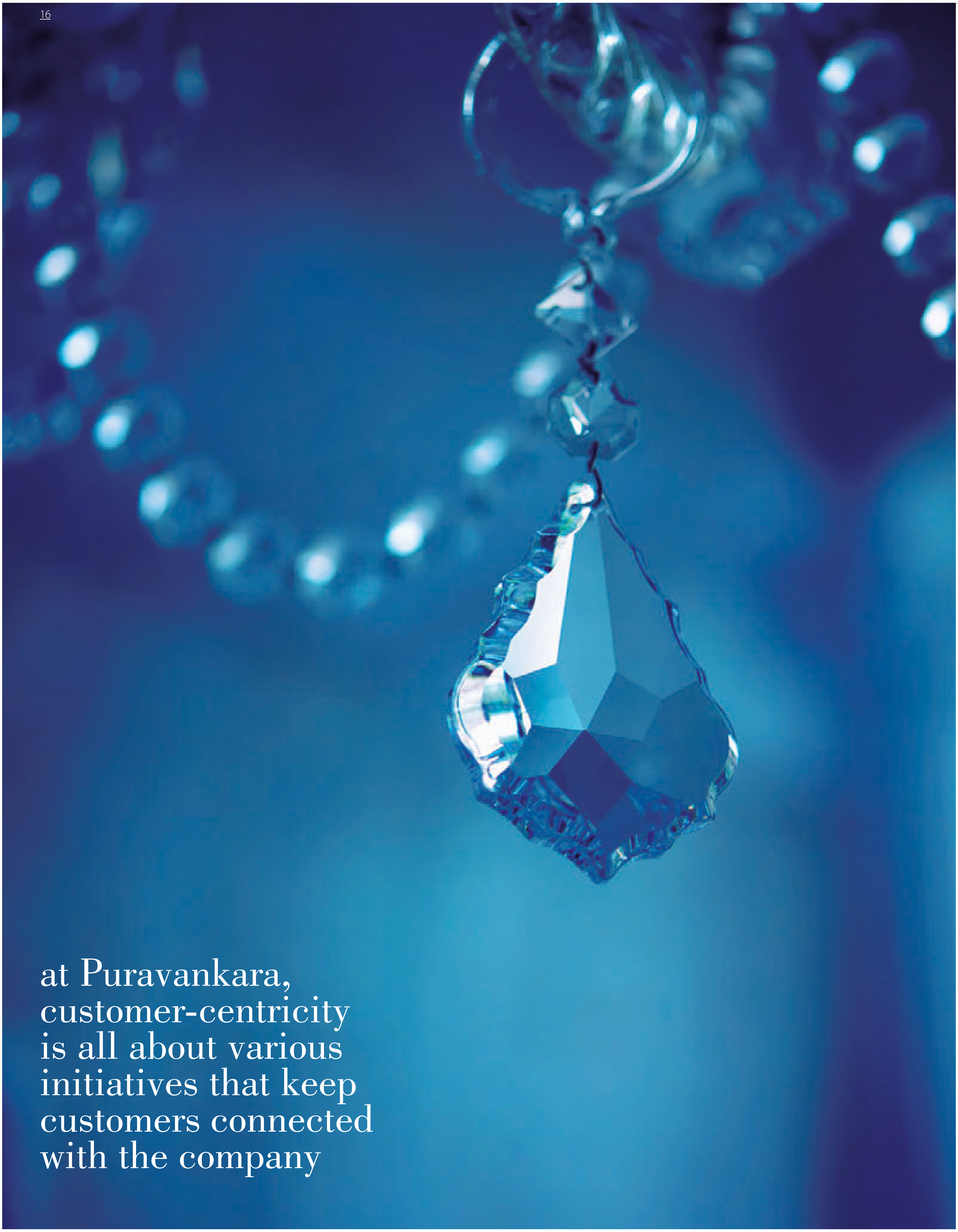
06

human capital

human capital is a key strength of any organisation. At Puravankara, a conscious effort has been made to strengthen the core competence of the brand through a focused long-term plan for developing people for larger roles.

the senior management of Puravankara comes with a combined experience of around 150 person-years, which has played an instrumental role in creating a conducive environment for nurturing talent.

people are always at the core of any important decision taken, as the organization believes that its employees are its real assets.



at Puravankara, customer-centricity is all about various initiatives that keep customers connected with the company at Puravankara, we have undertaken several initiatives to enhance the customer experience, with the objective to transform customers into brand evangelists.

confidence-enhancing initiatives

we were one of the first developers to commission a dedicated contact centre for post-sale customer engagement; this centre has addressed customer calls and e-mails centrally since July 2013.

we were one of the first real estate developers in 2005 to empower our customers through a customer login portal that made it possible for them to access all relevant information regarding their property and transaction, including statements of account, demand notes, receipts, agreement copy and service requests.

we stepped up our customer engagement and awareness building following purchase; we extended a step ahead to measure customer satisfaction online with the objective to analyse our customer experience at every touch point.

the quarterly newsletter 'Reach Out' helps connect with existing and prospective customers, apprising customers on the progress of their projects and other corporate developments.

every customer gets a welcome home kit (comprising sweets, branded key chain, critical possession documents and three sets of apartment keys) at the time of apartment handover. Since being a home owner is what dreams are made of, we desired that our customers experience their dream come true.

the Company created a whatsapp group to update customers with speed on construction activities; the concept of Safe Day was introduced to invite customers to the project site to apprise them of construction speed; the company created a new desk – Escalations and Quality of Interaction – to enhance the quality of interaction and manage customer escalations.

these initiatives strengthened Brand Puravankara : one that cares for customers even after the contract deed is closed. This created a positive word of mouth – helping the Company broaden its reach through referrals and augment revenues. Home buyers are traditionally known to trust the testimonials of their family and friends, hence every customer proved to be our most trusted brand ambassador as their delightful experience bring more to the Puravankara fold.

debt reduction has been a focus as we seek further avenues to unlock value for all our stakeholders

RERA is a welcome regulation that will enhance sectoral discipline and buyer protection.

we believe that RERA is a landmark in the history of the real estate sector, the implementation of which has graduated home stock into an organised investable class where the smallest of players is equally responsible to customers and the laws of the land as much as the largest brand in the country. This watershed will make it possible for customer interests to be paramount across all home providers, making it imperative for the entire ecosystem to rise to the new environment with shared responsibility and accountability.

at Puravankara, our business model is proactively compliant with RERA. With increasing supply coming from RERA-ready projects, the markets will rediscover latent demand for quality housing stock. There will be a wave of consolidation with market share rising for compliant players. Prudent capital allocation has been at the core of Puravankara's philosophy. Most realty players are saddled with heavy Balance Sheets; Puravankara focused on debt reduction, as debt moderation is critical in current times where a stronger Balance Sheet not only has a direct positive profitability bearing but also enhances our preparedness to capitalise on emerging opportunities. A strong Balance Sheet is key to survival in challenging periods, while also propelling growth.

even as we focused on completing projects under Puravankara and Provident brands as per schedule, we institutionalised a model to achieve faster growth. This became important as we diversified beyond Southern India into the attractive markets of Mumbai and Pune. Besides, we engaged one of the foremost management consulting firms McKinsey to identify operating practice gaps with suggested remedies. The result is that we strengthened our efficiencies, revisited our product and wrote standard operating procedures (SOPs) to guide our architects, designers and construction and completion teams. Commensurate with this, we delegated responsibilities through decentralization, accelerating construction progress and monitoring deliverables across each project. We redefined the Key Result Areas (KRAs) so that teams were clearly aware of their responsibilities, enhancing focus. The SOPs reduced re-work, saved time and lowered costs. The journey has begun well in this regard.

> at Puravankara, we engaged one of the foremost manage-ment consulting firms McKinsey to help us identify operating gaps coupled with suggested remedies.

the second point that we addressed comprised cutting-off delays. We focused on innovation in value-engineering, increased collaboration at the project blueprint and design detailing stage, to align expectations with costs and commissioned work on various engineering drawings with consultants at the pre-sanction stage. This helped us kick-start construction in a more organised and controlled manner, starting a virtuous cycle.

the third factor relates to enhancing product value. I am delighted to share that there has been a cultural transformation in the way customers perceive our finished homes and offices. It is a common practice for us to invite experts to examine product integrity before we handover homes. As they detail the list of all the fixes required, we swing into action to correct anomalies even as we endeavour to shrink this list during subsequent project deliveries. As perceptions transform, we graduate to stronger premiumisation. This is reflected not only in the product mix of our sales in the year gone by, but also the velocity of sales and the critical ranking of our projects by customers. This has given us the confidence to accelerate our new projects in the value-for-money segment where we can leverage our strengths – access to well-located land, know-how for the right product, cost-effective and timely execution and a healthy Balance Sheet. Our expansion is predicated on value-for-money homes and built-to-suit city office spaces in the right locations. profitable growth, technology-driven and cost-effective execution, and appropriate allocation of capital with a prudent mix of debt to generate high risk-adjusted returns.

in our endeavour to address our three most important deliverables – efficiency, cutting-off delays and delivering product value to the customer - we have emerged stronger. Besides, we are now at an inflection point through RERA resulting in greater discipline, regulation and customer-centricity.

Puravankara is at the confluence of four key pillars, focused on debt reduction, prudent capital allocation, accelerated project launches and profitable growth.

we believe that our focus on these areas will translate into profitable growth across the foreseeable future.

how we enhance customer-centricity

"no cash. Puravankara deals strictly in cheque-based payments."

"i need to extend my sincere thanks and appreciation to your CRM representative for the assistance she provided in addressing my GST-based questions. Her patience and commendable knowledge is appreciated. It is my duty to appreciate her good work."

customer testimonies

INTERVIEW...
NANI R CHOKSEY, JOINT MANAGING DIRECTOR, PURAVANKARA LIMITED

at Puravankara, the foundation of our customer-centricity is our governance commitment

fundamentally, customer-centricity at Puravankara begins with a clean land title.

as part of a fundamental discipline, Puravankara does not look at litigated land; rather we evaluate clean, dependable and immediately-developable land parcels that promise customers complete peace of mind. This reality also goes a long way in ensuring that our capital allocation is prudent, and our resources are not stuck in non-productive assets.

our decision-making pertaining to land acquisition is transparent and collective, involving all stakeholders after a rigorous evaluation of the location, the title, the overall project as well as market dynamics. Essentially, all such acquisitions are cleared by the senior leadership team and/ or the investment committee following a detailed deliberation on the financial and technical feasibility of any proposal, which ensures that projects are liquid. This makes it possible for the company to generate in a sustained and steady manner, risk-adjusted returns. This comprises the second safety net which further ring-fences our interest as far as land acquisition is concerned.

as an enterprise of repute with longstanding market respect, Puravankara complies with all the laws governing land development without any deviations or violations in terms of land use and zoning, approvals, no objection certificates, plan sanctions etc. This not only streamlines our value chain but also ensures that customers get their ownership certificate within time, as per our commitment. Aligned with our focus on customer excellence, we strive to get all clearances in the shortest possible time so that lead times can be minimal and value-enhancement is maximised. We supplement this by making thorough periodical checks to ensure compliance. We obtain occupancy certificate for all our projects well in time, ensuring compliance with all the stipulated conditions and to enhance the confidence levels and comfort of our customers.

how we enhance customer-centricity

"**at** Puravankara, the index of our customer commitment: we preserve the transcripts of all customer conversations. What each customer says is important to us!"

"**at** Puravankara, we don't just receive calls. We also make a monthly call to our customers – to provide updates on our projects, the realty investment climate and competitive dynamics within specific locations. The result is that we are now being treated as trusted investment counsellors."

yet another pillar of customer service at Puravankara is our ability to align our practices with legal and regulatory compliances – in letter and spirit. A proactive approach in this regard ensures that we are not caught on the back-foot with regulatory frameworks and guidelines. We continue to fine-tune our processes to add value to our products, our delivery standards and customer touch-points in our constant endeavours of the YOU philosophy. Dispute resolution and litigation reduction continue to be our key priorities even as we proactively defend the interests of the Company by getting timely orders from the courts whenever required.

in summation, a collective focus on responsible land resource acquisition, highest levels of adherence to statutory and regulatory norms as well as strong jurisprudence alignment facilitates customer-centricity at our Company.

at Puravankara, the process of land acquisition and development begins only when it meets the stringent parameters under financial viability and legally clear titles. This is aligned with our complete belief in transparency and ethical commitment across all our dealings with landowners and customers

we strengthened our Provident Housing business through the launch of Provident Kenworth, Hyderabad

Provident Kenworth is the latest launch of Provident Housing and its first in Hyderabad.

Provident Kenworth sprawls across 20 acres in Rajendra Nagar, Hyderabad. Located near the 11.6-km elevated express highway connecting the Hyderabad International Airport with Mehdipatnam. Provident Kenworth is attractively placed.

After extensive market research, Provident decided to focus on building a residential community not in the financial or IT district but a convenient 20 minute drive away to meet a sizeable gap in the market for premium affordable homes.

Provident partnered Tata Projects in this project to address the growing demand for premium affordable housing. The relatively low cost of living, compared to other Indian metros, rapid infrastructure development and a proactive government are catalysing prospects of this project.

the project comprises 2,300 units; apartments range from 987-2,007 sq. ft

the credibility of the Provident brand is reflected in that the project commands a premium over projects in the vicinity.

at Provident, our 2016-17 focus was on timely completion and handover while identifying viable opportunities in line with the nation's vision of Housing For All.

with properties under construction and delayed revenue recognition, the Provident brand reported revenues of ₹336 crore in FY2016-17, down from ₹430 crore in the previous financial year. However the sale of ready-to-move projects continued at a brisk pace in 2016-17.

the coming year is expected to propel Provident as we get ready to progressively launch projects in South and West India that enable us to benefit from the tailwinds driving the affordable housing sector in the country.

the Company intends to capitalise on its established brand, ongoing number of projects under implementation, a growing critical mass of customers that provides it with a head start over competition and procurement economies delivered from the large scale of its business

how we enhance customer-centricity

"**P**uravankara treats me like an entrepreneur. It has empowered me with an insight into the costing of large condominium complexes (and hence apartments), which makes it possible to create cost sheets on an MS Excel file. This kind of an insight would normally have been locked in the minds of the CFOs and senior executives. By liberating this information, one has been transformed from a hired hand into someone with an entrepreneurial mindset."

"**a**t Puravankara, we see ourselves as a B2C company with a B2B personality.

AN UPDATE...
HOW PURAVANKARA IS DELIGHTING CUSTOMERS

at Puravankara, customer-centricity is showcased through various moments of truth

"**w**e conduct an ageing analysis into sales calls and their onward conversion; we discovered that we generated a high 50 per cent conversion from two month-old enquiries."

"**w**e have evolved several of our pre-sales tele-callers into real estate investment advisors, providing informed perspectives on different pockets of Bengaluru or Chennai."

at Puravankara, the pre-sales function is not a decorative addition to the core corporate team. It comprises 20 professionals who create an appetite for Puravankara properties across India and abroad (the US, the UK and the Gulf). Where the work of the pre-sales team ends, the work of the sales and marketing team begins. This is an absolutely contrarian concept."

"**w**hen most people intend to buy a property, one of the first things that they need is advice. Advice on the right locations to buy. Advice on growing pockets. Advice on the fastest moving apartment sizes. Advice on the right financing options. Advice on the balance of apartments and amenities. Puravankara has created a pre-sales service to address these questions within a single phone call."

"**m**ost real estate companies address customer queries between 10am and 6am. Puravankara's pre-sales department has changed the rules. It addresses calls from 4am to 11pm. Across 365 days."

"**w**e had a caller from the United States telling us "What?! A real estate company working as early as 6am IST?! I can't believe this…"

at the

Ravi Puravankara

mr. Ravi Puravankara is the founder Chairman of Puravankara Group, a leading Real Estate business conglomerate with interests in luxury housing, premium affordable housing, construction and commercial office space segments. Since the inception in 1975, Mr. Ravi Puravankara has established the Puravankara Group as a key Real Estate player with increasing presence in the metropolitan cities of Bengaluru, Kochi, Chennai, Coimbatore, Mysuru, Pune, Hyderabad, Mangaluru and overseas in Sri Lanka and the United Arab Emirates.

recognizing India's huge growth potential in the mid income segment and the need for affordable housing, Mr. Puravankara pioneered to realise this vision by setting up Provident Housing Limited in 2009. He has the distinction of being the first to obtain Foreign Direct Investment in the Indian real estate industry, through its joint venture with Singapore based Keppel Land Limited.

mr. Puravankara revolutionised Community Living, with theme based projects, world class landscaping and amenities, to create unique landmarks of the highest standards of quality and customer delight. With the launch of the very first large Club House project "Purva Park" in Bangalore, the Puravankara Group set a bench mark in the Real Estate sector.

driven by his core values of Learn, Care and Deliver, Mr. Puravankara has built an Institution over the last 42 years of Business Excellence. He has successfully established companies like Puravankara and Provident Housing in the Real Estate sector and Star Worth Infrastructure Limited, in the Infrastructure & Construction sector.

mr. Puravankara has been recognised for his dynamism, leadership and outstanding brilliance and was conferred upon the "Transformational Leadership Award" at the 2013 NDTV Property Awards. Apart from numerous other awards and public recognitions throughout his career, he has also received the "Lifetime Achievers Awards for Outstanding Contribution to the Real-Estate Sector" at the 2013 CMO Asia Awards for Retail Excellence.

Ashish Puravankara

mr. Ashish Puravankara is the 38-year-old Managing Director of the Puravankara Group. Since joining the company in 2000, he has played a pivotal role in its growth. His strong entrepreneurial skills are being leveraged in strategy formulation, operations, financial management and enterprise development.

Ashish is responsible for establishing Provident Housing Limited, a wholly-owned subsidiary which targets middle-income consumers with affordable homes of premium quality. He is also instrumental in implementing best practices in construction with a focus on reducing project delivery time. Ashish is at the forefront of the organization's initiative to expand into newer geographies and consolidate its growth strategy. The success of projects in both Pune and Hyderabad are a manifestation of his tireless efforts in this regard.

helm

Nani R. Choksey

mr. Nani R. Choksey has over 42 years of experience in the real estate development, construction and finance sectors. He has been associated with the Group since its inception in 1975. He is a Joint Managing Director and played a pivotal role in the growth of the Company. He has been actively involved in all projects of the Company.

R.V.S. Rao

mr. R.V.S. Rao holds a Bachelor's degree in Commerce from the Mysore University and a Bachelor's degree in Law from the Bangalore University. He has completed Master Class for director conducted in association with World Council for Corporate Governance, London. He has over 40 years of experience in the fields of banking and finance. He has been a Director of HDFC Limited. As a USAID consultant, he was the team leader that reviewed operations and made recommendations for Housing Finance Company, Ghana. He was also the team leader of the consultancy team, which advised the National Development Bank of Sri Lanka in establishing its mortgage finance business.

he has been a director on our Board since 26 December 2006.

Pradeep Guha

mr. Pradeep Guha holds a Bachelor's degree in Arts from Mumbai University and a Management Diploma from Asian Institute of Management, Manila. He has over 38 years of experience in the fields of media, advertising, marketing and branding. He has recently finished a very successful stint as the CEO of Zee Entertainment Enterprises Ltd. He was also the President of The Times of India Group, as well as on its Board of Directors.

he is the Vice-President and Area Director of International Advertising Association, Asia Pacific region. He is the official representative to the Asian Federation of Advertising Associations and is the current Vice Chairman of the Federation. He has been a director on our Board since 26 December 2006.

Dr. Suchitra Kaul Misra

dr. Suchitra Kaul Misra is a Doctor of Philosophy from Mysore University. She topped her Masters of Arts with 2 gold medals from Lucknow University and did her Bachelor of Arts with English Honors from Nowrosjee Wadia College, Pune.

a self-motivated entrepreneur, she is the founder director and promoter of a NBFC called Shabri Investments Pvt Ltd. and partner in TTT Hospitality Services Pvt Ltd. She is on the board of 2 Public Limited Health Care companies and holds Creative Wellness Workshops for a spectrum of groups, individuals and Corporates.

dr. Misra is also the founder trustee of 'Svavlamban Trust' which is engaged since 2005 in providing educational aids to poor students to make them self-reliant. She has been a director on our Board since 21 March 2016.

investments in corporate social responsibility initiatives rose from ₹1.82 crore in 2014-15 to a ₹2.29 crore in 2016-17

how we enhance customer-centricity

“**t**alk with a smile on your face. That is our motto at the Puravankara pre-sales team.”

“**a**t Puravankara, we recognise that we are the first interface with a client; we play possibly the biggest role in brand management – more than any logo or advertisement. My success is therefore based around the reality that around 70 per cent of those who call me end up by recognising me by name.”

in our endeavour to offer customers maximum utility and amenities through quality residential products and services, the Puravankara Group strives to engage in serious corporate social responsibility through fair corporate activities, promoting the preservation of the environment, contributing to local communities and engaging in social and skill-building initiatives. Aiming to be a Company with deep roots in communities that we exist and are developing properties in, we organise activities that enable us to contribute to local societies. The Group is also focusing on programs aimed at promoting culture, fostering human resource development and preserving the environment.

corporate information

I. BOARD MEMBERS
Mr. Ravi Puravankara, Chairman
Mr. Ashish Ravi Puravankara, Managing Director
Mr. Nani R. Choksey, Joint Managing Director
Mr. RVS Rao, Independent Director
Mr. Pradeep Guha, Independent Director
Dr. Suchitra Kaul Misra, Independent Director

AUDIT COMMITTEE
Mr. RVS Rao (Chairman)
Mr. Ravi Puravankara (Member)
Mr. Pradeep Guha (Member)
Dr.Suchitra Kaul Misra (Member)

STAKEHOLDERS RELATIONSHIP COMMITTEE
Mr. RVS Rao (Chairman)
Mr. Nani R. Choksey (Member)
Mr. Ashish Ravi Puravankara (Member)

NOMINATION AND REMUNERATION COMMITTEE
Mr. Pradeep Guha (Chairman)
Mr. Ravi Puravankara (Member)
Mr. RVS Rao (Member)
Dr. Suchitra Kaul Misra (Member))

MANAGEMENT SUB COMMITTEE
Mr. Ravi Puravankara (Member)
Mr. Nani R. Choksey (Member)
Mr. Ashish Ravi Puravankara (Member))

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE
Mr. Ashish Ravi Puravankara (Member)
Mr. Nani R Choksey (Member)
Mr. RVS Rao (Member))

RISK MANAGEMENT COMMITTEE (RMC)
Mr. Ashish Ravi Puravankara (Member)
Mr. Nani R Choksey (Member)
Mr. R.V.S Rao (Member)
Mr. Pradeep Guha (Member))

II. Corporate Details
CHIEF FINANCIAL OFFICER
Mr. Kuldeep Chawla

COMPANY SECRETARY & COMPLIANCE OFFICER
Ms. Bindu D

REGISTERED OFFICE
Puravankara Limited (formerly Puravankara Projects Limited)
130/1, Ulsoor Road,
Bengaluru – 560042.

BANKERS
Andhra Bank Ltd.
Barclays Bank PLC
Dhanalaxmi Bank Ltd.
HDFC Bank Ltd.
ICICI Bank Ltd.
IDBI Bank Ltd.
IndusInd Bank Ltd.
Standard Chartered Bank PLC.

LEGAL COUNSEL:
M/s. Anup Shah S Law Firm
37, 7th Cross, Vasanthnagar,
Cunningham Road,
Bengaluru – 560052.

STATUTORY AUDITORS
Walker Chandiok & Co. LLP
(formerly Walker, Chandiok & Co.)
5th Floor, No.65/2
Block "A", Bagmane Tribid,
Bagmane Tech Park, CV Raman Nagar
Bengaluru – 560 091

INTERNAL AUDITORS
Ernst & Young LLP
13th Floor Canberra Block
UB City, Vittal Mallya Road
Bengaluru: 560001

COST AUDITORS
GNV & Associates
No.8, I Floor, 4th Main,
Chamarajapet
Bangalore – 560 018.

directors' report contents

directors' report

Dear Shareholders,

Your Directors have the pleasure of presenting the Thirty first Annual Report on the business and operations of the Company together with the audited results for the financial year ended March 31, 2017.

Further to the approval by the shareholders the name of the company was changed from 'Puravankara Projects Limited' to **'PURAVANKARA LIMITED'** vide approval of the Registrar of Companies on December 21, 2016, and the change took effect from January 10, 2017 on the website of the stock exchanges BSE Limited and National Stock Exchange Limited.

FINANCIAL HIGHLIGHTS (₹ Crore)

Particulars	Standalone		Consolidated	
	Fiscal 2017	Fiscal 2016	Fiscal 2017	Fiscal 2016
Total income (from operations)	976.47	1015.69	1407.12	1584.04
Profit before tax	117.56	109.98	160.96	127.67
Profit after tax/ Total profit for the year	100.51	86.11	127.11	82.85
Total Comprehensive income	100.46	86.47	127.14	83.31

Financial Performance

The standalone revenues of the Company stood at ₹976.47 crore compared to ₹1,015.69 crore in the previous fiscal, showing a nominal decrease of 3.86%. The operating cash flows were however better, profit after tax stood at ₹100.51 crore compared to ₹86.11 crore in the previous fiscal, showing an increase of 16.72%.

The consolidated revenues of the Company stood at ₹1,407.12 crore compared to ₹1,584.04 crore in the previous fiscal, showing a decrease of 11.16%. However, the total profit after tax for the year stood at ₹127.11 crore compared to ₹82.85 crore in the previous fiscal, showing an increase of 53.42%.

Dividend

Your Board approved a dividend policy for the Company at its meeting held on August 6, 2013. The said dividend policy indicates that the Company shall endeavour to pay 33.33% of the PAT (Profit after Tax) earned by the Company during each financial year, with regard to the business exigencies and general economic outlook for distribution as dividend to the shareholders, including dividend distribution tax and/ or such other taxes payable on dividend distributed.

In line with the aforesaid dividend policy, and in line with the results of the Company, the Board had recommended a final dividend amounting to ₹2.25 (Rupees two point two five only) per equity share (45%) on 237,149,686 equity shares of ₹5 each, for the financial year ended March 31, 2017, at its meeting held on May 29, 2017, as compared to a dividend of ₹0.782 per equity shares (15.61%) on237,149,686 equity shares of ₹5 each, for the financial year ended March 31, 2016.

The Register of Members and Share Transfer Books will remain closed from August 22, 2017 – August 29, 2017 (both days inclusive) for the purpose of payment of the final dividend for the financial year ended March 31, 2017. The Annual General Meeting (AGM) is scheduled to be held on August 29, 2017.

The total outflow on account of dividend would be as follows:

(₹ crore)

Particulars	March 31, 2017	March 31, 2016
Dividend	53.36	18.50
DDT	10.86	3.77
Total	**64.22**	**22.27**

Thus the dividend for the financial year ended March 31, 2017 at Rs. 53.36 crores, would be 29.39% higher than the dividend of Rs. 18.50 crores for the financial year ended March 31, 2016.

Transfer to Reserves

The Board has decided to pay a dividend of ₹2.25 (Rupees two point two five only) per equity share (45%) for the financial year ended March 31, 2017. Pursuant to Section 123 of the Companies Act, 2013, no amount has been transferred to the General Reserve.

Details of Adequacy of Internal Financial Controls (IFC)

Pursuant to Section 134(5) (e), your Company has a proper and adequate system of internal financial controls (IFC) in place to ensure that all transactions are authorized, recorded and reported correctly, and assets are safeguarded and protected against loss from unauthorized use or disposition and smooth functioning of its business. The processes and the systems are reviewed constantly and changed to address the changing regulatory and business environment. The control systems provide a reasonable assurance of recording the transactions of its operations in all material aspects and of providing protection against misuse or loss of Company's assets. In addition, there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls.

The ERP system which your Company had implemented has helped in further strengthening the IFC that are in place. The existing IFC and their adequacy are frequently reviewed and improved upon to meet the changing business environment. The internal auditors periodically review the internal control systems, policies and procedures for their adequacy, effectiveness, and continuous operation for addressing risk management and mitigation strategies.

Share Capital

The paid-up equity share capital remained unchanged at ₹118.58 crore as on March 31, 2017. There were no public issues, rights issues, bonus issues or preferential issues, etc. during the year.

The Company has not issued any shares with differential voting rights, sweat equity shares nor has it granted any stock options.

Debentures

During the year, your Company has not issued any debentures and the total debentures outstanding as on the date of this report is ₹ Nil.

Fixed Deposits

During the year, your Company did not invite nor accept any fixed deposits from the public and as such, there existed no outstanding principal or interest obligations for fixed deposits as on the Balance Sheet date.

Directors And Key Managerial Personnel (KMP)

Pursuant to Section 149(4) of the Companies Act, 2013, every listed company is required to have at least one-third of its directors to be independent directors. The Board has one half of its Directors in the category of independent directors in terms of Regulation 17 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Amendment Regulations, 2016 (hereinafter referred to as 'Listing Regulations'). Pursuant to Companies Act, 2013, at the AGM held on September 22, 2014, Mr. RVS Rao (DIN: 00061599) and Mr. Pradeep Guha (DIN: 00180427), 'Non-Executive Independent Directors' (NEID) were appointed as Non-Executive Independent Directors by the shareholders for a period of five years (from September 22, 2014 to September 21, 2019) and remuneration (in the form of commission) to be paid as decided by the Board of Directors of the Company, subject to the limits as approved by them at the same AGM .

In terms of the provisions of the Companies Act, 2013 and the Regulation 17 of the Listing Regulations the Board shall be comprised with at least one woman director.

Dr. Suchitra Kaul Misra (DIN: 02254365) was appointed as a Director in the capacity of Non-Executive Independent Director of the Company by the Board of Directors on March 21, 2016. At the AGM held on September 27, 2016, Dr. Suchitra Kaul Misra was appointed by the shareholders as Non-Executive Independent Director for a period of five years (from March 21, 2016 to March 20, 2021)

According to Section 149(13) of the Companies Act, 2013, the Independent Directors shall not be liable to retire by rotation.

All the continuing 'Non-Executive Independent Directors' have submitted the Declaration of Independence, pursuant to Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as per Section 149(6) of the said Act and Regulation 25 of the Listing Regulations.

The conditions relating to appointment of 'Non-Executive Independent Director' specified in the Act and the rules made thereunder and the Listing Regulations have been complied with.

The existing Whole-time Directors, Mr. Ravi Puravankara, Chairman, Mr. Ashish Ravi Puravankara, Managing Director, Mr. Nani R.Choksey, Joint Managing Director are liable to retire by rotation. In line with this requirement Mr.Ravi Puravankara, Chairman of the Company, is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible for reappointment offers himself for reappointment as a Director. The Board recommends his reappointment.

The criteria for performance evaluation of Independent Directors, Board, Committees and other individual Directors includes criteria for performance evaluation of the non-executive directors and executive directors. Pursuant to the provisions of Companies Act, 2013 and Regulation 25 of the Listing Regulations, the Board has carried out annual performance evaluation of its own performance, the directors individually.

Details of Directors seeking reappointment at the Annual General Meeting (pursuant to Regulation 36 of the Listing Regulations), forms part of the Notice of the Annual General Meeting.

Mr. Hari Ramakrishnan resigned as Chief Financial Officer on March 8, 2017. Your Directors place on record their appreciation of the valuable contribution made to the Company by Mr. Hari Ramakrishnan.

On the recommendation of the Nomination and Remuneration Committee and pursuant to section 203 of the Companies Act, 2013, Mr. Kuldeep Chawla was appointed as Chief Financial Officer w.e.f. March 8, 2017 and w.e.f. May 27, 2016, Ms. Bindu. D, was appointed as Company Secretary & as Compliance Officer of the Company under Listing Regulations w.e.f. the same date.

Mr. V. Ravi Kumar Reddy, Company Secretary and Compliance officer resigned w.e.f. May 2, 2016.

Meetings of the Board

Four meetings of the Board of Directors were held during the year in line with the requirement under the Listing Regulations and the interval between any two meetings did not exceed 120 days. For further details, please refer report on Corporate Governance forming part of this Annual Report.

Policies

Policies as required to be formulated under the Listing Regulations have been adopted by the Company. The following policies have been placed on the website of your Company.

1. Code of conduct for prevention of insider trading
2. Code of practices and procedures for fair disclosure of UPSI (Unpublished Price Sensitive Information).
3. Policy for determining material subsidiaries
4. Policy on materiality of related party transactions
5. Policy for corporate social responsibility
6. Nomination and remuneration policy including criteria for making payment to Directors (Non-Executive and Executive) and senior management personnel.
7. Risk management policy

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, your Directors hereby confirm that:

a) in preparation of the annual accounts the applicable accounting standards have been followed;

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the year ended March 31, 2017 and of the profit of the Company for that period;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

d) the annual accounts of the Company have been prepared on a 'going concern' basis.

e) the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Directors' Remuneration Policy and Criteria for Matters Required Under Section 178

The Board, as per the recommendation of the Nomination and Remuneration Committee, has framed a nomination and remuneration policy, providing (a) criteria for determining qualifications, positive attributes and independence of directors and (b) a policy on remuneration for directors, key managerial personnel and other employees. The detailed remuneration policy is placed on the Company's website: www. puravankara.com

Familiarisation Programme

With a view to familiarise the Independent Directors with the Company's operations, as required under Listing Regulation 25(7), the Company has held various familiarisation programmes throughout the year on an ongoing basis. Some of the familiarisation programmes carried out during the year, include:

1. Various presentations made by business heads of the Company from time to time on different functions and areas.
2. Deliberations were held and the Directors were updated from time to time on major developments in the areas of the Companies Act, 2013, the Listing Regulations.

The details of the familiarisation programmes are also placed on the Company's website: www.puravankara.com

Auditors & Auditors' Report

M/s. Walker Chandiok & Co. LLP, (formerly Walker, Chandiok & Co), Chartered Accountants, (LLP Registration No. 001076N/N500013), Statutory Auditors of the Company hold office till the conclusion of the ensuing Annual General Meeting.

Further to the recommendation of the Audit Committee the Board of Directors passed a resolution by circulation on May 09, 2017, whereby subject to the approval of the shareholders, the Board of Directors, approved the appointment of M/s. S R Batliboi & Associates LLP, Chartered Accountants, FRN 101049W/ E300004, as Statutory Auditors of the Company for a period of five years from the conclusion of ensuing 31st Annual General Meeting till the conclusion of 36th Annual General Meeting.

The Company has received from M/s. S R Batliboi & Associates LLP, Chartered Accountants, a consent letter to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3) (g) of the Companies Act, 2013.

Necessary details have been annexed to the Notice of the meeting in line with the requirements of the Companies Act, 2013.

The Consolidated Auditors' Report and the Standalone Auditors' Report to the shareholders for the year ended March 31, 2017 does not have any qualification.

Cost Auditors

The Board appointed M/s. GNV Associates, Cost Accountants; for conducting the audit of cost records of the Company for the financial year 2016-17.

Secretarial Audit

The Board appointed M/s JKS & Co., Company Secretaries to conduct the secretarial audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017 is attached herewith marked as Annexure I to this Report.

Particulars of Loans Given, Investments Made, Guarantees Given and Securities Provided

Particulars of loans given, investments made, guarantees given and securities provided are disclosed in Note 5 and 6 to the standalone financial statement of the Company.

Contracts and Arrangements with Related Parties

All contracts/arrangements/transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company did not enter into any new contracts/ arrangements/transactions with related parties which could be considered material in accordance with the Company's policy pertaining to the materiality of related party transactions.

The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website: www.puravankara.com

The details of the related party transactions are attached herewith as Annexure II Form AOC-2

Consolidated Financial Statements

The Consolidated Financial Statements pursuant to Section 129(3) of the Companies Act, 2013 and Regulation 33 and Regulation 34 of the Listing Regulations and prepared in accordance with the Indian Accounting Standards (IndAS) prescribed by the Institute of Chartered Accountants of India, forms part of this Annual Report.

The IndAS were notified by the Ministry of Corporate Affairs (MCA), vide its notification in the official gazette on Feburary 16, 2015, applicable to certain classes of companies. IndAS has replaced the existing Indian GAAP prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies Accounts Rules, 2014.

Your Company, its subsidiaries have adopted IndAS with effect from April 1, 2016 pursuant to the notification by Ministry of Corporate Affairs on February 16, 2015 notifying the Companies (Indian Accounting Standard) Rules, 2015. Your Company has published IND-AS Financials for the year ended March 31, 2017 along with comparable as on March 31, 2016 and Opening Statement of Assets and Liabilities as on April 1, 2015.

The accounting policies as set out in note 1 to the financial statements have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information is presented in the financial statements for the year ended March 31, 2016 and in the preparation of an opening IndAS balance sheet at April 1, 2015 (the Company's date of transition). The explanation to the transition from previous GAAP to IndAS and the effect on the Company's financial position, financial performance and cash flows is set out in Note 49 of the financial statements.

Subsidiaries

The Company has in all 25 subsidiary companies (including four step-down subsidiaries in India and a step-down subsidiary in Sri Lanka) out of which 22 companies are in India and three are abroad. Of these, Provident Housing Limited an unlisted Indian Company is a material subsidiary as defined under the Listing Regulations.

Pursuant to Regulation 24 of the Listing Regulations, an Independent Director on the Board of the Company shall be a Director on the Board of Directors of an unlisted material subsidiary. Mr. RVS Rao and Mr. Pradeep Guha, Independent Directors on the Board of the Company are also members of the Board of Provident Housing Limited, which is an unlisted material subsidiary. The Audit Committee of the Company reviews the financial statements of Provident Housing Limited, and its minutes are placed before the Board of Directors of the Company.

During the year, the following wholly-owned subsidiary companies were incorporated:

- Purva Pine Private Limited
- Purva Oak Private Limited

Three step down companies being wholly-owned subsidiaries of Provident Housing Limited, a subsidiary of the Company were incorporated:

- Argan Properties Private Limited
- Provident Meryta Private Limited
- Provident Cedar Private Limited

Details of companies which became/ceased to be Company's subsidiaries, joint ventures or associate companies are specified in Annexure III.

STATEMENT RELATING TO SUBSIDIARIES AND THEIR FINANCIAL STATEMENTS

Information regarding each subsidiary pertaining to capital, reserves, total assets, total liabilities, details of investment, turnover, profit before taxation, provision for taxation, profit after taxation/loss and proposed dividend are attached herewith as Annexure IV (i.e. Form AOC-1).

Your Directors hereby inform you that the audited annual accounts and related information of the subsidiaries will be available for inspection on any working day during business hours at the registered office of the Company.

In accordance with the provisions of Sections 136 of the Companies Act, 2013, the annual financial statements and the related documents of the subsidiary companies of the company are placed on the Company's website: www.puravankara.com

Material Changes and Commitments

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of this Report.

Further to the date of the Balance Sheet, the Company has entered into a facility agreement with ICICI Bank Limited to avail facility of Rs.150 crores for Purva Evoq Project.

Energy, Technology Absorption and Foreign Exchange

Information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo:

Technology absorption: Your Company firmly believes that adoption and use of technology is a fundamental business requirement for carrying out business effectively and efficiently. While the industry is labor intensive, we believe that mechanisation of development through technological innovations is the way to address the huge demand supply gap in the industry. We are constantly upgrading our technology to reduce costs and achieve economies of scale.

We have also invested in automating our processes to accelerate the decision making process and have implemented Ramco ERP software during the year for the entire group. We intend to continue this process of investment in technology as the business requirements arise with the goals of improved business processes, higher productivity, enhanced quality and lower costs.

Energy: The Company is in the business of property development and does not require large quantities of energy. However, wherever possible energy saving measures are undertaken across all our projects.

Foreign exchange: Foreign exchange earned during the year ended March 31, 2017 stood at ₹2.45 crore while the expenditure stood at ₹6.72crore.

Risk Management Policy

Information on the development and implementation of a risk management policy for the Company including identification therein of elements of risk which in the opinion of the Board may threaten the existence of the Company is given in the Corporate Governance Report.

Corporate Social Responsibility (CSR)

Puravankara Limited has had a commitment to invest in social causes even before the same was made mandatory under the Companies Act, 2013. Our CSR initiatives have focused on improving civic amenities, promoting interest in arts and sports apart from sponsoring education to the needy. Efforts include the development and maintenance of roads, parks, fire station and a war memorial, apart from supporting schools and crèches for the children of unskilled labourers as well as support to old-age homes.

Constitution of Corporate Social Responsibility Committee

According to Section 135 of the Companies Act, 2013 read together with Companies (Corporate Social Responsibility Policy) Rules, 2014 and revised Schedule VII to the said Act which came into effect from 1 April 2014, all companies having net worth of ₹500 crore or more, or turnover of ₹1,000 crore or more or a net profit of ₹5 crore or more during any financial year are required to constitute a Corporate Social Responsibility (CSR) Committee of the Board of Directors comprising three or more directors, with at least one of them being an independent director. The Company has complied with the requirement.

CSR Activities

Puravankara is firmly committed to drive change towards sustainability through strategic CSR initiatives. The Group's primary focus is to leverage the existing capabilities and expertise of the organisation to create a visible impact in the community. The initiatives driven by the Group are largely in the sphere of education, health and safety, arts, civic amenities as well as environment.

With a growing focus on the issues of global warming, the Group has consciously undertaken environment management measures and is nurturing and maintaining several parks/medians/nature strips around Bangalore. Puravankara is committed to a greener and healthier tomorrow. The public amenities maintained by the Group are at the Kamaraj Road Median, Anil Kumble Circle, Cubbon Road Median, New Indian Express Median in front of the Coffee Board, Marathalli Median, Domlur Park, Rest House Park. Recently we have been looking for further opportunities to be able to give back to the community. As part of this vision, we are in discussions with the Namma Metro Authorities to discuss how we can help support the sustainable maintenance of what we envision will be the life support of Bengaluru's mass transportation network.

In keeping with our strategy of supporting under- privileged children, Puravankara Limited's 100% subsidiary Provident Housing was happy to support Christel House Learning Center, a place for disadvantaged children to grow, achieve and realise their dreams. The mission of Christel House is to help orphaned, abandoned and underprivileged children break the cycle of poverty and to make them self-sufficient and contributing members of our society. A comprehensive, holistic approach to child development is essential to fulfil this mission. We hope to continue this partnership in the years to come.

The Group has also entered into an agreement with a Trust to promote education in the sphere of arts, especially theatre, dance and film making. The trust is managed by veteran artists and other renowned personalities who also organise international film festivals. The plan is to refurbish the theatre and the society building with the latest technology to aid teaching and performance via social programmes. To promote and perpetuate the education of arts, the Trust will collaborate with artists and also encourage participation of individuals- both these stakeholders have a unique role to play in community development.

This financial year also saw Puravankara join hands with the Wockhardt Foundation for a series of paediatric heart surgeries, supporting under privileged children. We hope to continue this association, and are exploring opportunities to create safe after-school learning spaces. wherein the learning experience for children can be augmented and at the same time also be diverse from the traditional educational methods.

Moving ahead, Puravankara Group will continue on the path of its commitment to sustainability, and as a valued partner in the community, contribute meaningfully to create a lasting impact in the larger ecosystem.

Puravankara is in the process of creating a Charitable Trust – Puravankara Foundation to sparehead the group's CSR activities.

The Annual report on CSR activities is attached herewith as Annexure V.

Extract of Annual Return

The extract of annual return of the Company, pursuant to Section 92 of the Companies Act, 2013 is attached herewith in form MGT-9 as Annexure VI to this Report.

Particulars of Employees and Related Disclosures

The statement containing particulars of employees, including ratio of remuneration to directors, among others as required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 are attached herewith as Annexure VII to this Report.

Corporate Governance

A separate section on Corporate Governance and a certificate from the Statutory Auditors of the Company regarding the compliance of the conditions of Corporate Governance as stipulated under Regulation 34 read with Schedule V of the Listing Regulations forms part of this Annual Report.

Management Discussion and Analysis

A separate section on management discussion and analysis as stipulated under Regulation 34 of the Listing Regulations forms part of this Annual Report.

Credit Rating

The long-term rating of the Company as per ICRA was reaffirmed as BBB with a stable outlook, in respect of the various fund and non-fund-based credit facilities totaling to ₹2500 crore sanctioned to the Company and ₹750 crore for Provident Housing Limited. The rating has been issued by ICRA during March 2017 and will be reviewed by them on an ongoing basis.

Shares Under Compulsory Dematerialisation:

The Company's equity shares are compulsorily tradable in electronic form. As on 31 March 2017, 0.0002% of the Company's total paid-up equity capital representing 402 shares (six shareholders) is in physical form and the remaining shares namely 237,149,284 (99.9998%) are in electronic form. In view of the numerous advantages offered by the depository system, the members holding shares in physical form are advised to avail of the facility of de-materialisation.

Particulars	Number of shares	%
DEMAT	237,149,284	99.9998%
PHYSICAL	402	0.0002%
TOTAL	**237,149,686**	**100%**

Insider Trading Regulations

SEBI had brought in a new regulation named as SEBI (Prohibition of Insider Trading Regulation) 2015, in place of SEBI Insider Trading Regulations, 1992. Pursuant to the new regulation, your Company has formulated a Code of Conduct for Prevention of Insider Trading & Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and the same is placed in the website of your Company.

Statutory Disclosures

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
2. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the 'going concern' status and Company's operations in future.
3. In compliance with the requirements of 'Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace Act, 2013', introduced by the Government of India, which came into effect from December 9, 2013, the Company has adopted a 'Policy to provide Protection Against Sexual Harassment of Women in Workplace', which has been displayed on the website of the Company. During the year one complaint of sexual harassment was received and disposed off.

ACKNOWLEDGEMENTS

Your Directors express their grateful appreciation for the assistance and co-operation received from the financial institutions, banks, governmental authorities, customers, vendors and shareholders during the financial year. Your Directors would also like to once again place on record their appreciation, for the employees across levels, who through their dedication, cooperation, support and intelligence have enabled the Company to move towards achieving its corporate objectives.

For and on Behalf of the Board of Directors

Ashish Ravi Puravankara
Managing Director & Chief Executive Officer
DIN: 00504524

Nani R. Choksey
Joint Managing Director
DIN: 00504555

Bengaluru
July 28, 2017

Annexure I to DIRECTORS' REPORT

secretarial audit report

To,
The Members
Puravankara Limited (Formerly Puravankara Projects Limited),
No.130/1, Ulsoor Road,
Bengaluru – 560042

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the further viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **JKS & Co.**
Company Secretaries

V. Karthick
Partner
Membership No. ACS – 11910
Certificate of Practice No. – 4680

Place : Bengaluru
Date : July 20, 2017

form no. MR-3

Secretarial Audit Report|
for the financial year ended March 31, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013
and Rule No.9 of the Companies (Appointment and
Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Puravankara Limited (Formerly Puravankara Projects Limited),
No.130/1, Ulsoor Road,
Bengaluru – 560042

We have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by Puravankara Limited (formerly Puravankara Projects Limited) (hereinafter called "the Company"). Secretarial Audit was conducted in the manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on 31st March, 2017 ("audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017 according to the provisions of:

(i) The Companies Act, 2013 (the 'Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Except for requirement of annual reporting, there was no instance / trigger leading to compliance under these Regulations;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 [Not Applicable to the Company during the audit period under review];

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 [Not Applicable to the Company during the audit period];

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [Not Applicable as the Company has not issued any debt securities during the audit period];

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients [Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the audit period];

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not Applicable as the Company has not delisted / proposed to delist its equity shares from any stock exchange during the audit period]; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [Not Applicable during the audit period];

(vi) Other laws applicable to the Company are:

a) The Building & Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996;

b) Transfer of Property Act, 1882

c) Registration Act, 1908

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As represented by the Company, all decisions at the Meetings of the Board of Directors and Board Committees are carried out unanimously or with requisite majority as recorded in the Minutes of the respective meetings as the case may be and no dissenting views were required to be recorded.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, special resolutions were passed through Postal Ballot:

1. approving the change of name of the Company from "Puravankara Projects Limited" to "Puravankara Limited". Necessary statutory approvals from MCA and Stock Exchanges were obtained.
2. to ratify the terms of facility availed from Standard Chartered Bank for Rs. 150 Crores in accordance with the provision of section 62(3) of the Companies Act, 2013 and to grant an option to the lender to convert the whole or part of the outstanding of any facilities into fully paid up equity shares of the Company on the terms and conditions as applicable.
3. fixing the borrowing powers of the Board including committee up to Rs. 3,500 Crores in terms of section 180(1)(c) of the Companies Act, 2013 and to empower the Board for creating of charge/ mortgage on the assets of the Company to secure such borrowings.
4. to enable the Company for issuing non-convertible debentures on Private Placement basis aggregating to Rs. 1,500 Crores. And further, approval was also obtained as per provisions of section 62(3) of the Companies Act, 2013 for enabling the conversion of such debentures into shares of the Company.

For **JKS & Co.**
Company Secretaries

V. Karthick
Partner
Membership No. ACS – 11910
Certificate of Practice No. – 4680

Place : Bengaluru
Date : July 20, 2017

ANNEXURE-II TO DIRECTORS' REPORT

form AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS

(a)	Name(s) of the related party and nature of relationship	There were no transaction or arrangement which were not at arm's length
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts/arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions.	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any:	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS

	Name of the Related Party	
(a)	Nature of Relationship	NIL
(b)	Nature of Contracts/ Transaction	
(c)	Duration of Contracts	
(d)	Salient Terms of Contracts/ Arrangements	
(e)	Value of Contracts/ Arrangement	
(f)	Justification For Entering Into Such Contracts	
(g)	Dates of Board Approval	
(h)	Amount Paid as Advance	
(i)	Date of Agreement	

ANNEXURE III TO DIRECTORS' REPORT

COMPANIES WHICH HAVE BECOME SUBSIDIARIES/ASSOCIATES/JOINT VENTURES DURING THE FINANCIAL YEAR 2016-17:

Sl. No.	Name of the Company/ Entity	Type	Remarks
1	Purva Oak Private Limited	Subsidiary	Wholly owned subsidiary w.e.f. September 01, 2016
2	Purva Pine Private Limited	Subsidiary	Wholly owned subsidiary w.e.f.July 14, 2016
3	Provident Cedar Private Limited*	Subsidiary	Wholly owned subsidiary w.e.f.November 03, 2016
4	Provident Meryta Private Limited*	Subsidiary	Wholly owned subsidiary w.e.f. August 29, 2016
5	Argan Properties Private Limited*	Subsidiary	Wholly owned subsidiary w.e.f. August 29, 2016
6	Kondhwa Projects LLP*	Subsidiary	Wholly owned subsidiary w.e.f. October 27, 2016

Step down subsidiary

COMPANIES WHICH CEASED TO BE SUBSIDIARIES/ASSOCIATES/JOINT VENTURES DURING THE FINANCIAL YEAR 2015-16:

Sl. No.	Name of the Company/ Entity	Type	Remarks
1	Purva Marine Properties Private Limited	Subsidiary	Ceased to be a subsidiary w.e.f. March 27, 2017
2	Puravankara Hotels Limited	Subsidiary	Ceased to be a subsidiary w.e.f. March 27, 2017
3	Purva Land Limited	Subsidiary	Ceased to be a subsidiary w.e.f. March 27, 2017
4	Puravankara UK Limited	Subsidiary	Ceased to be a subsidiary w.e.f. April 2, 2016

Annexure-A

Annexure IV to DIRECTORS' REPORT

Salient features of financial statements of subsidiaries/ associates/ joint ventures as per Companies Act, 2013

Form AOC -1

No.	Name of the subsidiary/ joint venture	Reporting period	Reporting Currency	Exchange rate	Share capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for Taxation	Profit/ (Loss)	Interim dividend paid	Proposed dividend	Percentage of shareholding/ economic interest	Date of acquiring interest in subsidiary
1	Prudential Housing & Infrastructure Development Limited	31-Mar-17	INR	N.A	0.05	(1.49)	0.43	1.87	-	-	(0.02)	-	(0.02)	-	-	100%	03-Nov-99
2	Centurions Housing and Constructions Private Limited*	31-Mar-17	INR	N.A	0.01	7.12	21.15	14.02	-	10.64	9.68	3.20	6.48	-	-	100%	22-Jun-00
3	Melmont Construction Private Limited	31-Mar-17	INR	N.A	0.01	(3.94)	131.51	135.44	-	0.03	(0.04)	-	(0.04)	-	-	100%	04-Oct-04
4	Purva Realities Private Limited	31-Mar-17	INR	N.A	0.01	(0.02)	35.97	35.98	-	-	(0.003)	-	0.00	-	-	100%	10-May-06
5	Grand Hills Developments Private Limited	31-Mar-17	INR	N.A	0.01	(0.02)	0.01	0.02	-	-	(0.001)	-	(0.001)	-	-	100%	10-Apr-07
6	Purva Ruby Properties Private Limited	31-Mar-17	INR	N.A	0.01	(0.53)	15.20	15.72	-	0.56	(0.11)	-	(0.11)	-	-	100%	10-Apr-07
7	Purva Sapphire Land Private Limited	31-Mar-17	INR	N.A	0.01	(0.04)	0.57	0.60	-	-	(0.001)	-	(0.001)	-	-	100%	10-Apr-07
8	Purva Star Properties Private Limited*	31-Mar-17	INR	N.A	0.01	75.37	218.71	143.34	-	76.44	28.40	9.94	18.46	-	-	100%	13-Apr-07
9	Nile Developers Private Limited	31-Mar-17	INR	N.A	0.10	6.72	21.21	14.39	-	-	(0.12)	-	(0.12)	-	-	100%	20-Dec-06
10	Vaigai Developers Private Limited	31-Mar-17	INR	N.A	0.10	4.99	16.60	11.50	-	-	(0.003)	-	(0.003)	-	-	100%	20-Dec-06
11	Starworth Infrastructure and Construction Limited*	31-Mar-17	INR	N.A	0.05	16.10	130.53	114.38	-	148.94	0.002	(0.05)	0.14	-	-	100%	13-Aug-08
12	Provident Housing Limited*	31-Mar-17	INR	N.A	0.05	314.65	1,144.45	893.86	64.11	336.20	35.15	11.38	23.76	-	-	100%	14-Nov-08
13	Jaganmata Property Developers Private Limited	31-Mar-17	INR	N.A	0.01	(0.01)	0.005	0.001	-	-	(0.003)	-	(0.003)	-	-	100%	27-Nov-15
14	Jyothishmati Business Centers Private Limited	31-Mar-17	INR	N.A	0.01	(0.01)	0.005	0.001	-	-	(0.001)	-	(0.001)	-	-	100%	26-Nov-15
15	Vagishwari Land Developers Private Limited	31-Mar-17	INR	N.A	0.01	(0.01)	0.005	0.001	-	-	(0.003)	-	(0.003)	-	-	100%	27-Nov-15
16	Varishtha Property Developers Private Limited	31-Mar-17	INR	N.A	0.01	(0.01)	0.005	0.001	-	-	(0.003)	-	(0.003)	-	-	100%	20-Nov-15
17	Purva Pine Private Limited	31-Mar-17	INR	N.A	0.01	(0.003)	0.01	0.001	-	-	(0.003)	-	(0.003)	-	-	100%	14-Jul-16
18	Purva Oak Private Limited	31-Mar-17	INR	N.A	0.01	(0.003)	0.01	0.001	-	-	(0.003)	-	(0.003)	-	-	100%	01-Sep-16
19	Provident Meryta Private Limited	31-Mar-17	INR	N.A	0.01	(0.002)	0.01	0.002	-	-	(0.002)	-	(0.002)	-	-	100%	29-Aug-16
20	Argan Properties Private Limited	31-Mar-17	INR	N.A	0.01	(0.002)	0.01	0.002	-	-	(0.002)	-	(0.002)	-	-	100%	29-Aug-16
21	Provident Cedar Private Limited	31-Mar-17	INR	N.A	0.01	(0.002)	0.01	0.002	-	-	(0.002)	-	(0.002)	-	-	100%	03-Nov-16
22	Kondhwa Projects LLP	31-Mar-17	INR	N.A	-	-	-	-	-	-	-	-	-	-	-	100%	07-Oct-16
23	Pune Projects LLP *@	31-Mar-17	INR	N.A	0.05	(6.69)	108.88	115.52	-	0.03	(8.18)	(2.53)	(5.65)	-	-	32%	27-Oct-14
24	Purva Good Earth Properties (Private) Limited *	31-Mar-17	INR	N.A	0.01	(0.11)	258.57	258.67	-	-	(0.05)	-	(0.05)	-	-	100%	10-Apr-06
25	Welworth Lanka Holding (Private) Limited#*	31-Mar-17	LKR	0.43	12.21	(0.15)	0.58	0.57	12.04	-	(0.01)	-	(0.01)	-	-	100%	06-Dec-06
26	Welworth Lanka Private Limited#	31-Mar-17	LKR	0.43	12.04	(4.26)	8.47	0.69	-	-	(1.04)	-	(1.04)	-	-	100%	06-Dec-05
27	Purva Corporation $	31-Mar-17	USD	64.90	0.045	(0.09)	0.06	0.11	-	-	(0.03)	-	(0.03)	-	-	100%	02-Jun-05

* *The Company has commenced operations. The remaining companies are yet to commence operations*

@ *Pune Projects LLP is joint venture*

$ *Purva Corporation was dissolved with effect from March 27, 2017*

\# *Companies incorported in Sri Lanka. Purva Coporation was incorporated in UK. The remaining companies were incorporated in India*

INFORMATION OF THE ASSOCIATES FOR THE YEAR ENDED 31 MARCH 2017

(₹ Crores)

Sl. No.	Particulars	Keppel Puravankara Development Private Limited	Propmart Technologies Limited	Sobha Puravankara Aviation Private Limited
1	Latest audited balance sheet date	31 March 2016	31 March 2016	31 March 2016
2	Shares of associate held by the company on the year end			
	(a) Numbers	44,10,000	23,35,000	47,75,000
	(b) Amount of investment in associates	4.41	2.34	4.78
	(c) Extent of holding (%)	49.00%	32.83%	49.75%
3	Description of how there is significant influence	Control	Control	Control
4	Reason why the associate is not consolidated	-	-	-
5	Networth attributable to shareholding as per latest audited balance sheet (as on 31.03.2016)	95.65	(30.36)	(88.64)
6	Profit/(loss) for the year	(1.17)	(1.81)	(13.85)
	(a) Considered in consolidation*	(0.57)	(0.60)	-
	(b) Not considered in consolidation	-	-	-

**during the year 2016-17*

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

Ashish Ravi Puravankara
Managing Director
DIN: 00504524

Nani R Choksey
Joint Managing Director
DIN: 00504555

Kuldeep Chawla
Chief Financial Officer

Bindu D
Company Secretary
M No 23290

ANNEXURE V TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2016-17

1	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs and the composition of CSR Committee.	Refer Sections: (a) Corporate Social Responsibility and (b) Disclosures: CSR Committee in this Report (c) www.puravankara.com
2	Average net profit of the Company for last three financial years	113.93
3	Prescribed CSR expenditure (two percent of the amount mentioned in item 2 above)	2.28

DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:

4	Total amount to be spent for the financial year	2.29
5	Amount unspent, if any	N.A.
6	Manner in which the amount spent during the financial year	Details given below

DETAILS OF AMOUNT SPENT ON CSR ACTIVITIES DURING THE FINANCIAL YEAR 2016-17

Sl No	CSR project or Activity Identified	Sector in which the project is covered	Project of Program (1) Local Area or Other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) Project or Program wise	Amount spent on the Projects or Programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads	Cumulative Expenditure upto the reporting period i.e. FY 2016- 2017	Amount Spent Direct or through Implementing Agency
				(in crore)	(in crore)	(in crore)	
	Education						
1	Charity given to Educational Society	Promoting education	Bengaluru, Karnataka	0.25	0.25	0.25	Direct
2	Donation paid to "The Secretary Udinur Educational Society"	Promoting education	Bengaluru, Karnataka	0.01	0.01	0.01	Direct
	Environment						
3	Median, Garden & park maintenance charges at Cubbon Road, Anil Kumble Road, Domlur Road, Indian express etc, security maintenance at War memorial, Rest House park, Purva park etc. and other charges like wages, water supply, repairs & maintenance.	Ensuring environmental sustainability, protection of flora & fauna	Bengaluru, Karnataka	0.73	0.73	0.73	Direct
	Promotion of Arts & Culture						
4	Supply of material for promoting Arts and Cinema	Promoting art & culture	Bengaluru, Karnataka	1.30	1.30	1.30	Direct
			TOTAL	2.29	2.29	2.29	

Reasons for not spending the Amount : Not Applicable

Responsibility statement

We hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of the CSR projects and activities in compliance with our CSR objectives.

The Implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR Objectives and Policy of the Company.

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

Ashish Ravi Puravankara
Managing Director
DIN: 00504524

R V S Rao
Independent Director, Member - CSR Committee
DIN: 00061599

ANNEXURE VI TO DIRECTORS' REPORT

MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended 31 March 2017
[Pursuant to section 92(3) of the Companies Act, 2013
and rule 12(1) of the Companies (Management and
Administration) Rules, 2014]

I. Registration and Other Details:

Particulars	Details
CIN	L45200KA1986PLC051571
Registration date	June 3, 1986
Name of the Company	PURAVANKARA LIMITED (formerly Puravankara Projects Limited
Category/Sub-Category of the Company	Company having share capital
Address of the Registered office	#130/1, Ulsoor Road, Bengaluru- 560042.
Contact Details	investors@puravankara.com
Whether listed company	Yes
Transfer Agent, if any	Link Intime India Private Limited C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400083, Maharashtra.

II. Principal Business Activities of the Company

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

SI. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Construction of buildings carried out on own-account basis or on a fee or contract basis	41001	100%
	Total		100%

III.Particulars of Holding, Subsidiary and Associate Companies -

SI. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Nile Developers Private Limited	No.36/2, Gandhi Mandapam Road, Kotturpuram Chennai Chennai TN 600085 IN	U45200TN2006PTC061798	Subsidiary	100%	2(87)(ii)
2	Vaigai Developers Private Limited	No.36/2, Gandhi Mandapam Road, Kotturpuram Chennai Chennai TN 600085 IN	U45200TN2006PTC061799	Subsidiary	100%	2(87)(ii)
3	Centurions Housing & Constructions Private Limited	No.36/2, Gandhi Mandapam Road, Kotturpuram Chennai Chennai TN 600085 IN	U70101TN2000PTC045241	Subsidiary	100%	2(87)(ii)
4	Melmont Construction Private Limited	130/1, Ulsoor Road, Bangalore - 560042.	U74210KA2004PTC034801	Subsidiary	100%	2(87)(ii)
5	Purva Realities Private Limited	130/1, Ulsoor Road, Bangalore - 560042.	U45202KA2006PTC039259	Subsidiary	100%	2(87)(ii)
6	Purva Good Earth Properties Private Limited*	130/1, Ulsoor Road, Bangalore - 560042.	U45201KA2007PTC042436	Subsidiary	100%	2(87)(ii)

Sl. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
7	Purva Star Properties Private Limited	130/1, Ulsoor Road, Bangalore - 560042.	U45201KA2007PTC042489	Subsidiary	100%	2(87)(ii)
8	Purva Sapphire Land Private Limited	130/1, Ulsoor Road, Bangalore - 560042.	U45201KA2007PTC042437	Subsidiary	100%	2(87)(ii)
9	Purva Ruby Properties Private Limited	130/1, Ulsoor Road, Bangalore - 560042.	U45203KA2007PTC042433	Subsidiary	100%	2(87)(ii)
10	Grand Hills Developments Private Limited	130/1, Ulsoor Road, Bangalore - 560042.	U45203KA2007PTC042435	Subsidiary	100%	2(87)(ii)
11	Provident Housing Limited	130/1, Ulsoor Road, Bangalore - 560042.	U45200KA2008PLC048273	Subsidiary	100%	2(87)(ii)
12	Starworth Infrastructure & Construction Limited	130/1, Ulsoor Road, Bangalore - 560042.	U45201KA2008PLC047441	Subsidiary	100%	2(87)(ii)
13	Prudential Housing and Infrastructure Development Limited	130/1, Ulsoor Road, Bangalore - 560042.	U45200MH1999PLC122523	Subsidiary	100%	2(87)(ii)
14	Jaganmata Property Developers Private Limited	Puravankara Projects Limited,Survey No-08,Opp to Mahindra Satyam,Side line of Godrej Green Building Kondapura Kurnool TG 500033 IN	U45206TG2015PTC101944	Subsidiary	100%	2(87)(ii)
15	Vagishwari Land Developers Private Limited	Puravankara Projects Limited,Survey No-08,Opp to Mahindra Satyam,Side line of Godrej Green Building Kondapura Kurnool TG 500033 IN	U45208TG2015PTC101945	Subsidiary	100%	2(87)(ii)
16	Varishtha Property Developers Private Limited	Puravankara Projects Limited,Survey No-08,Opp to Mahindra Satyam,Side line of Godrej Green Building Kondapura Kurnool TG 500033 IN	U45208TG2015PTC101839	Subsidiary	100%	2(87)(ii)
17	Jyothishmati Business Centers Private Limited	Puravankara Projects Limited,Survey No-08,Opp to Mahindra Satyam,Side line of Godrej Green Building Kondapura Kurnool TG 500033 IN	U45208TG2015PTC101935	Subsidiary	100%	2(87)(ii)
18	Purva Oak Private Limited	130/2, Ulsoor Road, Bangalore - 560042.	U45309KA2016PTC096197	Subsidiary	100%	2(87)(ii)
19	Purva Pine Private Limited	130/2, Ulsoor Road, Bangalore - 560042.	U45200KA2016PTC094977	Subsidiary	100%	2(87)(ii)
20	Provident Cedar Private Limited*	130/2, Ulsoor Road, Bangalore - 560042.	U45309KA2016PTC097552	Subsidiary	100%	2(87)(ii)
21	Provident Meryta Private Limited*	130/2, Ulsoor Road, Bangalore - 560042.	U45500KA2016PTC096065	Subsidiary	100%	2(87)(ii)
22	Argan Properties Private Limited*	130/2, Ulsoor Road, Bangalore - 560042.	U45500KA2016PTC096089	Subsidiary	100%	2(87)(ii)

SI. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
23	Keppel Puravankara Development Private Limited	No. 39, 8th Main, 1A Cross,Vasanthnagar, Opp. Mount Carmel College,Bangalore-560052	U74210KA2004PTC034178	Associates	49%	2(6)
24	Propmart Technologies Limited	130/1, Ulsoor Road, Bangalore - 560042.	U72200KA2000PLC026967	Associates	32.83%	2(6)
25	Sobha Puravankara Aviation Private Limited	# 900/1, 1st Cross Geetanjali Layout HAL 3rd Stage, New Thippasandra Bangalore- 560075	U62200KA2010PTC056061	Associates	49.75%	2(6)
26	Purva Corporation$	International Trust Building, Road Town, Tortola, British Virgin Islands.	–N/A–	Foreign Subsidiary	100%	2(87)(ii)
27	Welworth Lanka (Private) Ltd.	Eigth Floor, East Tower, WTC, Colombo-01	–N/A–	Foreign Subsidiary	100%	2(87)(ii)
28	Welworth Lanka Holding Private Limited	C/0 Varners, Level 14, West Tower, World Trade Centre, Colombo 1	–N/A–	Foreign Subsidiary	100%	2(87)(ii)

* *Step down subsidiary of Puravankara Limited as it is a subsidiary of Provident Housing Limited (a Subsidiary of the Company)*

Information relating to Pune Projects LLP , Kondhwa Projects LLP is not provided as the above list relates to companies

$ *Purva Corporation was dissolved with effect from March 27, 2017*

IV. Share holding pattern (Equity Share Capital Break-up as percentage of Total Equity

i) Category-wise Share Holding

SI. No	Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	17,78,62,264	0	17,78,62,264	75.00	9,360	0	9,360	0.00	(75.00)
(b)	Central Government / State Government(s)	0	0	0	0	0	0	0	0.00	0
(c)	Financial Institutions / Banks	0	0	0	0	0	0	0	0.00	0
(d)	Any Other (Specify)									
	Sub Total (A)(1)	17,78,62,264	0	17,78,62,264	75.00	9,360	0	9,360	0.00	(75.00)
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0	17,78,52,904	0	17,78,52,904	75.00	75.00
(b)	Government	0	0	0	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0	0	0	0
(d)	Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	0	0	0	17,78,52,904	75.00	75.00
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	17,78,62,264	0	17,78,62,264	75.00	17,78,62,264	0	17,78,62,264	75.00	0
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	97,24,003	0	97,24,003	4.10	6,00,000	0	6,00,000	0.25	(3.85)

Sl. No	Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
(b)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(c)	Alternate Investment Funds	0	0	0	0	0	0	0	0	0
(d)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(e)	Foreign Portfolio Investor	3,58,88,125	0	3,58,88,125	15.13	4,10,40,842	0	4,10,40,842	17.31	2.17
(f)	Financial Institutions / Banks	31,564	0	31,564	0.01	1,18,250	0	1,18,250	0.05	0.04
(g)	Insurance Companies	18,81,275	0	18,81,275	0.79	18,81,275	0	18,81,275	0.79	0.00
(h)	Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0
(i)	Any Other (Specify)									
	Sub Total (B)(1)	4,75,24,967	0	4,75,24,967	20.04	4,36,40,367	0	4,36,40,367	18.40	(1.64)
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	0	0	0	0	0	0
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	45,99,586	402	45,99,988	1.94	70,21,459	402	70,21,861	2.96	1.02
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	4,34,390	0	4,34,390	0.18	19,57,969	0	19,57,969	0.83	0.64
(b)	NBFCs registered with RBI	0	0	0	0	0	0	0	0	0
(c)	Employee Trusts	0	0	0	0	0	0	0	0	0
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0	0	0	0	0	0
(e)	Any Other (Specify)									
	Hindu Undivided Family	2,39,235	0	2,39,235	0.10	3,59,040	0	3,59,040	0.15	0.05
	Non Resident Indians (Non Repat)	36,230	0	36,230	0.02	1,44,990	0	1,44,990	0.06	0.05
	Other Directors	1,920	0	1,920	0.00	1,920	0	1,920	0.00	0
	Non Resident Indians (Repat)	2,92,308	0	2,92,308	0.12	4,25,715	0	4,25,715	0.18	0.06
	Independent Director	2,000	0	2,000	0.00	0	0	0	0	0.00
	Clearing Member	4,26,041	0	4,26,041	0.18	7,47,393	0	7,47,393	0.32	0.14
	Bodies Corporate	57,30,343	0	57,30,343	2.42	49,88,167	0	49,88,167	2.10	(0.31)
	Sub Total (B)(3)	**1,17,62,053**	**402**	**1,17,62,455**	**4.96**	**1,56,46,653**	**402**	**1,56,47,055**	**6.60**	**1.64**
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	**5,92,87,020**	**402**	**5,92,87,422**	**25.00**	**5,92,87,020**	**402**	**5,92,87,422**	**25.00**	**0.00**
	Total (A)+(B)	23,71,49,284	402	23,71,49,686	100.00	23,71,49,284	402	23,71,49,686	100.00	0.00
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	0	0	0	0	0	0
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0	0	0	0
	Total (A)+(B)+(C)	23,71,49,284	402	23,71,49,686	100.00	23,71,49,284	402	23,71,49,686	100.00	0.00

ii) Shareholding of Promoters'

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year -2016-17			Cumulative Shareholding during the year-2016-17		
		No. of shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares
1	Mr. Ravi Puravankara	17,78,52,904	75	0	17,78,52,904	75	0
2	Mr. Ashish Ravi Puravankara	4,800	0	0	4,800	0	0
3	Mrs. Vishalakshi Puravankara	1,920	0	0	1,920	0	0
4	Mrs. Aarati Puravankara	1,440	0	0	1,440	0	0
5	Mrs. Amanda Puravankara	1,200	0	0	1,200	0	0
	TOTAL	17,78,62,264	75	0	17,78,62,264	75	0

iii) Change in Promoters' Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year (TOTAL)	17,78,62,264.00	75.00	17,78,62,264.00	75.00
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	**17,78,62,264.00**	**75.00**	**17,78,62,264.00**	**75.00**

Note : There is no change in the total shareholding of promoters between April 01, 2016 and March 31, 2017.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		NO.OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	**GHI LTP LTD**				
	AT THE BEGINNING OF THE YEAR	74,44,498	0.03	74,44,498	0.03
	Date 22/07/2016 (Increase of shareholding due to Purchase)	4,00,000	0.17	78,44,498	3.31
	Date 07/10/2016 (Increase of shareholding due to Purchase)	3,00,000	0.13	81,44,498	3.43
	Date 14/10/2016 (Increase of shareholding due to Purchase)	1,60,126	0.07	83,04,624	3.50
	Date 21/10/2016 (Increase of shareholding due to Purchase)	17,00,000	0.72	1,00,04,624	4.22
	AT THE END OF THE YEAR			1,00,04,624	4.22
2	**ATYANT CAPITAL INDIA FUND I**				
	AT THE BEGINNING OF THE YEAR	68,94,932	2.91	68,94,932	2.91
	Date 07/10/2016 (Increase of shareholding due to Purchase)	1,00,000	0.04	69,94,932	2.95
	Date 13/01/2017 (Increase of shareholding due to Purchase)	5,00,000	0.21	74,94,932	3.16
	Date 20/01/2017 (Increase of shareholding due to Purchase)	2,00,000	0.08	76,94,932	3.24
	Date 10/02/2017 (Increase of shareholding due to Purchase)	7,00,000	0.30	83,94,932	3.54
	AT THE END OF THE YEAR			83,94,932	3.54

Sr No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		NO.OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
3	**VANDERBILT UNIVERSITY A/C VANDERBILT UNIVERSITY - ATYANT CAPITAL MANAGEMENT LIMITED**				
	AT THE BEGINNING OF THE YEAR	32,59,952	1.37	32,59,952	1.37
	Date 22/07/2016 (Increase of shareholding due to Purchase)	4,00,000	0.17	36,59,952	1.54
	Date 28/10/2016 (Increase of shareholding due to Purchase)	5,00,000	0.21	41,59,952	1.75
	Date 11/11/2016 (Increase of shareholding due to Purchase)	4,00,000	0.17	45,59,952	1.92
	Date 20/11/2016 (Increase of shareholding due to Purchase)	3,00,000	0.13	48,59,952	2.05
	Date 10/2/2016 (Increase of shareholding due to Purchase)	2,14,000	0.09	50,73,952	2.14
	AT THE END OF THE YEAR			50,73,952	2.14
4	**COLLEGE RETIREMENT EQUITIES FUND - STOCK ACCOUNT**				
	AT THE BEGINNING OF THE YEAR	43,46,170	1.83	43,46,170	1.83
	Date 27/01/2017 (Increase of shareholding due to Purchase)	1,331	0.00	43,47,501	1.83
	AT THE END OF THE YEAR			43,47,501	1.83
5	**GHI JBD LTD**				
	AT THE BEGINNING OF THE YEAR	24,90,748	0.01	24,90,748	0.01
	Date 22/07/2016 (Increase of shareholding due to Purchase)	2,00,000	0.08	26,90,748	1.13
	Date 7/10/2016 (Increase of shareholding due to Purchase)	1,50,000	0.06	28,40,748	1.20
	Date 21/10/2016 (Increase of shareholding due to Purchase)	10,00,000	0.42	38,40,748	1.62
	Date 11/11/2016 (Increase of shareholding due to Purchase)	2,86,000	0.12	41,26,748	1.74
	AT THE END OF THE YEAR			41,26,748	1.74
6	**GHI HSP LTD**				
	AT THE BEGINNING OF THE YEAR	18,19,398	0.01	18,19,398	0.01
	Date 22/07/2016 (Increase of shareholding due to Purchase)	1,20,000	0.05	19,39,398	0.82
	Date 23/09/2016 (Increase of shareholding due to Purchase)	5,00,000	0.21	24,39,398	1.03
	Date 07/10/2016 (Increase of shareholding due to Purchase)	4,00,000	0.17	28,39,398	1.20
	Date 21/10/2016 (Increase of shareholding due to Purchase)	6,54,000	0.28	34,93,398	1.47
	Date 11/11/2016 (Increase of shareholding due to Purchase)	4,00,000	0.17	38,93,398	1.64
	AT THE END OF THE YEAR			38,93,398	1.64
7	**LIFE INSURANCE CORPORATION OF INDIA**				
	AT THE BEGINNING OF THE YEAR	18,33,765	0.77	18,33,765	0.77
	AT THE END OF THE YEAR			18,33,765	0.77
8	**GHI ERP Ltd**				
	AT THE BEGINNING OF THE YEAR	11,22,863	0.47	11,22,863	0.47
	Date 15/07/2016 (Increase of shareholding due to Purchase)	80,000	0.03	12,02,863	0.51
	Date 07/10/2016 (Increase of shareholding due to Purchase)	50,000	0.02	12,52,863	0.53
	Date 21/10/2016 (Increase of shareholding due to Purchase)	5,00,000	0.21	17,52,863	0.74
	AT THE END OF THE YEAR			17,52,863	0.74
9	**SAMMYS DREAMLAND CO PVT LTD**				
	AT THE BEGINNING OF THE YEAR	5,63,523	0.24	5,63,523	0.24
	Date 08/04/2016 (Increase of shareholding due to Purchase)	1,13,837	0.05	6,77,360	0.29
	Date 15/04/2016 (Increase of shareholding due to Purchase)	48,669	0.02	7,26,029	0.31
	Date 29/04/2016 (Increase of shareholding due to Purchase)	553	0.00	7,26,582	0.31
	Date 13/05/2016 (Increase of shareholding due to Purchase)	1,74,323	0.07	9,00,905	0.38

Sr No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		NO.OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	Date 17/06/2016 (Increase of shareholding due to Purchase)	1,67,400	0.07	10,68,305	0.45
	Date 30/06/2016 (Increase of shareholding due to Purchase)	90,270	0.04	11,58,575	0.49
	Date 08/07/2016 (Increase of shareholding due to Purchase)	2,00,000	0.08	13,58,575	0.57
	Date 22/07/2016 (Increase of shareholding due to Purchase)	50,000	0.02	14,08,575	0.59
	Date 07/10/2016 (Increase of shareholding due to Purchase)	38,891	0.02	14,47,466	0.61
	Date 25/11/2016 (Increase of shareholding due to Purchase)	49,585	0.02	14,97,051	0.63
	Date 02/12/2016 (Increase of shareholding due to Purchase)	39,014	0.02	15,36,065	0.65
	Date 09/12/2016 (Decrease of shareholding due to Sale)	-7,09,971	-0.30	8,26,094	0.35
	Date 30/12/2016 (Increase of shareholding due to Purchase)	2,46,872	0.10	10,72,966	0.45
	Date 06/01/2017 (Increase of shareholding due to Purchase)	3,95,000	0.17	14,67,966	0.62
	Date 20/01/2017 (Increase of shareholding due to Purchase)	1,13,259	0.05	15,81,225	0.67
	Date 27/01/2017 (Decrease of shareholding due to Sale)	-5,606	-0.00	15,75,619	0.66
	Date 10/02/2017 (Decrease of shareholding due to Sale)	-2,441	-0.00	15,73,178	0.66
	Date 23/02/2017 (Decrease of shareholding due to Sale)	-835	-0.00	15,72,343	0.66
	Date 03/03/2017 (Decrease of shareholding due to Sale)	-2,64,921	-0.11	13,07,422	0.55
	Date 10/03/2017 (Decrease of shareholding due to Sale)	-4,428	-0.00	13,02,994	0.55
	Date 17/03/2017 (Increase of shareholding due to Purchase)	1,05,001	0.04	14,07,995	0.59
	Date 24/03/2017 (Increase of shareholding due to Purchase)	1,04,138	0.04	15,12,133	0.64
	AT THE END OF THE YEAR			15,12,133	0.64
10	**COLLEGE RETIREMENT EQUITIES FUND - GLOBAL EQUITIES ACCOUNT**				
	AT THE BEGINNING OF THE YEAR	11,13,028	0.47	11,13,028	0.47
	Date 16/09/2016 (Increase of shareholding due to Purchase)	19,808	0.01	11,32,836	0.48
	Date 23/09/2016 (Increase of shareholding due to Purchase)	85,056	0.04	12,17,892	0.51
	Date 27/01/2017 (Increase of shareholding due to Purchase)	70,136	0.03	12,88,028	0.54
	AT THE END OF THE YEAR			12,88,028	0.54

Note:
1. Paid up Share Capital of the Company (Face Value Rs. 5.00) at the end of the year is 237149686 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Director and Key Managerial Personnel	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	A. Directors					
1	Mr. Ravi Puravankara	At the beginning of the year	17,78,52,904	75.00	17,78,52,904	75
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
		At the End of the year	17,78,52,904	75	17,78,52,904	75
2	Mr. Ashish Ravi Puravankara	At the beginning of the year	4,800	0.00	4,800	0.00
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
		At the End of the year	4,800	0.00	4,800	0.00
3	Mr. Nani R. Choksey	At the beginning of the year	1,920	0.00	1,920	0.00
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
		At the End of the year	1,920	0.00	1,920	0.00
4	Mr. RVS Rao	At the beginning of the year	2,000	0.00	2,000	0.00
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
		At the End of the year	2,000	0.00	2,000	0.00
5	Mr. Pradeep Guha is Independent Director and his shareholding in the company was/is NIL					
6	Dr. Suchitra Kaul Misra is Independent Director and her shareholding in the company was/is NIL					
	B. Key Managerial Personnel					
7	Mr.Hari Ramakrishnan resigned as Chief Financial Officer w.e.f. March 8, 2017 and his shareholding in the Company was NIL.					
8	Mr. Kuldeep Chawla was appointed as Chief Financial Officer w.e.f. March 8, 2017 and his shareholding in the Company was/is NIL					
9	Ms. Bindu D, was appointed as, Company Secretary, w.e.f. May 27, 2016 and her shareholding in the company was/is NIL					
10	Mr. Ravi Kumar Reddy, Company Secretary, resigned as Company Secretary w.e.f. May 02, 2016 and his shareholding in the company was/is NIL					

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment as on March 31, 2017

₹ in crores

Particulars	Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,109.67	354.21	343.00	1,806.88
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.84	-	-	1.84
Total (i+ii+iii)	**1111.51**	**354.21**	**343.00**	**1808.72**
Change in Indebtedness during the financial year				
o Addition	883.62	0.20	39.20	923.02
o Reduction	830.37	256.94	91.25	1,178.56
o Unamortised Pfocessing Fee adjusted	17.89	-	-	17.89
Net Change	35.36	(256.74)	(52.05)	(273.43)
Indebtedness at the end of the financial year				
i) Principal Amount	1146.87	97.47	290.95	1535.29
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.29	-	-	0.29
Total (i+ii+iii)	**1147.16**	**97.47**	**290.95**	**1,535.58**

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Mr. Ravi Puravankara	Mr. Ashish Ravi Puravankara	Mr. Nani R Choksey
1	Gross Salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	2.48	2.00	2.00
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
(c)	Profits in lieu of salaryunder section 17(3)Income- tax Act, 1961	-	-	-
	Others- Commission	-	-	-
	Others- Director Sitting Fees	-	-	-
	TOTAL	2.48	2.00	2.00

B. Remuneration to Independent Directors

₹ in crores

Sl. No.	Particulars of Remuneration	Mr. R V S Rao	Mr. Pradeep Guha	Ms. Suchitra Misra
1	Gross Salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	-	-	-
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
(c)	Profits in lieu of salaryunder section 17(3)Income- tax Act, 1961	-	-	-
	Others- Commission	0.12	0.12	0.12
	Others- Director Sitting Fees	0.07	0.03	0.08
	TOTAL	0.19	0.15	0.20

C. Remuneration to Key Managerial Personnel

Sl. No	Particulars of Remuneration	Mr. V. Ravi Kumar Reddy #	Mr. Hari Ramakrishnan@	Ms. Bindu D*	Mr. Kuldeep Chawla $
1	Gross Salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	0.03	0.60	0.14	0.12
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00	0.00	-
(c)	Profits in lieu of salaryunder section 17(3)Income- tax Act, 1961			-	-
	Others- Commission			-	-
	Others- Director Sitting Fees			-	-
	TOTAL	0.03	0.60	0.14	0.12

 # Resigned w.e.f. May 2, 2016

@Ceased office w.e.f. March 8, 2017

**Appointed w.e.f. May 8, 2016*

$Appointed w.e.f. March 8, 2017

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compunding fees imposed	Authority [RD / NCLT / COURT]	Appeal made if any (give Details)
A. Company					
Penalty			NIL		
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

ANNEXURE VII TO DIRECTORS' REPORT

DETAILS OF RATIO OF REMUNERATION OF DIRECTOR [SECTION 197(12), R/W RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014

I. the ratio of the remuneration of each whole-time director to the median remuneration of the employees of the company for the financial year;	**Name**	**Ratio to the median**
	Mr. Ravi Puravankara	45.52%
	Mr. Ashish Ravi Puravankara	31.16%
	Mr. Nani R. Choksey	33.26%
II. II. the percentage increase in remuneration of each whole-time director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	**Name**	**% Increase**
	Mr. Ravi Puravankara	0.02%
	Mr. Ashish Ravi Puravankara	21.26%
	Mr. Nani R. Choksey	22.14%
	Percentage increase in remuneration of Mr. V. Ravi Kumar Reddy, Company Secretary and Mr. Hari Ramakrishnan, Chief Financial Officer, is not given as they ceased office w.e.f. May 02, 2016 and March 08, 2017 respectively.	
	Percentage increase in remuneration of Ms.Bindu D, Company Secretary and Mr.Kuldeep Chawla, Chief Financial Officer is not given as they were appointed during the year ie. on May 27, 2016 and March 08, 2017 respectively.	
III. the percentage increase in the median remuneration of employees in the financial year;	The percentage increase in the median remuneration of Employees of Puravankara during the financial year 2016-17 was 3.25 % (arrived at based on the median remuneration of the Financial Year 2015-16.)	
IV. the number of permanent employees on the rolls of Company;	The total number of Puravankara as on March 31, 2017 was 576 , and as on March 31, 2016 was 579.	
V. average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;-	The average % increase was 8.17% for all employees who went through the compensation Review cycle in the year. For the Key Managerial Personnel, the average % increase was 14.47%.	
VI. the key parameters for any variable component of remuneration availed by the directors;	The key parameters for variable components are Company PAT,EBITDA, Revenue and share price.	
VII. Affirmation that the remuneration is as per the remuneration policy of the company.	Yes. the remuneration is as per the remuneration policy of the company.	

INFORMATION AS REQUIRED UNDER RULE 5(2), RULE 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014, AND FORMING PART OF THE DIRECTOR'S REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017.

Names of top ten employees in terms of remuneration drawn and the name of every employee employeed throughout the 12 months period and who were in receipt of remuneration which in aggregate was not less than Rs.1.02 crore for the year ended March 31, 2017

Employee Name	Designation In the Company	Qualification	Age	Previous Employer	Total Experience	Designation at previous employment	Date of Joining	March 31, 2017
Mr. Ravi Puravankara	Chairman and Managing Director	Civil Engineer	65	-	42	-	1986 - Promoter	2.60
Mr. Ashish Ravi Puravankara	Managing Director	BBA, MBA	38	-	17	-	14/Jul/2010	2.00
Mr. Nani R. Choksey	Joint Managing Director	B.Com	66	-	41	-	1986	2.12
Mr. Anand Narayanan K B	President - Sales & Marketing	B.Com, MBA	41	Knight Frank India Pvt Ltd	18	National Director - Residential	05/Nov/2012	1.90
Mr. Ranjit Thomas	Regional Head - Kerala	B.Sc (Civil), C.E.	57	Link India Group of Companies	33	General Manager-Projects	08/Sep/2004	1.08
Persons employed for the part of the financial year who were in receipt of remuneration at a rate which in aggregate was not less than Rs. 8.5 lakh per month								
Mr. Kuldeep Chawla	Chief Financial Officer	M.B.A.	52	Milestone Capital	28	Managing Partner	08/Mar/2017	0.11

report on Corporate Governance

CONTENTS:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes that Good Corporate Governance is essential for achieving long term Corporate Goals and enhancing value to all stakeholders. The philosophy of the Company on Corporate Governance is to attain a high level of accountability, transparency and fairness in its functioning and conduct of business with due emphasis on statutory compliances in letter and spirit. The Management acknowledges and appreciates its responsibility towards society at large.

At Puravankara, we define Corporate Governance as a systemic process by which companies are directed and controlled to enhance their wealth generating capacity. Puravankara strives for excellence with the objective of enhancing shareholder value and protecting the interest of stakeholders. Decisions are based on a set of principles influenced by the values, context and culture of the organisation. All functions of the Company are discharged in a professionally sound, competent and transparent manner.

2. CORPORATE GOVERNANCE STRUCTURE

Board of Directors	Committees of the Board	Committees of the Board
	Mandatory	Non-Mandatory
Mr. Ravi Puravankara	- Audit Committee	- Management Sub-Committee
Mr. Ashish Ravi Puravankara	- Stakeholders Relationship Committee	- Risk Management Committee
Mr. Nani R. Choksey	- Nomination and Remuneration Committee	
Mr. RVS Rao	- Corporate Social Responsibility Committee	
Mr. Pradeep Guha		
Dr. Suchitra Kaul Misra		

3. BOARD OF DIRECTORS

The Board of Directors of the Company comprises of six Directors, of which three are Executive Directors & three are Independent Directors including a woman director, being eminent persons with considerable professional expertise & experience. The Board comprises of a balanced combination of Executive Directors & Independent Directors in accordance with the requirements of the Companies Act, 2013 and the same is in compliance with the requirements of Regulation 17 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations").

Matters of policy and other relevant and significant information are furnished regularly to the Board. To provide better Corporate Governance & transparency, your Board has constituted Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Management Sub-Committee, Corporate Social Responsibility Committee & Risk Management Committee to look into various aspects for which they have been constituted.

In compliance to the Companies Act, 2013 and / or the Listing Regulations, as applicable, Board's approvals are obtained and Minutes of the Committee meetings, Minutes of the subsidiaries meetings are regularly placed before the Board. Further matters which are of significant importance are also placed before the Board.

According to Section 165 of the Companies Act, 2013, no person, after the commencement of this Act, shall hold office as a director, including any alternate directorship, in more than twenty companies at the same time. Provided that the maximum number of public companies in which a person can be appointed as a director shall not exceed ten. For reckoning the limit of public companies in which a person can be appointed as director, directorship in private companies that are either holding or subsidiary company of a public company shall be included.

Further, under Regulation 25 of the Listing Regulations, a person shall not serve as an independent director in more than seven listed companies. Any person who is serving as a whole time director of any listed company shall serve as an independent director in not more than three listed companies.

Also, under Regulation 26 of the Listing Regulations, Directors can hold membership of not more than ten Committees or act as a Chairperson of not more than five Committees across all listed entities and for the purpose of determination of limit, chairpersonship and membership of the Audit Committee and the Stakeholders' Relationship Committee alone shall be considered.

Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility' as specified under Regulation 16(1)(b) & 25(6) of the Listing Regulations.

The Board and its committees are constituted in compliance of the provisions of the Companies Act, 2013 and the Listing Regulations. None of the Directors are disqualified under Section 164(2) of the Companies Act, 2013, read together with the Companies (Appointment & Qualification of Directors) Rules, 2014.

Necessary disclosures have been received from all the Directors in compliance to the aforesaid requirements.

Composition of Board and Directorship held as on March 31, 2017

Director's Name (DIN)	Designation	Directorships[€]	Committee Memberships[#]	Chairmanship of Committees[#]
Mr. Ravi Puravankara[$] (00707948)	Chairman (E)	1	1	-
Mr. Ashish Ravi Puravankara[$] (00504524)	Managing Director (E)	12	5	-
Mr. Nani R. Choksey (00504555)	Joint Managing Director (E)	11	1	-
Mr. RVS Rao (00061599)	Independent Director (NEID)	9	9	3
Mr. Pradeep Guha (00180427)	Independent Director (NEID)	14	4	-
Dr. Suchitra Kaul Misra (02254365)	Independent Director (NEID)	5	3	-

$ Mr. Ashish Ravi Puravankara is son of Mr. Ravi Puravankara. There are no other inter-se relationships between the Directors of the Company.

E – Executive Director, NEID – Non- Executive Independent Director

€ Denotes Directorships in public companies and private companies pursuant to Section 165 of the Companies Act, 2013.

 # Denotes Memberships of Audit Committee and Stakeholders Relationship Committee only of Indian public limited companies listed/ unlisted pursuant to Regulation 26 of the Listing Regulations, Chairmanship of Audit Committee and Stakeholders Relationship Committee only of Indian listed companies

Meetings - Board of Directors

According to Section 173 of the Companies Act, 2013, four Board Meetings are required to be held every year in such a manner that not more than 120 days shall intervene between two consecutive meetings.

According to Regulation 17(2), the maximum time gap between any two Board Meetings cannot be more than 120 days, which has been complied with. Further, the quorum for the Board Meeting is one-third (1/3rd) of the total strength excluding interested Directors, if any or 2 Directors, whichever is higher.

Board Meetings of the Company are normally held at the Corporate Office of the Company located at Bengaluru.

During the year 9 Meetings of the Board of Directors were convened and held on April 26, 2016, May 27, 2016, August 29, 2016, September 01, 2016, September 08, 2016, December 08, 2016, February 10, 2017, March 08, 2017 and March 21, 2017. The meetings of the Board vis-a-vis attendance of the directors are provided herein below:

Board Meetings (BM) / Annual General Meeting (AGM) during the Financial Year

Sl. No.	BM Date	BM held at	Mr. Ravi Puravankara	Mr. Ashish Ravi Puravankara	Mr. Nani R Choksey	Mr. R V S Rao	Mr. Pradeep Guha	Dr. Suchitra Kaul Misra	Total Board Strength	No. of Directors Present
1	April 26, 2016	Bengaluru	✓	✓	✓	✓	×	✓	6	5
2	May 27, 2016	Mumbai	×	✓	✓	×	✓	✓	6	4
3	August 29, 2016	Bengaluru	×	✓	✓	✓	×	✓	6	4
4	September 01, 2016	Bengaluru	✓	✓	✓	×	×	×	6	3
5	September 08, 2016	Bengaluru	✓	✓	✓	✓	×	✓	6	5
6	December 08, 2016	Bengaluru	✓	✓	✓	✓	✓	✓	6	6
7	February 10, 2017	Bengaluru	×	✓	✓	✓	✓	✓	6	5
8	March 08, 2017	Bengaluru	✓	✓	✓	✓	×	✓	6	5
9	March 21, 2017	Bengaluru	✓	×	✓	✓	×	✓	6	4
No. of meetings held			9	9	9	9	9	9		
No. of meetings attended			6	8	9	7	3	8		
Attendance at the last AGM held on September 27, 2016			×	✓	✓	✓	×	✓		

***BM** - Board Meeting* ***AGM** – Annual General Meeting*

Circular Resolutions passed by the Board of Directors

No Circular Resolution was passed by the Board of Directors, during the year 2016-17.

Meeting of Independent Directors

During the year, meeting of the Independent Directors was held on February 10, 2017. All Independent Directors attended the said meeting without the attendance of non-independent directors (except for the agenda item relating to briefing on the performance of the non-independent directors).

Period of tenure of the Managing Director and the Whole-time Directors

At the 29th Annual General Meeting of the Company held on September 24, 2015, the Members of the Company approved the remuneration and re-appointment of the Chairman, Managing Director and Joint Managing Director of the Company for a period of 5 years commencing from April 1, 2016 – March 31, 2021.

Remuneration to Whole-time Directors & Independent Directors

Remuneration to the Managing Director and Whole-time Directors and Independent Directors for the Financial Year 2016-17 are as tabulated below.

The payment of remuneration to the Managing Director and Whole-time Directors is governed by the resolution recommended by the Board and approved by the Shareholders.

Pecuniary Relationship of Non-Executive Directors: The Company has no pecuniary relationship or transaction with its Non-Executive & Independent Directors other than payment of sitting fees to them for attending Board and Committee meetings and Commission as approved by members for their invaluable services to the Company.

During the financial year April 1, 2016 to March 31, 2017, on attending Meetings of the Board of Directors & its Committees during a day, each Independent Director was paid Rs.1,00,000/- as sitting fees.

Summary of Compensation paid to Directors for the Financial Year 2016-17

(₹ Crore)

Name	Total Gross Remuneration	Contribu-tion to Provident Fund	Incentive/ Commission**	Sitting Fee	Total
Mr. Ravi Puravankara#	2.48	0.12			2.60
Mr. Ashish Ravi Puravankara#	2.00				2.00
Mr. Nani R Choksey#	2.00	0.12			2.12
Mr. RVS Rao			0.12	0.07*	0.19
Mr. Pradeep Guha			0.12	0.03	0.15
Dr. Suchitra Kaul Misra			0.12	0.08*	0.20
Total	**6.48**	**0.24**	**0.36**	**0.18**	**7.26**

***Amount outstanding*

#Executive Directors are not eligible as per shareholders resolution to receive incentive/ commission/ sitting fees and hence not paid the same.

** Includes ₹ 1 lakh outstanding on March 31, 2017 and the same has been duly paid.*

The total of the shares issued by the Company as on March 31, 2017 are 23,71,49,686 shares. Below mentioned is the shares and stock options held by Directors as on March 31, 2017.

Shares & Stock Options held by the Directors as on March 31, 2017.

Name	Equity Shares	Percentage of Shareholding	Stock Options
Mr. Ravi Puravankara^	17,78,52,904	74.9960%	N.A
Mr. Ashish Ravi Puravankara	4,800	0.0020%	N.A
Mr. Nani R. Choksey	1,920	0.0008%	N.A
Mr. RVS Rao#	2,000	0.0008%	N.A
Mr. Pradeep Guha	Nil	N.A.	N.A
Dr.Suchitra Kaul Misra	Nil	N.A	N.A

^ The Institutional Placement Programme (IPP) of the Company was completed on 28 May, 2013 and the Offer for Sale (OFS) by Mr. Ravi Puravankara was completed on 23 May, 2013, as a result of this the Shareholding of Mr. Ravi Puravankara got reduced to 74.9960%.

 # held jointly with spouse, Mrs. Lakshmi R. Rao.

Code of Conduct – Board Members & Senior Management

The Board has laid down a Code of Conduct for the Board of Directors and the Senior Management of the Company which is also placed on the website of the Company. All the Board members and the Senior Management have affirmed compliance with the Code for the year ended March 31, 2017.

Declaration by Managing Director & Chief Executive Officer and Chief Financial Officer is annexed to this report.

Whistle Blower policy

During October, 2013, the Board adopted the Whistle blower policy and the same has been posted on the Intranet of the Company. We have established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of our Code of Conduct and Ethics with adequate safeguards against the victimization of employees and allows direct access to the Chairperson of the Audit Committee in exceptional cases. The Policy has been appropriately communicated to the employees within the organisation. We further affirm that no employee has been denied access to the Audit Committee during the fiscal year 2016-17.

4. COMMITTEES OF THE BOARD OF DIRECTORS

The Company has the following committees of the Board:

i. Audit Committee

ii. Stakeholders Relationship Committee

iii. Nomination and Remuneration Committee

iv. Management Sub-Committee

v. Corporate Social Responsibility Committee

vi. Risk Management Committee

i. Audit Committee:

The Audit Committee was constituted on April 9, 2003 & its meetings are normally held at the Corporate Office of the Company located at Bengaluru, and precedes the meeting of Board of Directors.

According to Regulation 18 of the Listing Regulations and u/s 177 of the Companies Act, 2013, every listed company is required to constitute an Audit Committee to review the Quarterly, Half-yearly and Annual Financial statements.

According to Regulation 18(2)(a) of the Listing Regulations, the Audit Committee should meet at least four times in a year and not more than 120 days shall elapse between two meetings, which has been complied with.

Regulation 18 of the Listing Regulations makes it mandatory to constitute an Audit Committee. The Audit committee reviews information as per the role stated in the Listing Regulations and the broad role of the said Committee is to review:

i. financial reporting process;

ii. adequacy of internal control systems;

iii. the financial statements for approval of the Board; and

iv. the performance of statutory and internal auditors;

v. review as per mandatory requirement stated in the Listing Regulations.

The Committee comprised of Mr. RVS Rao, Mr. Pradeep Guha, Mr. Ravi Puravankara and Dr. Suchitra Kaul Misra as the members with Mr. RVS Rao as its Chairman. The Company Secretary of the company, acts as the Secretary of the Committee. Under Regulation 18(2)(a) of the Listing Regulations, the quorum for the Meeting is one-third of the Members on the Committee (or) two Members, whichever is higher and also that at least two Independent Members should be present.

During the year six Audit Committee Meetings were convened and held on May 27, 2016, September 08, 2016, December 8, 2016, February 10, 2017, March 08, 2017 and March 21, 2017. The meetings of the Audit Committee vis-a-vis attendance of the members are provided herein below. Mr. R V S Rao represented the Audit Committee as its Chairman to answer shareholders' queries in the Annual General Meeting of the Company held on September 27, 2016.

Audit Committee Meetings (ACM) during the Financial Year

Sl. No.	ACM Date	ACM held at	Mr. Ravi Puravankara	Mr. R V S Rao	Mr. Pradeep Guha	Dr. Suchitra Kaul Misra	Total Committee Strength	No. of Members Present
1.	May 27, 2016	Mumbai	×	×	✓	✓	4	2
2.	September 08, 2016	Bengaluru	✓	✓	×	✓	4	3
3.	December 08, 2016	Bengaluru	✓	✓	✓	✓	4	4
4.	February 10, 2017	Bengaluru	×	✓	✓	✓	4	3
5.	March 08, 2017	Bengaluru	✓	✓	×	✓	4	3
6.	March 21, 2017	Bengaluru	✓	✓	×	✓	4	3
No. of ACM held			6	6	6	6		
No. of ACM attended			4	5	3	6		

ii. Stakeholders Relationship Committee:

The Investor Grievance Committee was constituted on December 26, 2006 and title of the Committee was changed from Investor Grievance Committee to Stakeholders Relationship Committee vide a Resolution passed at the Board Meeting held on May 16, 2014. Its meetings are normally held at the Corporate Office of the Company located at Bengaluru, before the Board Meeting.

The Committee comprises of Mr. RVS Rao, Mr. Nani R. Choksey and Mr. Ashish Ravi Puravankara as the members. Mr. RVS Rao acts as the Chairman of the Committee. The Company Secretary of the company, acts as the Secretary of the Committee and is also the Compliance Officer of the Company. Further, the quorum for the Stakeholders Relationship Committee Meetings is 2 Members.

According to Regulation 20 of the Listing Regulations, it is mandatory to constitute a Stakeholders Relationship Committee. The basic function of the Committee is to consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

During the year four meetings of the Stakeholders Relationship Committee were convened and held on May 27, 2016, September 08, 2016, December 08, 2016 and February 10, 2017. The meetings of the Stakeholders Relationship Committee vis-a-vis attendance of the members are provided herein below.

Stakeholders Relationship Committee Meetings during the Financial Year

Sl. No.	SRC Meeting Date	SRC Meeting held at	Mr. Ashish Ravi Puravankara	Mr. Nani R Choksey	Mr. R V S Rao	Total Committee Strength	No. of Members Present
1	May 27, 2016	Mumbai	✓	✓	×	3	2
2	September 08, 2016	Bengaluru	✓	✓	✓	3	3
3	December 08, 2016	Bengaluru	✓	✓	✓	3	3
4	February 10, 2017	Bengaluru	✓	✓	✓	3	3
No. of meetings held			4	4	4		
No. of meetings attended			4	4	3		

SRC - Stakeholders Relationship Committee

Brief summary on the Stakeholders Grievances are as summarised hereunder:

Stakeholders Grievances - Sources of Complaints:

Particulars	Balance as on April 1, 2016	Received during the year	Resolved during the year	Balance as on March 31, 2017
Complaints Received	0	0	0	0
Total	**0**	**0**	**0**	**0**

iii. Nomination and Remuneration Committee:

The Compensation Committee was constituted on 28 June 2006 and title of the Committee was changed from Compensation Committee to Nomination and Remuneration Committee vide a Resolution passed at the Board Meeting held on May 16, 2014.

The Committee comprises of Mr. Ravi Puravankara, Mr. RVS Rao, Mr. Pradeep Guha and Dr. Suchitra Kaul Misra as the members.

Mr. Pradeep Guha, acts as the Chairman w.e.f. May 16, 2014 and the Company Secretary, acts as the Secretary of the Committee. The quorum for the Nomination and Remuneration Committee Meeting is 2 members.

OBJECTIVES OF THE NOMINATION AND REMUNERATION POLICY

The Committee assists the Board in establishing remuneration policies and practices broadly relating to:

a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

b) Formulation of criteria for evaluation of Independent Directors and the Board;

c) Devising a policy on Board diversity;

d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

e) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Nomination & Remuneration Policy is placed on the Company's website - www.puravankara.com

During the year three meetings of the Nomination and Remuneration Committee were convened and held on May 27, 2016, February 10, 2017 and March 08, 2017. The meetings of the Nomination and Remuneration Committee vis-a-vis attendance of the members are provided herein below.

Nomination and Remuneration Committee Meetings during the Financial Year

Sl. No.	NRC meeting Date	NRC meeting held at	Mr. Ravi Puravankara	Mr. R V S Rao	Mr. Pradeep Guha	Dr. Suchitra Kaul Misra	Total Committee Strength	No. of Members Present
1	May 27, 2016	Mumbai	×	×	✓	✓	4	2
2	February 10, 2017	Bengaluru	×	✓	✓	✓	4	3
3	March 08, 2017	Bengaluru	✓	✓	×	✓	4	3
No. of meetings held			3	3	3	3		
No. of meetings attended			1	2	2	3		

NRC -Nomination and Remuneration Committee

Performance Evaluation

The criteria for performance evaluation cover the areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation of the Directors who are subject to evaluation had not participated.

iv. Management Sub-Committee

The Management Sub-Committee was constituted on March 29, 2007 and its Meetings are normally held at the Corporate Office of the Company located at Bengaluru.

The Committee comprises of Mr. Ravi Puravankara, Mr. Nani R. Choksey and Mr. Ashish Ravi Puravankara as the members. The Company Secretary of the company, acts as the Secretary of the Committee. Further the quorum for the Management Sub-Committee Meetings is 2 Executive Directors.

The Management Sub-Committee of the Board of Directors has been vested with executive powers to manage all matters pertaining to investments, formation of subsidiaries, borrowings (other than debentures), statutory compliances and other routine business activities.

v. Corporate Social Responsibility (CSR) Committee

At the meeting of its Board of Directors held on August 7, 2014, the CSR Committee was constituted. The CSR is currently constituted with the following Directors:

1. Mr. Ashish Ravi Puravankara
2. Mr. Nani R. Choksey
3. Mr. RVS Rao

The Company Secretary of the company, acts as the Secretary of the Committee.

The terms of reference of the CSR Committee is:

(a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII to the Companies Act, 2013;

(b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

(c) Monitor the Corporate Social Responsibility of the company from time to time.

The Policy on Corporate Social Responsibility as approved by the Board may be accessed on the Company's website at the link: http://www.puravankara.com.

During the year one meeting of the Corporate Social Responsibility Committee was convened and held on February 10, 2017. All members attended the meeting.

vi. Risk Management Committee

At the meeting of its Board of Directors held on September 22, 2014, Risk Management Committee consisting the following Directors was formed:

1. Mr. Ashish Ravi Puravankara
2. Mr. Nani R Choksey
3. Mr. RVS Rao
4. Mr. Pradeep Guha

The Company Secretary of the Company, acts as the Secretary of the Committee.

The Risk Management Committee is entrusted with a responsibility to assist the board by:

a) ensuring that all the Current and Future Material Risks of the Company are Identified, Assessed/ Quantified and effective steps are taken to Mitigated / Minimized the effects emanating from such Risks, to assure business growth with financial stability.

b) enabling compliance with appropriate Regulations, wherever applicable.

Listing Regulations require top 100 listed companies to have a Risk Management Committee. The Company is not under the said list.

During the year, one meeting of the Risk Management Committee was convened and held on February 10, 2017. All members attended the meeting.

5. GENERAL BODY MEETINGS:

Details of Annual General Meetings (AGM) held during the last 3 Years are as follows:

Financial Year	Nature of Meeting	Day, Date & Time	Venue	Special Resolutions
2015-2016	30th AGM	Tuesday, September 27, 2016 at 11.30 a.m.	The Taj West End Hotel, # 25, Race Course Road, Bengaluru - 560 001.	Nil
2014-2015	29th AGM	Thursday, September 24, 2015 at 12.00 Noon	The Taj West End Hotel, # 25, Race Course Road, Bengaluru - 560 001.	To approve Joint Venture Agreement with Keppel Puravankara Development Pvt. Ltd.
2013-2014	28th AGM	Monday, September 22, 2014 at 12.00 Noon	The Taj West End Hotel, # 25, Race Course Road, Bengaluru - 560 001.	To approve payment of Remuneration to non-executive independent directors

Extraordinary General Meeting (EGM):

During the year, no Extraordinary General Meeting (EGM) was held.

Passing of Resolutions by Postal Ballot:

During the year the company had issued 1 postal ballot notice and the details of the resolution passed thereon is as summarised hereunder. Mr. Nagendra D. Rao, PCS, was the Scrutinizer and the results of the Postal Ballot were declared on October 28, 2016:

Postal Ballot notice on – September 21, 2016

Items	Votes cast in favour		Votes cast against	
	No. of Votes	%	No. of Votes	%
To ratify the terms of facility availed by the Company from Standard Chartered Bank	193,125,192	99.996	7,636	0.004
To fix the borrowing powers of the Board up to Rs. 3,500 crores	193,120,881	99.994	11,847	0.006
To grant approval for creation of charge / mortgage on the assets of the company	188,329,831	99.992	14,383	0.008
To issue non-convertible debentures on a private placement basis	193,124,841	99.996	7,772	0.004
To accept terms of conversion in relation to loans/ debentures	187,225,709	96.941	5,907,049	3.059
To change the name of the Company	193,120,324	99.994	12,404	0.006

The Company provides electronic voting facility to all its members and engaged NSDL to provide the service. Members are also given the option to vote by physical ballot. Postal ballot notice is sent to members whose email address is registered with the registrar and transfer agent and the company also publishes the requisite notice in newspaper. The procedure in compliance of section 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules is followed by the Company.

6. COMPLIANCE & DISCLOSURES

1. The Company has complied with all the requirements, to the best of its knowledge and understanding of the regulations & guidelines issued by the Securities Exchange Board of India (SEBI). The Stock Exchanges, SEBI or any other statutory authority have not imposed any penalties or strictures relating to capital market transaction since listing of the equity shares.
2. There are no materially significant related party transactions entered by the Company with related parties that may have a potential conflict with the interests of the Company.
3. The Company has duly complied with the requirements of the regulatory authorities on capital market. There are no penalties imposed nor any strictures have been passed against the Company during the last three years.
4. The Consolidated Auditors' Report and the Standalone Auditors' Report to the shareholders for the year ended March 31, 2017, is an unmodified report.
5. The policy for determining material subsidiaries, policy on dealing with related party transactions and other applicable policies are displayed on the Company's Website www.puravankara.com. The details of familiarization programmes imparted to Independent Directors are also disclosed on the Company's Website.
6. The Mandatory requirements laid down in SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 for Corporate Governance have been duly complied by your Company and the status on adoption of non-mandatory requirements are as follows:

   a. The Company has an Executive Chairman.

   b. The Company does not send Half-yearly financial results, including summary of significant events in the last six months since the same are being posted on the website of the Company as well as published in newspapers.

   c. Mr. Ravi Puravankara continues as Chairman of the Company. Mr. Ashish Ravi Puravankara was appointed as the Managing Director of the Company w.e.f. May 15, 2015. Mr. Ashish Ravi Puravankara also holds the office as the Chief Executive Officer of the Company. The tenure of office of the Executive Directors was completed on March 31, 2016. The Members of the Company at their meeting held on September 24, 2015 approved the reappointment of Mr. Ravi Puravankara, Chairman, Mr. Ashish Ravi Puravankara, Managing Director and Mr. Nani R Choksey, Joint Managing Director for a period of 5 years w.e.f. April 1, 2016 till March 31, 2021.

   d. The Internal Auditor directly reports to the Audit Committee.

7. MEANS OF COMMUNICATION

(a) Financial Results:

The Financial Results (Quarterly, Half yearly & Yearly), post approval of the Board of Directors are furnished to NSE / BSE, within 15/30 Minutes after the completion of the Board Meeting.

Further, the financial results of the Company are normally published in "Financial Express & Samyukta Karnataka" within 48 hours after their approval by the Board and are displayed on the Company's website - www.puravankara.com along with Audited Financial Statements, Results Advertisement and Investor Corporate presentations.

(b) Other Business updates including New Project Launches:

These are disseminated through NSE (http://www.nseindia.com/) & BSE. (http://www.bseindia.com/) and also updated in the company's website.

(c) Presentations made to Institutional Investors/ Analysts

These are disseminated through NSE (http://www.nseindia.com/) & BSE. (http://www.bseindia.com/) and also updated in the company's website

8. GENERAL SHAREHOLDER INFORMATION

Outstanding GDRs / ADRs / Warrants / any other Convertible Instruments

The Company has not issued any GDRs / ADRs / Warrants / any convertible instruments.

Commodity price risk or foreign exchange risk and hedging Activities

The company has foreign exchange risk management policies in place to manage its exposure to exchange rate fluctuations which includes hedging contracts.

Plant Locations

As Puravankara belongs to real estate development industry, we do not have any plant locations.

We have various projects spread across Bengaluru, Chennai, Hyderabad, Kochi, Kolkata, Coimbatore, Mysore, Mumbai, Pune and Colombo. We have our branch offices at Bengaluru, Chennai, Kochi, Mumbai, Coimbatore, Colombo and the UAE.

Share Transfer System

The share transfers in physical form are processed within a period of 15 days from the date of receipt subject to the documents being valid and complete in all respects.

Equity Shares in Suspense Account

As per Part F of Schedule V of the Listing Regulations, details of Equity shares lying in the suspense account as on March 31, 2017 is as follows:

Particulars	Aggregate No. of Shareholders and the outstanding shares in the suspense Account lying as on 1 April 2016	No. of Shareholders who approached the Company for transfer of shares from suspense account during the year.	No. of Shareholders to whom shares were transferred from suspense account during the year.	Aggregate No. of Shareholders and the outstanding shares in the suspense Account lying as on 31 March 2017
No. of Shareholders	21	-	-	21
No. of Shares	510	-	-	510

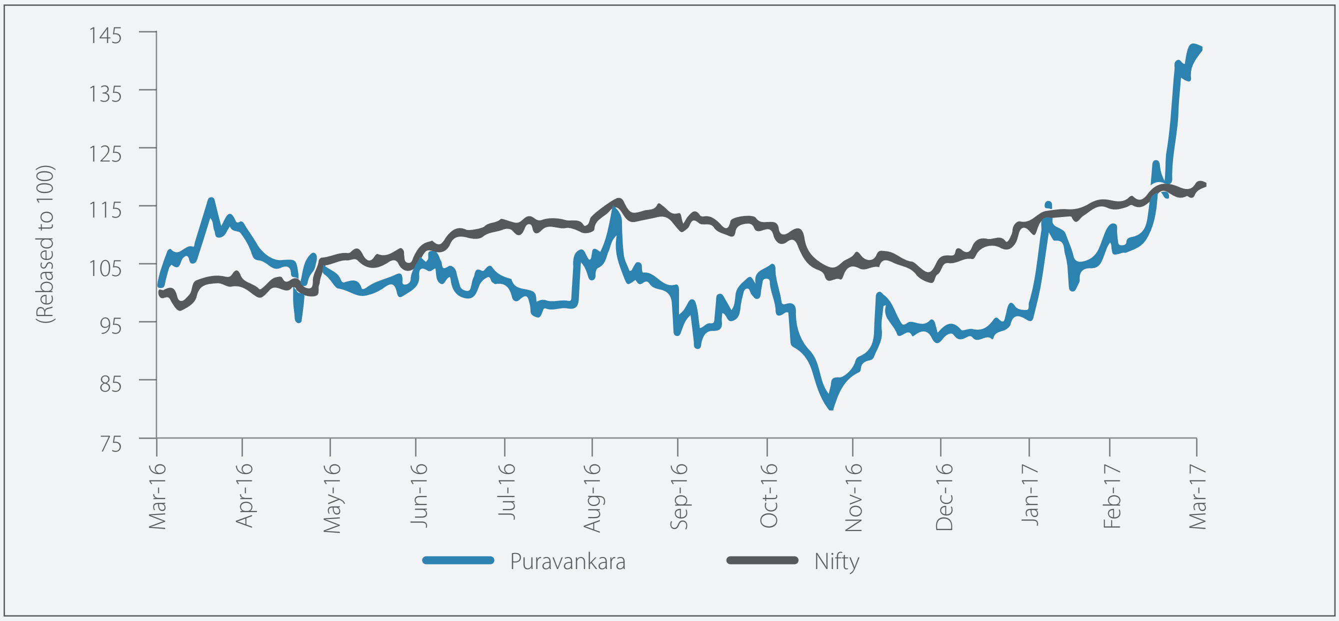
Suspense Account Details:

Bank Name	HDFC Bank Ltd.
Current Account No.	05230350002129
Current Account	PURAVANKARA PROJECTS LIMITED UNCLAIMED SUSPENSE A/c
DP	HDFC Bank Ltd.
DP ID	ID IN301549
Demat Account No.	IN301549 37397596

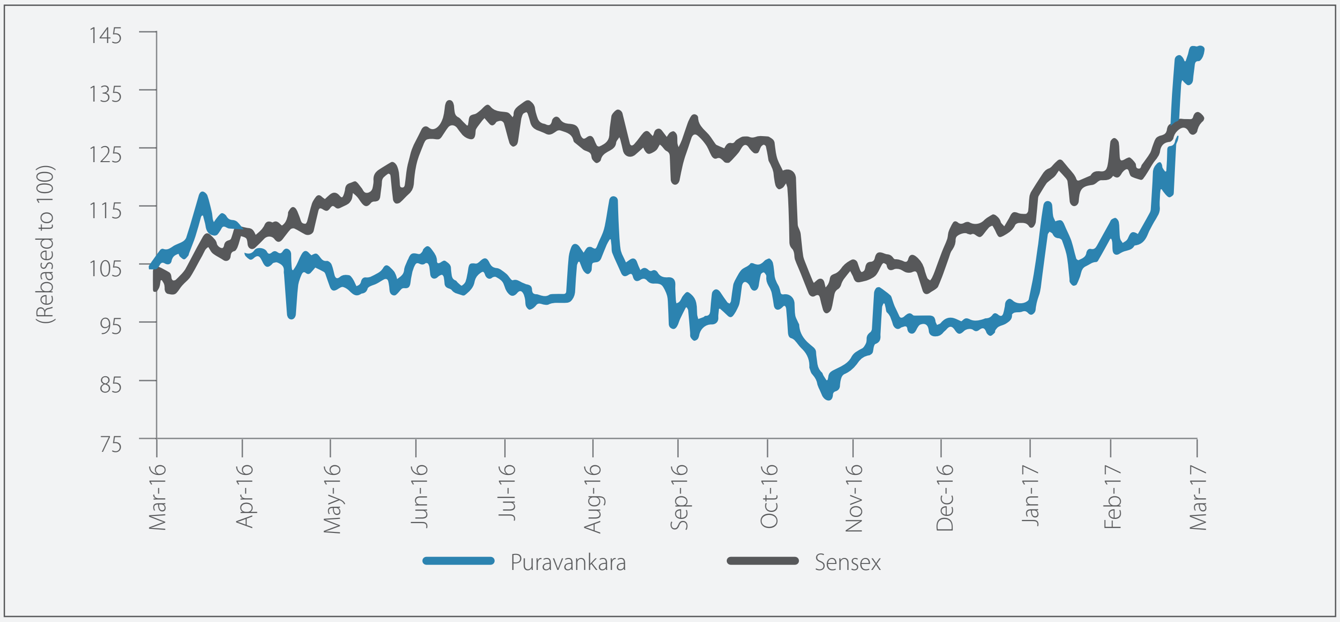
DETAILS OF SHARES IN DEMATERIALISATION & PHYSICAL FORM AS ON 31 MARCH 2017:

	No. of Share Holders	No. of Shares	%
NSDL	18,145	23,32,14,567	98.34
CDSL	8,847	39,34,717	1.66
Physical	6	402	0.00
TOTAL	26,998	23,71,49,686	100.00

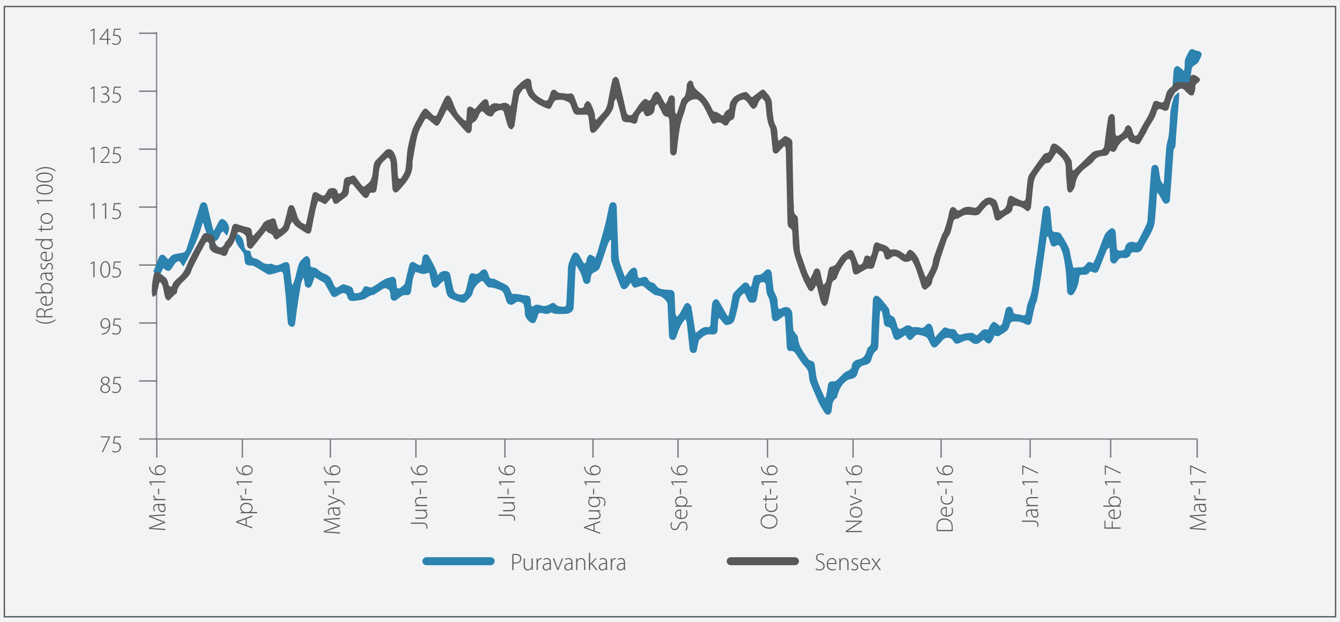
Puravankara vs. Nifty



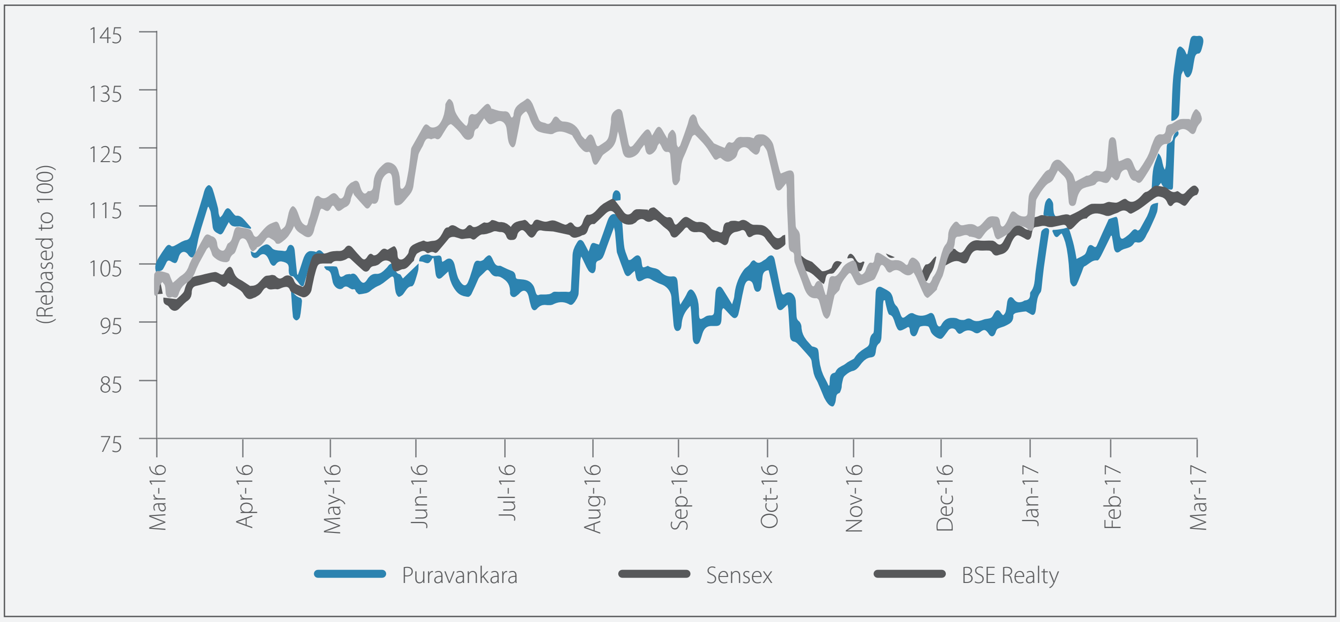
Puravankara vs. Sensex



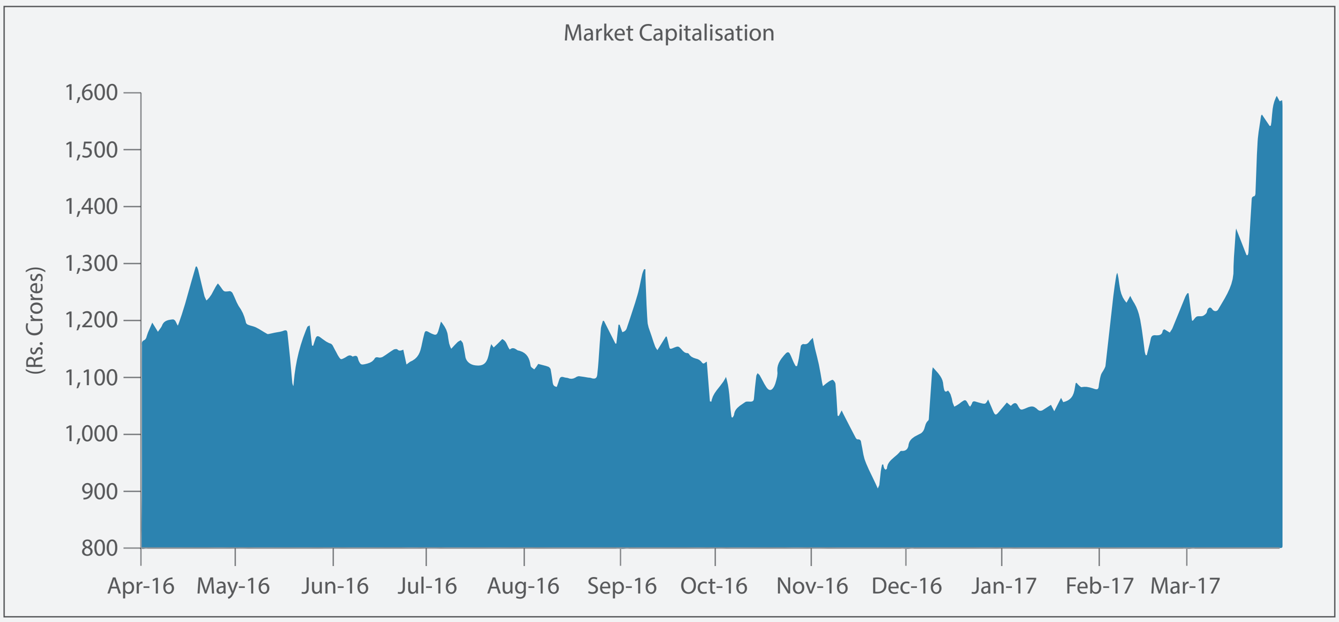
Puravankara vs. Nifty Realty

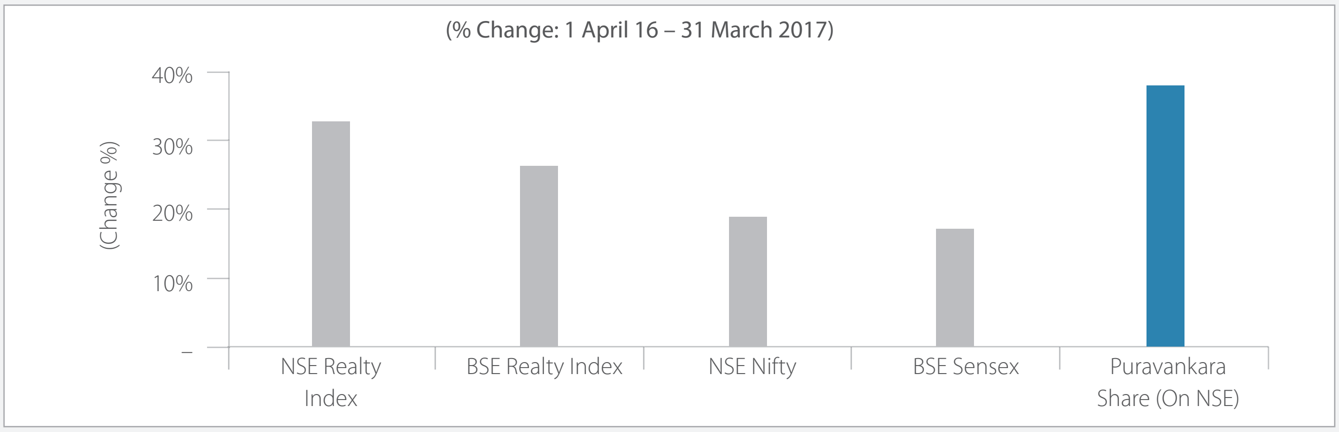


Puravankara vs. BSE Realty



Market Capitalization (NSE) for year ended March 31, 2017





Market Price Data and Performance - Bombay Stock Exchange Ltd. (BSE)

Month	High	Low	No. of Shares	Total Turnover (Rs. In lakhs)
Apr-16	56.3	47.7	294,698	153.95
May-16	52.7	43	343,231	167.98
Jun-16	52.3	46.1	732,384	359.82
Jul-16	51.8	46.2	1,005,782	495.12
Aug-16	53	45.2	779,111	379.89
Sep-16	55.2	43.4	814,340	410.13
Oct-16	50.45	41.55	3451,717	1635.88
Nov-16	51.05	37.2	1,085,554	471.43
Dec-16	49.85	40.5	1,265,323	567.03
Jan-17	46.85	43.45	1,512,670	677.63
Feb-17	54.9	45.4	851,887	432.44
Mar-17	70.4	49.65	2,177,850	1364.54

Market Price Data and Performance - National Stock Exchange Ltd. (NSE)

	High	Low	No. of Shares	Total Turnover (Rs. In lakhs)
Apr-16	56.9	46.85	1,710,841	888.10
May-16	53.1	43.3	2,197,905	1079.32
Jun-16	52.1	46.1	3,922,744	1920.38
Jul-16	51.8	46.45	6,349,935	3097.80
Aug-16	51.9	45.1	3,276,512	1593.59
Sep-16	55.6	43	5,293,320	2616.62
Oct-16	50.8	41.55	6,961,549	3245.79
Nov-16	51.15	37.05	3,388,071	1486.49
Dec-16	49.7	40.5	2,933,427	1352.45
Jan-17	46.9	43.2	2,131,968	955.29
Feb-17	55.25	45.35	4,938,379	2501.52
Mar-17	70.5	49.4	10,995,258	6876.60

NSE AND BSE DATA ON VOLUME AND VALUE

Month	Total Volume (shares)	Total Value (Rs.in lakhs)
Apr-16	2,005,539	1042.05
May-16	2,541,136	1247.30
Jun-16	4,655,128	2280.20
Jul-16	7,355,717	3592.92
Aug-16	4,055,623	1973.48
Sep-16	6,107,660	3026.75
Oct-16	10,413,266	4881.67
Nov-16	4,473,625	1957.92
Dec-16	4,198,750	1919.48
Jan-17	3,644,638	1632.92
Feb-17	5,790,266	2933.97
Mar-17	13,173,108	8241.14

Shareholding Pattern (SHP) as on 31 March 2017

Category of Shareholder	No. of Shareholders	No. of Equity Shares	%
Promoter :			
Mr. Ravi Puravankara*	1	177,852,904	74.9961
Relatives of Promoter*	4	9,360	0.0039
Public - Institutions:			
Foreign Institutional Investors	4	5,722,499	2.4130
Insurance Companies	2	18,81,275	0.7933
Mutual Funds	1	600,000	0.2530
Financial Institutions / Banks	3	118,250	0.0499
Public - Non-institutions:			
Individual Shareholders	25,268	8,977,830	3.7857
HUF	645	359,040	0.1514
Bodies Corporate	279	4,988,167	2.1034
Clearing Members	225	747,393	0.3152
Non Resident Indians (Repat)	419	425,715	0.1795
Non Resident Indians (Non Repat)	125	144,990	0.0611
Foreign Portfolio Investor (Corporate)	20	35,318,343	14.8928
Directors	2	3,920	0.0017
TOTAL	**26,998**	**23,71,49,686**	**100.00**

**Shares held directly & are not pledged or encumbered.*

Top 10 Shareholders as on March 31, 2017

Sl. No.	FOLIO NO	SHAREHOLDER'S NAME	SHARES	%
1.	IN30016710061500	Ravi Puravankara	177,852,904	74.9961
2.	IN30016710106965	GHI LTP Ltd	10,404,624	4.3874
3.	IN30016710121990	Atyant Capital India Fund I	8,394,932	3.5399
4.	IN30014210743921	Vanderbilt University A/C Vanderbilt University - Atyant Capital Management Limited	5,073,952	2.1396
5.	IN30016710049693	College Retirement Equities Fund - Stock Account	4,347,501	1.8332
6.	IN30016710107015	GHI JBD Ltd	4,126,748	1.7401
7.	IN30016710107023	GHI HSP Ltd	3,893,398	1.6417
8.	IN30081210000012	Life Insurance Corporation of India	1,833,765	0.7733
9.	IN30016710112315	GHI ERP Ltd	1,752,863	0.7391
10.	IN30355910015879	Sammy's Dreamland Co Pvt Ltd	1,512,133	0.6376

Distribution of Shareholding (DS) as on March 31, 2017

Range of Equity Shares	No. Shareholder	%	No. of Equity Shares	%
1- 500	24,009	88.9288	2,411,817	1.0170
501 - 1000	1,437	5.3226	1,187,777	0.5009
1001- 2000	711	2.6335	1,091,759	0.4604
2001- 3000	262	0.9704	664,674	0.2803
3001 - 4000	107	0.3963	390,922	0.1648
4001 - 5000	108	0.4000	514,493	0.2169
5001 - 10000	169	0.6260	1,289,001	0.5435
10001 and above	195	0.7223	229,599,243	96.8162
TOTAL	**26,998**	**100.0000**	**237,149,686**	**100.0000**

DIVIDEND HISTORY

FINANCIAL YEAR	DIVIDEND (As % of paid-up capital)	DIVIDEND PER SHARE (Rs.)	REMARKS
March 31, 2017	49.45%	2.25	Proposed
March 31, 2016	15.61%	0.782	Final Dividend
March 31, 2015	31.00%	1.55	Final Dividend
March 31, 2014	38.40%	1.92	Final Dividend
March 31, 2013	20.00%	1.00	Final Dividend
March 31, 2013	50.00%	2.50	Interim Dividend on 10 May 2013 - (To all Shareholders other than Promoters & Promoter Group)
March 31, 2012	20.00%	1.00	Final Dividend
March 31, 2011	20.00%	1.00	Final Dividend
March 31, 2010	20.00%	1.00	Final Dividend
March 31, 2009	NIL	NIL	-
March 31, 2008	40.00%	2.00	Final Dividend

SHARE CAPITAL – PAST HISTORY

Date of allotment of Equity Shares	No. of Equity Shares	Cumulative No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of payment	Particulars of Issue Details	Cumulative Issued Capital (Rs.)	Cumulative Share Premium (Rs.)
June 03, 1986	15	15	100	100	Cash	Allotment at subscription	1,500	Nil
April 27, 1987	85	100	100	100	Cash	Preferential Allotment[1]	10,000	Nil
June 22, 1992	4,900	5,000	100	100	Cash	Preferential Allotment[2]	5,00,000	Nil
March 20, 1995	45,000	50,000	100	100	Cash	Preferential Allotment to Mr. Ravi Puravankara	50,00,000	Nil
June 23, 1995	50,000	1,00,000	100	100	Cash	Preferential Allotment to Mr. Ravi Puravankara	1,00,00,000	Nil
March 23, 2000	4,00,000	5,00,000	100	100	Cash	Preferential Allotment to Mr. Ravi Puravankara	5,00,00,000	Nil
March 29, 2001	3,00,000	8,00,000	100	Nil	Bonus Issue in ratio of 3:5	Bonus issue	8,00,00,000	Nil
December 26, 2006		1,60,00,000	5	Face Value per Equity Share reduced from Rs. 100 to Rs. 5 Per Equity Share[3]				
December 26, 2006	17,60,00,000	19,20,00,000	5	Nil	Bonus Issue in ratio of 1:11	Bonus issue	96,00,00,000	Nil
December 26, 2006	17,455	19,20,17,455	5	572.92	Cash	Preferential Allotment to Mr. Jaithirth Rao	96,00,87,275	99,13,043.60
July 31, 2007	2,14,06,880	21,34,24,335	5	400	Cash	Public issue	1,06,71,21,675	7,98,88,11,915[5]
May 28, 2013	2,37,25,351	23,71,49,686	5	81	Cash	IPP Issue[4]	1,18,57,48,430	9,63,79,75,495[5]

1 *Preferential allotment of 75 Equity Shares to Mr. Ravi Puravankara and 5 Equity Shares each to Vasanti Puravankara and Satish Puravankara.*

2 *Preferential allotment of 4,885 Equity Shares to Ravi Puravankara and 5 Equity Shares each to Kunhambu Nair, Vishalakshi Puravankara and Chaula N. Choksey.*

3 *The authorised shares capital of Rs.10,00,00,000 was increased to Rs.1,20,00,00,000 consisting of 24,00,00,000 Shares of Rs 5 each pursuant to a resolution of the shareholders passed at their EGM dated 23 December 2006.*

4 *The authorised shares capital of Rs.1,20,00,00,000 was increased to Rs.1,60,00,00,000 consisting of 32,00,00,000 Shares of Rs 5 each pursuant to a resolution of the shareholders passed at their EGM dated 22 June 2009.*

5 *IPP Programme of the Company was completed on 28 May 2013 by allotting 23,725,351 Equity Shares of Rs 5 each at a premium of Rs 76 to the Qualified Institutional Buyers (QIB'S).*

OTHER - SHAREHOLDER INFORMATION:

Corporate Identification Number(CIN)	L45200KA1986PLC051571
Address - Registered Office & Corporate Office	**Registered Office:** Puravankara Ltd. #130/1, Ulsoor Road, Bengaluru – 560042. **Corporate Office:** Puravankara Ltd. #130/2, Ulsoor Road, Bengaluru – 560042.
Annual General Meeting Date, time and venue	Tuesday, the August 29, 2017 @11.30 a.m, at The Taj West End Hotel, # 25, Race Course Road, Bengaluru – 560 001, India.
Date of Book Closure	August 22, 2017 to August 29, 2017 (both days inclusive).
Dividend Payment Date	Within a period of 30 days from the date of Declaration (i.e. August 29, 2017), to those Members whose names appear on the Register of Members as on August 21, 2017.
Financial Calendar (tentative) Results for Quarter Ending*:	
Jun 2017	First / Second week of Aug 2017
Sep 2017	First / Second week of Nov 2017
Dec 2017	First / Second week of Feb 2018
Mar 2018	First / Second week of May 2018
Annual General Meeting	August 29, 2017
** In addition, the Board may meet on other dates if there are Special Requirements.*	
Listing on Stock Exchanges	**a. Bombay Stock Exchange Ltd. (BSE)** Phiroze jeejeebhoy Towers, Dalal Street, Mumbai- 400001. Phones : 91-22-22721233/4 91-22-66545695 Fax : 91-22-22721919 **b. National Stock Exchange of India Ltd. (NSE)** Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051. Phones : 91-22-26598100 - 8114 Fax : 91-22-26598120 Annual Listing Fee till the year 2017-18 has been paid with respect to both the aforesaid Stock Exchanges.
Stock Code	a. NSE – PURVA b. BSE –532891
ISIN of the Company	**Equity shares:** INE323I01011
Address for Correspondence	**Puravankara Limited** (formerly Puravankara Projects Limited) # 130 /1, Ulsoor Road, Bengaluru - 560 042. Tel: +91-80- 2559 9000 / 4343 9999, Fax: +91-80-2559 9350 Email: investors@puravankara.com, Website: www.puravankara.com

Corporate Identification Number(CIN)	L45200KA1986PLC051571
Registrar and Transfer Agent	**Link Intime India Private Limited** C-101,247 Park,L B S Marg, Vikhroli West, Mumbai-400083. **Mumbai-400078.** Phone: 022-49186270, Fax : 022-49186060 Email: rnt.helpdesk@linkintime.co.in
SEBI	**Securities and Exchange Board of India** Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051. Tel : +91-22-26449000 / 40459000 / Toll Free: 1800 22 7575 Fax : +91-22-26449019-22 / 40459019-22 E-mail : sebi@sebi.gov.in
NSDL	**National Securities Depository Ltd.** Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013. Tel.:(022) 2499 4200, Fax:(022) 2499 4972 Email: iifd@nsdl.co.in
CDSL	**Central Depository Services (India) Limited** Trade World, 28th Floor, P.J. Towers, Dalal Street, Fort, Mumbai – 400 023 Tel.: (022) 2272 3333, Fax: (022) 2272 3199 Email:complaints@cdslindia.com

For and on behalf of the Board of Directors

Ashish Ravi Puravankara
Managing Director & Chief Executive Officer
DIN: 00504524

Nani R. Choksey
Joint Managing Director
DIN: 00504555

Bengaluru
JULY 28, 2017

CEO, CFO Certification pursuant to Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors,
Puravankara Limited
(formerly Puravankara Projects Limited)
Bengaluru.

Dear Members of the Board,

We, Ashish Ravi Puravankara, Chief Executive Officer and Managing Director and Kuldeep Chawla, Chief Financial Officer, of Puravankara Limited, hereby certify that to the best of our knowledge and belief:

1. We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2017 and
2. These statements do not contain any materially untrue statement (or) omit any material fact (or) contain statements that might be misleading and
3. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
4. No transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
5. We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have been taken or proposed to rectify these deficiencies.
6. We have indicated to the Auditors and the Audit committee

   (1) significant changes in internal control over financial reporting during the year;

   (2) significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and

   (3) that there are no instances of significant fraud of which we have become aware and hence no involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

7. We further declare that all Board Members and Senior Management personnel have affirmed compliance with the code of conduct for the Financial Year 2016-17.

Ashish Ravi Puravankara
Managing Director & Chief Executive Officer
DIN: 00504524
Place: Bengaluru
Date: May 29, 2017

Kuldeep Chawla
Chief Financial Officer

Independent Auditor's Certificate on Corporate Governance

To

The Members of Puravankara Limited (formerly Puravankara Projects Limited)

1. This certificate is issued in accordance with the terms of our engagement letter dated 07 October 2016

2. We have examined the compliance of conditions of corporate governance by Puravankara Limited (formerly Puravankara Projects Limited) ('the Company') for the year ended on 31 March 2017, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2017.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

7. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration
No. 001076N/N500013

per Sanjay Banthia

Partner

Membership No.: 061068

Bengaluru

28 July 2017

management discussion and analysis

The Management Discussion and Analysis Report titled Management Report forms part of the Annual Report. It includes among others, a discussion on

1. Global economic overview
2. Indian Economy
3. Real estate industry in India
4. Puravankara - An overview
5. Awards and recognitions
6. Management's discussion of risks and concerns
7. Internal control systems and their adequacy
8. Our People
9. Opportunities and threats
10. Discussion on financial conditions and results of operations
11. Factors affecting results of operations
12. Critical accounting policies
13. Results of operations
14. Cautionary statement

1. Global economic overview

After almost 8 years of uncertainity, the global economy is recuperating, led by North America. The global economic recovery improved with a much awaited cyclical recovery in investment, manufacturing, construction and trade. Global economy recorded a growth from 3.1 percent in calendar 2016 to 3.5 percent in calendar 2017 and is expected to reach 3.6 percent in calendar 2018. Stronger economic activity, expectations of more robust global demand, lower deflationary pressures, lower rate of unemployment, buoyant consumer demand and buoyant financial markets are all upside developments.

After an unexciting outturn in calendar 2016, economic activity is poised to pick up pace in calendar 2017, especially in emerging markets and developing economies, on the back of recovery in the second half of calendar 2016. Global economic growth, especially in the US and many of the larger economies is firming up contributing to an improvement in overall business confidence. A recovery in industrial activity has coincided with a pickup in global trade, after two years of marked weakness. The World Bank forecasts that global growth will strengthen to 3.5 percent in calendar 2017, amid a pickup in manufacturing and trade, improved business confidence, favorable global financing conditions, and stabilizing commodity prices. Growth in advanced economies is expected to accelerate to 1.9 percent in calendar 2017, benefiting their trading partners. Growth in emerging markets and developing economies, which contribute to more than half the global economic growth rate, will recover to 4.1 percent in calendar 2017, as obstacles to economic activity diminish in commodity-exporting countries and other economies show steady growth.

2. Indian Economy

Global economic recovery augurs well for India. India remains the fastest growing economy in the world - economic fundamentals are strong, the domestic market is growing strongly and the reform momentum continues. The Indian economy remains a bright spot in the global landscape. The halving of global oil prices that began in late 2014 boosted economic activity in India, further improved the external current account and fiscal positions, and combined with other fiscal and monetary measures, has helped lower inflation. In addition, a stable political regime, combined with continued fiscal consolidation, by reducing government deficits and debt accumulation, and an anti-inflationary monetary policy stance have helped cement macro-economic stability.

Government data showed that India's gross domestic product grew 7.1% in the full financial year 2016-17, slower than the 8% annual growth recorded in the previous financial year. This was primarily due to the demonetisation initiative by the Government of India. The situation has by and large normalised, after the Government's remonetisation process.

Against the backdrop of robust macro-economic stability, the government has initiated several measures to formalize and streamline the Indian economy. Fiscal year 2017 was marked by two major domestic policy developments- the passage of the Constitutional amendment, paving the way for implementing the transformational Goods and Services Tax (GST), and the action to demonetise the two highest denomination notes. The GST, a landmark reform, is expected to create a common Indian market, improve tax compliance and governance, and boost investmentand growth. This will help rationalize taxes at different levels, and enhance the ease of doing business, as movement of retail goods and raw materials will be easier. Demonetisation has had short-term costs but holds the potential for significant longterm benefits. Follow-up actions to minimize the costs and maximise the benefits include: fast, demand-driven, remonetisation; further tax reforms, including bringing real estate into the GST, reducing tax rates and stamp duties; and allaying anxieties about over-zealous tax administration. These actions would allow growth to return to 7.5% - 8% the annual trend in fiscal 2018, following a temporary decline in fiscal 2017.

India continues to retain its top ranking of being the premier greenfield foreign direct investment destination. India has become the fastest growing investment region for foreign investors in calendar 2016, led by an increase in investments in real estate and other sectors.
It is envisaged to be the first point of reference for potential investors. The Government's Make in India campaign has attracted investment across sectors. This initiative is expected to increase the purchasing power of the common man, which would further boost demand, accelerate development, and further enhance the inflow of foreign investments.

The long-term narrative remains strong, especially with the structural re-sets in terms of monetization, political stability and implementation of the Goods and Services Tax (GST) Act. The domestic economy is picking up. The external sector is stable. The Indian Rupee has been among the best performing currencies among its emerging market peers. All this bodess well for the Indian economy.

3. Real estate industry in India

The Indian real estate sector is one of the most globally recognised. In India, it is the second largest employer next only to agriculture, and is poised to grow at a rate of 30 per cent over the next decade. It comprises four important sectors – housing, retail, hospitality, and commercial. Faster urbanisation growth in economic activity and increase in disposable incomes are some of the major factors that influence demand in the residential segment. The growth of housing is complemented by the growth in the demand for office space.

Indian Real Estate is at a cusp. The eco-system is undergoing a significant shift. Fiscal 2017 was a good year in terms of policy and reforms. Government has taken several steps like Real Estate Regulatory Act 2016 (RERA), Goods and Services Tax (GST), and Benami Transaction Prohibition (Amendment) Act 2016, to bring transparency in the real estate sector and boost the confidence of buyers, investors and developers. At the same time, relaxation in FDI rules, and opening up of the domestic fund industry to foreign investment as well as a favourable institutional framework such as the Real Estate Investment trust (REIT) would help raise capital and accelerate growth. Led by the high demand for quality office and retail space, the commercial real estate market in India continues to grow at a steady rate, especially markets such as Hyderabad, Bengaluru, Pune and Chennai. The Smart City Project, Housing for All by 2022, enhanced allocations towards infrastructure, housing and urban development, as well as relaxation of limits on investments are expected to provide a fillup to the sector. Real Estate is currently the fourth largest sector in the country in terms of FDI inflows. As the Real Estate Regulation and Development Act 2016 (RERA) gets implemented by the States, the Indian real estate will achieve greater transparency and credibility with all stakeholders.

The organized real estate players are expected to benefit significantly from the resultant paradigm shift. RERA will be a game changer, especially in the residential home segment. GST is expected to be neutral for the sector, but highly beneficial to the affordable housing segment. E-lending banks have slashed interest rates on home loans, effective January 1, 2017 which will boost the confidence of buyers, investors and developers alike. The Union Budget 2017-18 contains several measures which are focussed towards bringing the much needed reforms in the sector. Another crucial step in this direction is the announcement of benefits on home loan interest to lower income group, by providing rebates of up to 4 percent on home loans of ₹12 lacs, taken under the Pradhan Mantri Awas Yojana (PMAY), for people who do not own a proper shelter. Combined with the Credit Linked Subsidy Scheme (CLSS) for middle income home buyers, this interest subsidy has reduced effective home loan rates to 3.5% to 4%. Home affordability is at its highest level in 2 decades as per HDFC Ltd.

The Puravankara Group is RERA ready, not just RERA compliant. We have made the shift to customer centricity. With its primary focus on transparency, accountability, and fair play, RERA is expected to ensure greater professionalism, governance and regulation in the real estate sector. This regulation would effect a sea change in the landscape of Indian real estate, and augurs well for organized, established and professionally managed developers. Improved governance and prudent capital allocation are expected to create a more conducive investment environment.

Affordable Housing and the support it is receiving from the government will make it a game changer in India. The government has granted infrastructure status to affordable housing. This reform will increase the importance of affordable housing as a key economic driver. The sector is expected to receive a greater level of attention and support from the government in the form of dedicated budgetary allocations and focussed policy initiatives. In line with key infrastructure verticals such as roads and highways, developers of affordable housing will be entitled to various benefits such as tax exemptions, subsidies and cheaper loans. The move is forecast to significantly boost investment in the sector, thereby increasing the supply of affordable housing in the country.

Tax reforms

Relaxed provisions for computation of capital gains in case of joint development agreement

The holding period for capital gains on sale of immovable property -land and building to qualify as long term capital gains has been reduced to two years from three years in the Union Budget 2017-18. In case of joint developments, the liability to pay capital gains tax now arises when the completion cetification is issued, compared to earlier when land owners were required to pay capital gains tax immediately on handing over of a possession of an immovable property. As a result, key stake holders, especially the land owners, will not be required to bear the tax burden at the initial stage of the project. This move will encourage more and more land owners to participate in joint developments, thereby increasing the supply of land in the sector.

Amendment of Section 80-IBA to promote Affordable Housing

Following the intial push to projects under the Union Budget 2016-17, the Government provided a further boost to creating a more conducive environment for affordable housing last year. In the Union Budget 2017-18, the guidelines were made more practical. It has been proposed to ease out the completion period criteria under section 80-IBA (deductions in respect of profits and gains from housing projects). Eligible projects (as per section 80-IBA) would now be allowed to be completed within a period of 5 years instead of existing 3 years, to avail 100 per cent tax exemption on profits and gains. In addition, the area limitation criteria of 30 sqm (Chennai, Delhi, Kolkata and Mumbai) and 60 sqm (rest of India) will now be calculated in terms of carpet area instead of built up area, while deciding the eligibility for tax exemption. As a result, a higher number of housing projects will benefit from the scheme.

Bengaluru: the most preferred destination

Bengaluru is the IT hub of India and home to the fourth largest technology cluster in the world. The city has experienced an exponential growth in office and IT work spaces, as well as in population migration, and consequently its real estate sector has benefitted. As per global consultancy firm Knight Frank's Prime Asia Development Land Index, Bengaluru has seen a 26.1 per cent increase in land for residential development over the last two years (second only to Mumbai with a 35.2 per cent increase). Bengaluru showed the lowest vacancy rates of 3.2% in Jan-Mar 2017 (Jones Lang Lasalle, June 2017) with a 8.1% increase in calendar 2016 on top of a 6.8% increase in calendar 2015, as compared to the previous year. Bengaluru accounts for almost 30% of the annual absorption of office and IT work space in India, and with 102 mn sft of office in stock, is the largest market for work spaces in the country. This has propelled the housing sector in the city.

Products in the affordable and mid-segment category within Bengaluru have been performing well. 2-BHK (800-950 square feet) and 3-BHK apartments (1,200-1,300 square feet) are being offered in order to suit the end-users requirements and budget.

Bengaluru is also the third-largest real estate investment hub for HNIs (high net worth individuals) and tops the list in terms of investment from NRIs. Furthermore, Bengaluru has become a favourable destination for global in-house centres and captive centres for major global brands.

Other factors that will influence capital appreciation and the rental potential in Bengaluru over the medium-term include growth of the IT industry, a greater influx of HNIs and NRIs, infrastructural investments (peripheral ring road, metro rail, high speed rail link, mono rail and elevated expressway) and SEZ and IT parks in North Bengaluru (ITIR, Aerospace, Devanahalli Business Park, Airport City), among other local and state government initiatives.

4. Puravankara – An Overview

The Puravankara Group, headquartered in Bengaluru, was established in 1975 and has gained over 43 years of experience in property development, real estate and construction. It is one among the largest developers in South India that serves the needs of discerning clientele in housing, commercial and retail spaces.

The Group through its principal promoter began operations in Mumbai in 1975. Since then, the group has established a considerable presence in the real estate industry in metropolitan cities of Bengaluru, Mangaluru, Kochi, Chennai, Coimbatore, Hyderabad, Pune, and overseas in Colombo and Dubai with a focus on developing residential (comprising of luxury and premium affordable housing projects) and commercial projects. Our operations span all aspects of real estate development, from the identification and acquisition of land, and obtaining approvals to the design, planning and execution and marketing of our projects. We believe we have established a strong brand image and a successful track record in the Indian real estate industry due to our commitment to developing high quality projects and products that meet the exacting standards of our customers. The residential homes that we develop consist of apartment complexes, villas, townhouses, as well as affordable housing projects, which we develop through our wholly-owned subsidiary Provident Housing Limited ("Provident"). Our commercial projects include retail and office premises, as well as select IT Parks.

A majority of our completed projects, ongoing projects and upcoming projects are situated in Bengaluru, Kochi, Chennai, Coimbatore, Hyderabad, Pune and Mangaluru. In addition, we have acquired land in Colombo, Sri Lanka for a proposed residential project comprising apartment complexes and independent villas and townhouses. We also have sales and marketing offices in the United Arab Emirates, and Saudi Arabia. Our luxury and premium real estate projects are branded under the 'Purva' brand and our premium affordable housing projects under the 'Provident' brand. We believe that our brand gives us a competitive advantage that allows us to achieve sales volume momentum, premium sales prices and rentals. Our brand also helps us to secure land in prime locations and attract well regarded professionals and partners to collaborate with us on our projects. In addition, after the completion of a project, we continue to focus on brand management through our after-sales team to ensure consistent brand recall among our customers and foster 'word of mouth' recommendations.

Our affordable housing brand 'Provident' seeks to create mid-income and mass housing projects comprising affordable homes in response to the increasing demand for value-for-money and affordable housing in India. Our projects in this segment are aimed largely at first-time home buyers. Provident develops projects that have small to medium unit sizes largely ranging from 500 to 1200 square feet with amenities such as swimming pools, club houses and multipurpose halls. These projects are situated in the centre of the city as well as in areas that are located relatively farther from the centre of the city, but equipped with adequate infrastructure and supporting amenties and facilities, and supported by public transportation connectivity and surrounding social infrastructure. We are able to provide these projects to our customers within a specified price range, which is more affordable than the housing we provide under the Puravankara brand, by reducing the size of our residential units and by applying innovative construction techniques and efficient designs that result in cost and time savings, without sacrificing the quality that the brand represents.

The Puravankara Group has the necessary ingredients to be able to capitalize on the market, opportunity presented by affordable housing – an experienced team and know how, access to land at appropriate locations, decades of execution capability, the right branding and positioning, and a healthy balance sheet.

With a large and experienced team of engineers and technicians, the Group has a technologically advanced in-house project management and construction team. This, coupled with access to some of India's leading architects, town planners and designers, provides the organisation with an experience, capability and expertise that is unmatched in the Indian real estate industry. Development activities range from the concept, design and construction of modern homes, through ultra-modern and multi-functional integrated rowhouse, villa and bungalow complexes, to plush yet functional commercial offices and IT parks, as well as modern retail complexes. The Puravankara Group has also shown the capacity to build large townships equipped with all modern amenities and lifestyle facilities, to meet the growing requirements of its discerning customers.

5. Awards and recognitions

Puravankara has been honoured with several awards over the years in recognition of being one of the most trusted builders and developers in South India and delivering quality apartments to its customers. Few awards received bestowed upon us for our contribution to the real estate and construction industry are listed below.

- Mr. Ashish Puravankara – SIBA (South Indian Business Achievers) Awards- Achiever in the Business Sector – South
- Construction Times Builders Awards 2017 - Upcoming Project of the Year - Residential - Purva Whitehall
- 9th Franchise Estate Awards 2017 - for 'Best Affordable Housing Project' of the Year - South - Provident Sunworth
- 9th Franchise Estate Awards 2017 - for 'Best Developer of the Year' - South - Puravankara Limited
- 9th CIDC (Construction Industry Development Council) Vishwakarma Awards 2017 for Best Construction Project of the Year - Purva Windermere – Phase 1
- 8th Realty Plus Conclave & Excellence Awards 2017 - Pune - Developer of the Year - Residential - Puravankara Limited
- Realty Plus Excellence Awards (South) 2016 - Low Cost Housing Project of the Year - Provident Green Park
- Realty Plus Excellence Awards (South) 2016 - Villa Project of the Year - The Sound of Water
- '4th Annual 'Siliconindia Chennai Real Estate Awards' 2016 - Best Commercial Property of The Year' – South Chennai' - Purva Primus
- '4th Annual 'Siliconindia Chennai Real Estate Awards' 2016 - Best Mid Range Apartment Project Of the Year'- Coimbatore - Purva Bluemont
- Indian concrete Institute & Ultra Tech Endowment Award-2016 - Best Residential Building - Purva Eternity
- Construction Week India 2016 - Real Estate Company of the Year - Puravankara Ltd
- Indian concrete Institute Birla Super Award-2016 - Outstanding Concrete Structure of Karnataka (Building Category) - Provident Sunworth
- The Mysore Horticultural Society 2016 for Best Ornamental Gardens - Rest House Park - Puravankara Projects Ltd
- The Mysore Horticultural Society 2016 for Best Ornamental Gardens - Brigade Road Park - Puravankara Projects Ltd

6. Management's discussion of risks and concerns

Risk management is a structured approach to manage uncertainties in a challenging and rapidly evolviong market like India, through a process of risk identification and management. In any business enterprise, risk management includes the methods and processes used by organisations to manage risks related to the achievement of their objectives. Risk management and mitigation typically involves the following processes:

- Identifying particular events or circumstances relevant to the organisation's objectives

- Assessing them in terms of magnitude of impact
- Implementing all of the planned methods for mitigating the effect of the risks
- Assigning responsibilities and accountability clearly
- Reporting to the management
- Prioritising risks with regard to the probabilities of their occurrence and magnitudes of their impact
- Monitoring the progress of risk mitigation and control activities to ensure identified objectives have been completed or are in progress

By identifying and proactively addressing risks and opportunities, business enterprises protect and create value for their stakeholders, including owners, employees, customers, capital providers, regulators, and the society at large. Our Company has appropriate and adequate internal control systems for its business processes at all levels. The management has identified certain areas of risks to which the Company is susceptible. Listed below are the various events and their possible impacts, along with the actions taken to mitigate and control such probabilities with a view to protecting and generating risk-adjusted returns for our shareholders:

COMPANY SPECIFIC RISKS

Serial no.	Risk description	Business process	Impact factors	Mitigation measures (Proposed mitigation measures mentioned in italics)
1	Uncertainties/Irregularities pertaining to land titles acquired/developed by Company due to inadequate due diligence, forged documents, JD partners not having clear titles to land, among others	Land acquisition	• Inability to transfer title • Exposure to legal disputes and related costs • Impact on land valuations	• Due diligence by independent and in-house counsel • Representations/Encumbrance certificates • Advertisements/Public notices in newspapers • Suitable monetary compensation to settle disputes • Experience of 43 years
2	Delays in completion of projects due to shortage of skilled labour, material, contractors and delays, among others	Project execution	• Higher construction costs • Impact on reputation/Customer dissatisfaction • Payment of penalties to customers	• Increased usage of mechanised equipment • Supply of labour outsourced to sub-contractors • Dedicated planning department • Penalty clauses for delay in agreements with contractors • Usage of newer technologies • *Extension of working hours on weekdays and Sundays* • *Interstate purchases*
3	Inability to attract and retain employees as a result of increased opportunities in the market, higher salaries offered by competition and employee dissatisfaction with company policies/processes	Human resources	• Loss of expertise and continuity • Higher recruitment and training costs • Delay in project execution	• Fast growing company - opportunities are better • Site visits by HR personnel • Defined appraisal system to provide career guidance and feedback • *Compensation benchmarking survey* • *Exit interview* • *Innovative loyalty building programmes* • *Separate department for hearing grievances of employees and mitigating the same periodically*
4	Inadequate systems security due to absence of secure transmission lines, absence of an IT policy indicating safe system usage mechanisms, inadequate access controls to ERP, among others	Information technology	• Loss/pilferage of confidential data	• Secure connectifity systems are being implemented to address data integrity through tramsmission between sites and all offices • Strenghening existing controls in ERP • Centralised mail server • Existence of formal IT policy

Serial no.	Risk description	Business process	Impact factors	Mitigation measures (Proposed mitigation measures mentioned in italics)
5	Non-compliance with requirements of labour laws and other relevant rules and regulations due to inadequate knowledge of requirements, absence of a mechanism to obtain assurance, unorganised nature of labour market, expansion into new geographies, among others	Compliance	• Fines/Penalties/ Imprisonment for non-compliance	• In-house expert on relevant regulations • Use of external consultants • Periodic monitoring of checklists that list requirements of VAT, Service Tax, Company's Act and Income Tax • System controls for tax compliance • Internal audit function • *Dedicated person to track compliance with labour laws* • *Distribution of detailed checklists to all relevant departments* • *Proof of compliance prior to making contractor payments* • *Periodical internal training*
6	Customer dissatisfaction with the Sales processes due to over commitments/incorrect information provided by sales personnel, customisation requirements not being adequately addressed, delays in processing agreements, among others	Sales and marketing	• Customer dissatisfaction • Loss of potential customers • Growth • Margins	• Mock flats with specifications • Adequate redressal system for property complaints • Updates on progress of the project through website/mails • Minimal customisation • Projects are launched only after receipt of requisite sanctions • *Process of generating/executing agreements being streamlined* • *Periodic review of complaints received and action taken*
7	Customer dissatisfaction with after sales processes due to lack of a well-defined customer redressal system, disputes over cancellation charges, inadequate property management, post-sale	Sales and marketing	• Customer dissatisfaction • Loss of potential customers • Growth • Margins	• Dedicated customer care department. Target of 24 hours for acknowledging customer queries/complaints • Cancellation charges clearly mentioned in the application forms and sale agreements • PPL handles property management
8	Inability to obtain financing/ financing on favourable terms, due to downgrading of debt rating, liquidity crunch, among others	Finance	• Higher financing costs • Mismatch in cash flow • Period review of the loans portfolio with plan for restructuring	• Maintain optimum net debt-equity ratio • Asset quality is standard • Sell initially well to cover costs • Ensure project level cost flows are possitive
9	Sub-standard construction quality due to dependence on third parties, absence of adequate number of quality structural consultants, sub-standard quality of raw material, among others	Project execution	• Delay in project completion • Impact on reputation • Abortive costs	• In-house construction and quality team • Use of snagging checklists • Structure certified by governmental authorised consultants • Defects liability insurance taken • Expert opinion from local consultants

Serial no.	Risk description	Business process	Impact factors	Mitigation measures (Proposed mitigation measures mentioned in italics)
10	New territory risks arising from uncertainty in the natural parameters, inadequate knowledge of local regulations, dilution of control, among others	Project execution	• Delay in project completion • Impact on reputation • Abortive costs • Stay order by the court due to PIL's • Project costs incorrectly estimated	• Expert opinion from local consultants sought • *Location audits on process implementation effectiveness*
11	Reduced margins due to significant escalation in material, labour costs post project commencement/ineffective planning, among others	Project execution and sales and marketing	Reduced margins	• Selling strategy - only a certain percentage of apartments are sold upfront • 5% contingency margin in initial estimates • Implementation of newer technology to reduce construction time • Dedicated Planning department
12	Inability to anticipate and respond to consumer requirements due to inadequate market research and analysis	Business development and sales and marketing	• Lower demand for properties	• Direct sales • KYCR initiatives • Analysis of buying patterns/size of loan disbursements
13	Loss due to theft, accidents at site, defects, among others	Project execution	• Financial loss • Impact on reputation	• Adequate insurance policies • Security guards • *Separate stores management team* • *Rotation of stores personnel* • *Asset management system*
14	Use of unlicensed software due to absence of a software usage policy, periodic monitoring mechanism, among others	Information technology	• Penalties for use of unlicensed software	• Microsoft software asset management review • *IT policy indicating software usage to be rolled out* • *Periodic monitoring mechanism* • *Group Policy Controls to prevent implementation of unauthorized software*
15	High network downtime resulting in unavailability of data	Information technology	• Unavailability of data • Delays in payments that could result in delay in Project timelines • Delay in providing information to customers/potential customers	• *Rollout of backup lines*
16	Inability to adopt/adapt to new technologies	Project execution	• Impact on quality of construction • Delay in project completion • Impact on margins	• Key Management personnel understands and is abreast with the latest technology MIVAN technology sufficient for next few years

Serial no.	Risk description	Business process	Impact factors	Mitigation measures (Proposed mitigation measures mentioned in italics)
17	Risk of capturing and/or reporting incorrect /inaccurate financial information	Financial reporting	• Incorrect financial reporting	• Centralisation of accounting system, procurement, payments • Audit of controls • Period consultation with audit firms
18	Death of labourers/ construction personnel on site/Accidents on site due to non-adherence to safety procedures, non-enforcement of safety procedures	Project execution	• Delays in the project • Compensation/ Litigation costs • Impact on reputation	• Safety officers • Safety programmes • Workmen's insurance policy • Workers employed through contractors are insured by the contractors • *Location audits* • *Company proposes to apply for a safety award*
19	Presence of fly-by-night operators resulting in decreased demand for Purva properties	Business development	• Loss of potential customers • Educate customers and assess impact	• High quality of construction • Established brand name • Experience of 43 years
20	Issues with JV partner	Business development	• Impact on types of projects that the Company undertakes • Growth	• Clearly defined commercial terms for successful relationship
21	Significant dependence on few members of management/Loss of key management personnel	Human resources	• Loss of experience/ expertise • Loss of key relationships	• Adequate systems and structure for smooth transition • *Introduction of succession plan for key managerial personnel*
22	Inability to use acquired land for intended purpose due to non-compliance with permitted land uses, inability to transfer titles to land	Business development	• Exposure to legal disputes and related costs • Delayed project commencement/ Project abandonment • Surrender of excess land held over ceiling	• Comprehensive development plan • Land in green zones/land not zoned is not purchased • Agreements to sell/MoUs in Company's favour • Due diligence process • Involvement of senior management

INDUSTRY RISKS

Serial no.	Risk description	Business process	Impact factors	Mitigation measures (Proposed mitigation measures mentioned in italics)
1	Slump in the real estate market/ Significant decline in property prices	Business development	• Reduction in property prices • Impact on demand for properties	• Vast majority of Purva brands sold at Rs. 6,000 per square feet • Certain flexibility in pricing has also enabled the Company to mitigate this factor. • Low land acquisition costs • Ability to adapt to changing circumstances • Low outstanding on land payments
2	Declining affordability as a result of increase in loan interest rates, withdrawal of tax benefits and decrease in availability of home loans	Business development	• Decreased demand for properties	• Vast majority of Purva flats priced at Rs. 6,000 per square feet • Flexible pricing policy • Low cost affordable housing – Provident

Serial no.	Risk description	Business process	Impact factors	Mitigation measures (Proposed mitigation measures mentioned in italics)
3	Compulsory land acquisition by government due to development of infrastructure projects	Land acquisition	• Delay in project completion • Exposure to legal disputes and related costs • Exposure to additional costs if changes are required to be made to the master plan	• Review of city infrastructure plan/Possibility of future expansion of roads considered • NOC's from government prior to purchase • Project commenced only after receipt of sanctions from relevant authorities
4	Loss due to natural calamities	Project execution	• Financial loss • Inability to complete projects on schedule	• Appropriate insurance policies • *Disaster eecovery plan/Business continuity plan to be rolled out*
5	Inability to grow existing land bank as desired due to inability/ delay in procuring contiguous land for large projects, inability to build land bank at strategic locations at low costs, among others	Business development	• Inability to grow business	• Focus on new acquisitions in other potential locations of Bengaluru • Existing land bank will last for next five years

Notes:

1. All risks described above are inherent to the Company and the market in which it operates.
2. Company specific risks are those risks for which the mitigation measures lie largely within the power and control of the management. Industry risks are those which the management has very limited control over. Risks are presented in the order of priority.

7. Internal control systems and their adequacy

The Company has well-defined and adequate internal control systems to ensure that all the assets are safeguarded as well as are more productive. These internal controls are supplemented by periodic audits with management reports and these are reviewed and monitoried by our audit committee.

We have a qualified and independent audit committee consisting of our Board of Directors including independent Board members. The Audit Committee regularly reviews the adequacy and efficiency of internal controls and suggests improvements or corrections. These internal controls ensure efficiency in operations, compliance with internal policies of the Company, applicable laws and regulations, protection of resources and accurate reporting of financial transactions.

8. Our people

We continue to believe that our employees are key contributors to our success. The Group's endeavour to impart the best skill development and conducive and supporting working environment for retaining the best talent in the industry remains unabated. Our workforce consists of (i) our permanent employees, (ii) consultants who are engaged by us on a contractual basis to assist in the architectural and structural design of our projects and (iii) contractors who are engaged by us on a contractual basis and who employ labourers to work at our project sites. The table below sets out the number of employees as of March 31, 2017 and March 31, 2016 respectively.

Employee category	Fiscal 2017	Fiscal 2016
Non-technical	573	583
Technical	356	422
Trainees	7	4
Total	**936**	**1009**

9. Opportunities and threats

India's real estate ecosystem is undergoing a transformation. The Group has over time not only adapted itself to the new rules of the game, but has also been pro-active in anticipating emerging trends. RERA will polarize demand towards organized and established developers with healthy balance sheets and strong exsecution capabilities. Long term benefits far outweigh any short term challenges, which the Group is well positioned to and adequately capitalised to address.

Robust economic fundamentals, controlled inflation and a lower interest rate regime, combined with regulatory reforms -both at the national level as well as sector level have presented a never-before-opportunity in the housing market as well as in work spaces. The momentuim has shifted towards value for money homes and annuity projects, driven by a favourable demand-supply ecosystem and a benign interest rate environment. On the one hand, there is a demand-supply mismatch in affordable housing, with interest subisdies and incentives boosting affordability. Puravankara Group is well positioned here, largely through Provident. There is a marked shift from the demand for high-cost lifestyle apartments to medium-cost affordable housing. The Group had recognised this trend quite early and had been one of the early companies to move in the direction of providing affordable housing projects to cater to the demand. On the other hand, demand for office space in the top 6-7 cities has been very strong, that too despite uncertainity from both global developments led by Brexit and the US elections, as well as slow down in the IT/ITES spending, especially by Europe. Liquidity is driving up valuations in the office and IT/ITES segments in India.

Improved capital allocation, good governance and better execution, combined with prudent and careful new project selection will be some of the key factors that will differentiate the reputable organized players from the rest of the pack in India. Capital availability at low rates and flexible terms would remain a competitive advantage. Short term challenges in implementation of RERA and GST cannot be ruled out, but in the medium-term and long-term both thse reforms are expected to propel the sector and benefit established and reputed developers by polarizing demand towards them.

10. Discussion on financial conditions and results of operations

Income

Our total income comprises of revenue from operations and other income.

Revenues from operations

Our revenues from operations comprise revenues from projects and other operating revenues. Revenues from projects represented 94.07 per cent and 99.21 per cent of our revenues from operations in fiscal 2017 and fiscal 2016, respectively. Revenues from projects include sale of ready to move and under construction properties. The former, viz., ready to move saw a significant improvement in sales in fiscal 2017 over fiscal 2016. Our other operating revenues represented 5.93 per cent and 0.79 per cent of our revenues from operations in fiscals 2017 and 2016, respectively.

Revenues from projects

Revenues from projects comprise sale of our residential properties and interior works. Sale of properties represented 99.45 per cent and 99.47 per cent of our revenues from projects in fiscal 2017 and 2016, respectively.

We also derive income from the sale of interior works, which includes designing, procuring, fabricating and installing the furniture, fixtures and other fittings in our property developments. Income from interior works represented 0.55 per cent and 0.53 per cent respectively, of our revenue from projects in fiscal 2017 and 2016, respectively.

Other operating revenues

Our other operating revenue comprises rental income, scrap sales and others. We lease our commercial properties and derive rental income. Rental income represented 3.46 per cent and 26.87 per cent; Scrap sales represented 1.93 per cent and 10.10 per cent; Others represented 94.61 per cent and 63.04 per cent, (others include a gain of ₹71.76 from sale of our subsidiaries during the current fiscal) of our other operating revenues in fiscal 2017 and 2016, respectively.

Other income

Other income represents primarily professional charges in relation to sale of properties, which we collect from our customers, and other miscellaneous income.

Expenses

Our significant expenses include:

- project expenses, which comprise of material and contract costs, land costs and decrease/(increase) in inventory of properties under development and properties held for sale;
- employee benefit expense;
- finance expenses;
- depreciation and amortisation; and
- other expenses.

In fiscal 2017, we accelerated our efforts towards not only controlling costs and expenses but also making more costs variable. This has helped reign in the overall cost of our business.

Project expenses

Project expenses comprises material and contract costs, land costs and decrease/(increase) in inventory of properties under development and properties held for sale. Project expenses reflect the costs associated with our projects, corresponding to the percentage of completion of construction of our projects.

Material and contract costs

Our material and contract cost primarily comprises costs related to materials used in our construction, wages, civil work done by our contractors, fees paid to architects, plan sanction and project related levies paid to local authorities. These expenses also include expenses incurred in relation to the equipment and machinery used in the construction and design for our projects, interior works and other services that we provide which are not specifically allocated to a project. Our material and contract costs represented 58.42 per cent and 67.11 per cent of our total expenses in fiscal 2017 and 2016, respectively, which also included the cost allocated to the inventory in respect of unsold units in our projects.

Land costs

Land cost consist of the cost of acquisition of land, expenses incurred in the upkeep of land and value addition to land and the cost of acquisition of development rights. Our land costs represent the cost of land pertaining to sale of undivided share of land in qualifying projects and cost of land that are allotted for properties under development. Our land costs represented 84.21 per cent, and 20.58 per cent, respectively, of our total expenses in fiscal 2017 and 2016, respectively, which also included the cost allocated to the inventory in respect of unsold units in our projects.

Increase)/decrease in inventories of properties under development, properties held for development and properties held for sale

Inventory of properties consists of the sum of properties under development, properties held for development and properties held for sale represents the difference between the beginning and the ending balance of properties under development, properties held for development and properties held for sale during that year. For further details, please refer to Notes 2.2 and 30 of the 'Consolidated Financial Statements'.

Employee benefit expenses

Employee benefit expense comprise salaries, wages, allowances and bonuses paid to employees, contribution to employees' provident fund and other staff welfare expenses not recognized under either material and contract costs or under selling costs. Our employee benefit expenses represented 7.95 per cent and 7.51 per cent respectively, of our total expenses in fiscal 2017 and 2016, respectively.

Net finance expenses

Our net finance expenses include our finance expense net of our interest income earned on bank deposits, interest from loans to our joint venture and associates, interest received from our customers; Unwinding of discount relating to refundable security deposits; net interest charges payable by us on short-term and long-term loans and debentures. These loans include working capital loans, overdrafts, loans on purchase of certain equipments and vehicles and charges such as processing fees for loans, bank guarantees, including the cost allocated to the inventory in respect of unsold units in our projects.

Our net finance expense, including the cost allocated to inventory, represented 19.75 per cent and 15.29 per cent of our total expenses in fiscal 2017 and 2016, respectively.

Depreciation and amortisation costs

Depreciation and amortisation costs comprise depreciation on building, plant and machinery, certain other items used in construction, office equipments, computers, furniture and fixtures, vehicles, shuttering materials and leasehold improvements. Our depreciation and amortization cost represented 1.30 per cent and 1.08 per cent respectively, of our total expenses in fiscal 2017 and 2016, respectively.

Other expenses

Our other expenses primarily comprise expenses incurred in business promotion and the costs of advertisement and publicity of our projects. This consists of costs in relation to advertising and sales promotion, commission, brokerage and referral charges, travel and communication expenses incurred in relation to the sales and marketing of our projects.

In addition, we also recognize rates and taxes, our expenditure under legal and professional charges, travelling and conveyance, security charges, remuneration to auditors, repairs and maintenance of our office premises, corporate social responsibility expenses and losses from our foreign exchange fluctuations as other expenses.

Our other expenses represented 14.22 per cent and 16.43 per cent respectively, of our total expenses in fiscal 2017 and 2016, respectively, reflecting the control over costs that the management effected in fiscal 2017.

Share of profit/(loss) from investment in associates and joint ventures₹, net

This consists of our share of profit/ (loss) in associates, namely Keppel Puravankara Development Private Limited.

Profit before tax

Our profit before tax (PBT) represents the difference between total income and total expenditure after adjusting for the share of profit/ (loss) in associates and joint ventures. PBT represented 11.27 per cent and 7.95 per cent of our total revenue for fiscal 2017 and 2016, respectively.

Tax expenses

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is the amount of tax payable based on the taxable profit for the year, as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act,1961 and other applicable tax laws in the countries where the Group operates and generates taxable income.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

11. Factors affecting results of operations

Our results of operations depend on various factors, including the following:

- Condition and performance of the real estate market
- Supply of land
- Cost of land
- Construction costs
- Availability of financing for customers
- Taxation
- Other factors

Each of these factors is discussed below:

Condition and performance of the real estate market in India: Developments in the real estate sector are driven by:

- Demand for more housing units in cities and towns due to movement of population from rural to urban areas, expanding middle class, increased disposable income, availability of housing finance and tax incentives;
- Demand for office premises due to growing Indian market including the IT industry, the retail industry and the manufacturing industry, the services industry with foreign companies setting up or expanding their offices in India. Indian companies are also growing and expanding.

Factors affecting the real estate market in India still have a direct relation to the performance of the Company. The real estate sector in India especially the gateway cities of in south and west India, is maintaining its absorption levels. The growth is coming about as a result of favourable demographics, growing employment levels, increasing purchasing power, end user led demand, existence of customer-friendly banks and housing finance companies, professionalism in real estate and favourable reforms initiated by the government to lower the cost of funding as well as to attract global investors.

Supply of land: Our operations are dependent on the availability of land for our projects. Our growth is linked to the availability of land in areas where we can develop projects and can be marketed mainly to affordable mid-income and high-income groups. Increased competition for land may adversely affect our operations.

Cost of land: The cost of acquisition of land includes the amounts paid for freehold rights and cost of registration and stamp duty, as well as the amounts incurred to acquire development rights to another land owner's land parcel. We acquire land or development rights from governmental authorities and private parties. We are typically required to enter into a deed of conveyance or a lease deed transferring title in our favour, or a joint development agreement for development rights. The registration charges and stamp duty among other things are also payable by us.

Construction costs: The cost of construction includes cost of material used in our construction as well as the labour charges payable to labour contractors for work done at the project sites. The cost of material primarily comprises procurement costs for steel, cement, wood, flooring materials and other accessories.

Availability of financing for customers: One of the major drivers behind the growth of demand for housing units is interest rates on housing loans. A rise in housing loan interest rates may increase the cost of property, but will not affect buying capacity, as house buyers are more concerned about property prices rather than rising interest rates. Interest rates on home loans have in fact gone down in fiscal 2017. Credit linked subsidies and schems such as PMAY and CLSS by the Government have further reduced interest rates for the home loan to customer.

Taxation: The other primary factor affecting our financial conditions is the tax payable by us. The provision for taxation is made on Taxes Payable Method and determined in accordance with the provisions of Income Tax Act, 1961. Taxes are measured using the tax rates and laws that have been enacted or substantively enacted as of the date of the financial statements in which they are recorded.

Other factors: Other factors affecting our results of operations include – regulations affecting the real estate industry, our ability to acquire suitable lands or development rights at reasonable costs, our ability to identify suitable projects and execute them in a timely and cost-effective manner, our ability to procure financing at competitive rates, and competition..

12. Critical accounting policies

The financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as notified under section 133 of the Companies Act, 2013 read with the Companies [(Indian Accounting Standards Rules 2015 {by Ministry of Corporate Affairs ('MCA')}]. The Group has uniformly applied the accounting policies during the periods presented.

Certain of our accounting policies are particularly important to the portrayal of our financial position and results of operations and require the application of significant assumptions and estimates of our management. We refer to these accounting policies as our 'critical accounting policies'. Our management uses historical experience and analyses, the terms of existing contracts, historical cost convention, industry trends, information provided by our agents and information available from other outside sources, as appropriate, when forming our assumptions and estimates. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. However, this task may be imprecise because our management makes assumptions and provides estimates on matters that are inherently uncertain.

For more information on our significant accounting policies, please see 'Financial Statements'.

While all aspects of our financial statements should be read and understood in assessing our current and expected financial condition and results, we believe that the following critical accounting policies warrant additional attention:

(a) Revenue recognition of revenues from projects

Revenue is recognised when it is probable that the economic benefits will flow to the Group and it can be reliably measured, which coincides with entering into a legally binding buyer agreement. Revenue is measured at the fair value of the consideration received/receivable net of any rebates and taxes.

Revenue from the sale of undivided share of land (UDS) in qualifying projects where the risks and rewards on the sale of the UDS are separable from the risks and rewards on the construction contract, is recognized upon the transfer of all significant risks and rewards of ownership of such real estate, as per the terms of the contracts entered into with the buyers, which coincides with the firming of the sales contracts/agreements and a minimum level of collection of dues from the buyer.

Revenue from the sale of UDS on other projects where the risk and rewards on the sale of the UDS are not separable from the construction contracts and therefore do not qualify above are recognized on the percentage of completion method.

Our revenue recognition policy was aligned in accordance with the 'Guidance Note on Accounting for Real Estate Transactions (Revised 2012)', (the 'Guidance Note'). From April 1, 2012, we have applied the principles enunciated in Accounting Standard 7 (Construction Contracts) and Accounting Standard 9 (Revenue Recognition) in accordance with the Guidance Note. The Guidance Note is applicable to all projects which were launched on or after April 1, 2012 and also to projects which have already launched but where revenue is being recognised for the first time on or after April 1, 2012.

Effective April 1, 2012, in accordance with the 'Guidance Note on Accounting for Real Estate Transactions (Revised 2012)', (the 'Guidance Note') for all projects commencing on or after the said date or projects where the revenue is recognised for the first time on or after the above date, the construction revenue on such projects have been recognised on percentage of completion method provided the following thresholds have been met:

(a) All critical approvals necessary for the commencement have been obtained;

(b) The expenditure incurred on construction and development costs is not less than 25 per cent of the total estimated construction and development costs;

(c) At least 25 per cent of the saleable project area is secured by agreements with buyers; and

(d) At least 10 per cent of the agreements are realised at the reporting date in respect of such contracts.

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

We have applied the percentage of completion method as revised by the Guidance Note to the real estate projects: Purva Whitehall, Purva Sunflower, Purva Skydale, Purva Amaiti, Purva Westend, Purva Palmbeach, Purva Gainz, Purva Summit, Purva Primus, Provident Sunworth, Provident Skyworth, Provident Green Park, The Tree and Provident Kenworth.

For projects executed through joint development arrangements prior to April 1, 2012, which represent barter transactions, whereby we give up a defined percentage of the constructed area in lieu of the payment for our share in the land, we account for such transactions on a net basis and do not ascribe any value to the share of land acquired on such basis. Effective April 1, 2012, in accordance with the Guidance Note, developmental rights acquired through joint development arrangements are recorded on a gross basis on the estimated value of the land in respect of which, the development right is transferred in our favour.

Interior income is recognised on the basis of percentage of completion method.

(b) Impairment of assets

We assess at each Balance Sheet date whether there is any indication of an impaired asset. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

(c) Inventories

Raw materials

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

Properties under development

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

Properties held for sale

Completed properties held for sale are stated at the lower of cost and net realizable value. Cost includes cost of land, construction related overhead expenditure, borrowing costs and other costs incurred during the period of development.

Net realisable 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.

Properties held for development

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

(d) Accounting for taxes on income

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act,1961 and other applicable tax laws in the countries where the Group operates and generates taxable income.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they are related to items that are recognised 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.

(e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

The Group determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In the event the Group borrows for general use, and uses such funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that particular asset.

(f) Basis of consolidation

The Group consolidate the financial statements of all of its subsidiaries as of 31 March 2017. All subsidiaries have a reporting date of March 31.

Subsidiaries are all entities over which the Company exercises control. The Company exercises control if an only if it has the following:

a) power over the entity

b) exposure, or rights, to variable returns from its involvement with the entity; and

c) the ability to use its power over the entity to affect the amount of its returns.

The Company reassesses, whether it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control

Consolidation of the financial statements of subsidiaries begins on the date control is established.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, and the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted wherever necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

(g) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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.

13. Results of operations

The following table sets forth certain items derived from our audited consolidated summary financial statements for fiscal 2017 and fiscal 2016 expressed in absolute terms and as a percentage of total revenue for the periods indicated. Amounts have been rounded to ensure percentages total to 100 per cent in a manner deemed appropriate.

Particulars	Fiscal 2017		Fiscal 2016	
	₹ Crore	%	₹ Crore	%
Income				
Revenue from operations				
Revenue from projects	1,323.64	92.66%	1,571.46	97.90%
Other operating revenues	83.48	5.84%	12.58	0.78%
Other income	21.39	1.50%	21.09	1.31%
Total income	**1,428.51**	**100.00%**	**1,605.13**	**100.00%**
Expenses				
Material and contract cost	740.52	51.84%	963.13	60.00%
Land cost	1,067.44	74.72%	176.98	11.03%
(Increase) in inventory of properties held for development, properties under development and properties held for sale	(1,088.29)	76.18%	(226.26)	14.10%
Employee benefits expense	100.73	7.05%	111.03	6.92%
Finance expense, net	250.38	17.53%	217.31	13.54%
Depreciation and amortization	16.47	1.15%	15.99	1.00%
Other expenses	180.30	12.62%	219.28	13.66%
Total expenses	**1,267.55**	**88.73%**	**1,477.46**	**92.05%**
Profit before tax	**160.96**	**11.27%**	**127.67**	**7.95%**
Tax expense				
Current tax	36.84	2.58%	46.31	2.89%
Deferred tax	1.65	0.12%	(2.67)	(0.17%)

Particulars	Fiscal 2017		Fiscal 2016	
	₹ Crore	%	₹ Crore	%
Profit before share of associates	**122.47**	**8.57%**	**84.03**	**5.23%**
Share of profit/(loss) from investment in associates and joint ventures	4.64	0.32%	(1.18)	(0.07%)
Total profit for the year	**127.11**	**8.90%**	**82.85**	**5.16%**
Other comprehensive income				
(a) Items that will not be reclassified to profit or loss				
(i) Re-measurement of gains/(losses) on defined benefit plans	0.05	0.004%	0.72	0.04%
(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.02)	(0.001)%	(0.26)	(0.02)%
(b) Items that will be reclassified to profit or loss	-		-	
Total other comprehensive income for the year	**0.03**	**0.002%**	**0.46**	**0.03%**
Total comprehensive income for the year	**127.14**	**8.90%**	**83.31**	**5.19%**
Earnings per share (Nominal value ₹5 per share)				
Basic (₹)	5.36		3.49	
Diluted (₹)	5.36		3.49	

Comparison of fiscal 2017 and fiscal 2016 performances

Income

Total income comprises revenues from operations and other incomes. Total income decreased to ₹1,428.51 crore in fiscal 2017 by ₹176.62 crore, or 11.00 per cent from ₹1,605.13 crore in fiscal 2016.

Revenues from operations

Revenues from operations comprises revenues from projects and other operating revenues. Revenues from operations decreased to ₹1,407.12 crore in fiscal 2017 by ₹176.92 crore, or 11.17 per cent, from ₹1,584.04 crore in fiscal 2016.

Revenues from projects

Revenues from projects decreased to ₹1,323.64 crore in fiscal 2017 by ₹247.82 crore, or 15.78 per cent from ₹1,571.46 crore in fiscal 2016. This was primarily due to a fall in the income recognized from the sale of apartments, offices and villas during fiscal 2017. In fiscal 2017, we recognised income from sale of apartments, offices and villas in 17 completed residential projects, 13 ongoing residential projects, 1 ongoing commercial project and 2 completed commercial projects.

Income from interior works decreased to ₹7.25 crore in fiscal 2017 by ₹1.09 crore or 13.07 per cent from ₹8.34 crore in fiscal 2016.

Other operating revenues

Other operating revenues increased to ₹83.48 crore in fiscal 2017 by ₹70.90 crore or 563.59 per cent, from ₹12.58 crore in fiscal 2016. Other operating revenues include a gain of ₹71.76 from the sale of our subsidiaries during the current fiscal 2017.

Other incomes

Other incomes increased marginally to ₹21.39 crore in fiscal 2017 by ₹0.30 crore, or 1.42 per cent, from ₹21.09 crore in fiscal 2016.

Expenses

Total expenses decreased to ₹1,267.55 crore in fiscal 2017 by ₹209.91 crore, or 14.21 per cent, from ₹1,477.46 crore in fiscal 2016. This was primarily due to the decrease in revenue from our projects, resulting in a corresponding decrease in expenses.

Project expenses

Project expenses decreased to ₹719.67 crore in fiscal 2017 by ₹194.18 crore or 21.25 per cent from ₹913.85 crore in fiscal 2016. This is primarily due to the decrease in our revenue from operations. Project expenses, as a percentage to the total income decreased to 50.38 per cent in fiscal 2017 from 56.93 per cent in fiscal 2016. Project expenses comprise the following:

Material and contract costs

Material and contract costs stood at ₹740.52 crore in fiscal 2017 and ₹963.15 crore in fiscal 2016. These costs include progress costs incurred, raw materials, labour and other related costs for the projects under construction for all properties under development on a gross basis. This is primarily linked to the extent of construction activities in our projects. During the fiscal, the Group delivered an area of 3.49 million square feet.

Land costs

Land costs stood at ₹1,067.44 crore in fiscal 2017 as compared to ₹176.98 crore in fiscal 2016. This represents the cost of land transferred from properties held for development coinciding with the launch of new projects. For projects launched under a Joint development scheme, the guidance value of land is recorded on a gross basis as part of this land cost.

Properties held for development, properties under development and properties held for sale

There was a significant increase in the inventory of properties held for development, properties under development and properties held for sale at ₹1,088.29 crore in fiscal 2017 as compared to ₹226.26 crore in fiscal 2016.

Employee benefit expenses

Employee benefit expenses dereased to ₹100.73 crore in fiscal 2017 by ₹10.30 crore, or 9.28 per cent, from ₹111.03 crore in fiscal 2016. This was primarily due to attrition during fiscal 2017.

Net finance expenses

Net finance expenses increased to ₹250.38 crore in fiscal 2017 by ₹24.50 crore, or 15.22 per cent, from ₹217.31 crore in fiscal 2016.

Depreciation and amortisation

Depreciation and amortisation increased marginally to ₹16.47 crore in fiscal 2017 by ₹0.48 crore, or 3 per cent, from ₹15.99 crore in fiscal 2016.

Other expenses

Other expenses decreased to ₹180.30 crore in fiscal 2017 by ₹38.98 crore, or 17.78 per cent, from ₹219.28 crore in fiscal 2016. This was primarily due to a decrease in the legal and professional, rates and taxes, brokerage and referral charges.

Tax expenses

Tax expenses decreased to ₹38.49 crore in fiscal 2017 by ₹5.15 crore, or 11.80 per cent, from ₹43.64 crore in fiscal 2016. Our current tax decreased to ₹36.84 crore in fiscal 2017 by ₹9.47 crore, or 20.45 per cent, from ₹46.31 crore in fiscal 2016.

Net profit for the period

Net profit increased significantly to ₹127.14 crore in fiscal 2017 by ₹43.83 crore, or 52.61 per cent, from ₹83.31 crore in fiscal 2016. This was largely due to a reduction in material costs, combined with a reduction in employee expenses and other overhead costs.

Reserves and surplus

Reserves and surplus increased to ₹ 2,269.64 as of March 31, 2017 from Rs. 2,164.75 as at March 31, 2016, mainly due to a better performance at a consolidated level.

Dividend

The Board of Directors has recommmended a final dividend of ₹2.25 per share for the year ended 31st March 2017 subject to approval of the share holders in the ensuing Annual General Meeting.

Liquidity and capital resources

As of March 31, 2017, the Company had cash and bank balances of ₹98.13 crore. Cash and bank balances primarily consist of cash on hand, fixed deposits with an initial maturity of less than twelve months and balances with banks. Our primary liquidity requirements have been to finance our purchases of land, deposits for joint development agreements and working capital for development of our projects. We expect to meet our working capital and liquidity requirements for the year till March 31, 2018 primarily from the cash flows from our business operations, and, if required, project specific construction finance borrowings from banks and financial institutions as may be expedient.

Our growth plans will require us to incur substantial additional expenditure in the current and future fiscals across our existing and new business lines. We expect that our acquisitions as well as the construction and development costs for our projects will be funded through cash flows and borrowings. Our expansion plans and planned expenditure are subject to change based on various factors such as interest rates, property prices and market conditions. Our ability to raise and service the required financing depends on these factors as well.

Credit rating

Credit rating agency ICRA has reaffirmed the long-term debt rating at BBB (stable) for credit facilities availed by the Company. The outlook on the long-term rating is positive. The reaffirmation in the rating reflects improvement in the Group's debt coverage indicators and comparative reduction in its average interest costs.

Cash flows

Shown below is a table containing selected information from our consolidated statement of cash flow for fiscals 2017 and 2016::

Particulars	Fiscal 2017	Fiscal 2016
Net cash flows from / (used in) operating activities	(251.70)	14.03
Net cash flows from / (used in) investing activities	500.68	(15.85)
Net cash from / (used in) financing activities	(437.32)	73.00
Net increase/(decrease) in cash and cash equivalents	(188.34)	71.18
Cash and cash equivalents at the beginning of the year	282.94	211.76
Cash and cash equivalents as at the end of the year	94.61	282.94

Net cash generated from/ (used in) operating activities

Our net flows generated from operating activities in fiscal 2017 primarily comprised operating profit before working capital adjustments for ₹334.63 crore, which was adjusted for an increase in the inventories of ₹500.57 crore, decrease in trade receivables of ₹81.03 crore, decrease in loans and advances and other current assets of ₹34.16 crore, an increase in current liabilities and provisions of ₹13.25 crore as well as tax payments of ₹52.14 crore.

Net cash generated from/ (used in) investing activities

Our cash flow used in investment activities for fiscal 2017 primarily comprised of proceeds from sale of investment properties of ₹403 crore, proceeds from sale of shares of subsidiaries of ₹71.86 crore, investments made in debentures of associate of ₹8.75 crore, dividend received from subsidiaries of ₹18.50 crore, purchase property, plant and equipment, intangible assets and investment properties of ₹2.42 crore, proceeds from sale of property, plant and equipment of ₹3.56 crore, loans repaid by associates and joint ventures of ₹6.09 crore, interest received ₹11.99 crore, and investment in bank deposits and margin monies ₹0.90 crore.

Net cash generated from/ (used in) financing activities

Our net cash generated from financing activities in fiscal 2017 was primarily comprised of proceeds from term loans of ₹1,427.57 crore, proceeds from increase in utilisation of working capital limits of ₹19.65 crore which were offset in part by net cash used in repayment of term loans of ₹1,274.68 crore, interest payment of ₹296.87 crore, dividend payments of ₹40.75 crore, repayment of unsecured loans of ₹246.86 crore and repayment of loans to related parties of ₹25.37 crore.

ASSETS

Non-current assets

Non-current assets: The total non-current assets were ₹651.93 crore and ₹939.33 crore as at March 31, 2017 and 2016, respectively. Our non-current assets comprise of property, plant and equipment, capital work-on-progress, investment in properties and other intangible assets, non-current investments, loans and advances, other financial assets, deferred tax assets (net), and other non-current assets.

Property, plant and equipment: The book value of our total property, plant and equipment (including capital work-in progress) was ₹70.88 crore and ₹83.76, as of March 31, 2017 and 2016, respectively consists of primarily freehold and leasehold land, buildings, plant and machinery, office equipments, computers, furniture and fixtures, vehicles, shuttering materials, leasehold improvements.

Investment properties: The book value of our total investment in properties was ₹39.33 and ₹432.54, as of March 31, 2017 and 2016, respectively consists of properties held to earn rentals or for capital appreciation, or both.

Non-current investments: Our investments represent equity investments in subsidiaries, associates, investment of debentures in joint venture. Please refere to note 6 of consolidated financials statements and note 5 of standalone financial statements.

Current assets: The total current assets stood at ₹5,518.97 crore and ₹4,606.43 crore as at March 31, 2017 and 2016, respectively. Current assets comprise inventories, financial assets, trade receivables, cash and cash eqivalents and bank balances, short-term loans and advances and other current assets.

Inventories

Raw materials: Inventories include raw materials used in our construction activities, properties under development and properties held for sale. Our inventories were ₹23.13 crore and ₹28.17 crore as at March 31, 2017 and 2016, respectively

Properties held for development: Properties held for development stood at ₹976.96 crore and ₹310.12 crore as at March 31, 2017 and 2016, respectively. The increase was primary due to recognition of land cost on projects with joint development and additions to our land bank during the current fiscal.

Properties under development: These comprise our ongoing projects. Our projects under development stood at ₹2,813.81 crore and ₹ 2,579.31 crore as at March 31, 2017 and 2016, respectively.

Properties held for sale: These comprise finished projects which are unsold on the date of the financial statements, which is valued at cost price or net realisable value (equal to selling price less cost of selling), whichever is lower. Our properties held for sale stood at ₹737.21 crore and ₹550.26 crore as at March 31, 2017 and 2016, respectively.

Trade receivables: The total amount of trade receivables stood at ₹426.16 crore and ₹ 336.32 crore as at March 31, 2017 and 2016, respectively. Our trade debtors comprise secured receivables with respect to sale of properties.

Cash and cash equivalents and bank balances: Our cash and cash equivalents and bank balances consist of cash on hand and cash held in current and deposit accounts with specified banks. The cash and cash equivalents stood at ₹98.13 crore and ₹291.43 crore as at March 31, 2017 and 2016, respectively

Networth: Our networth was ₹2,388.22 crore and ₹2,283.33 crore as at March 31, 2017 and 2016, respectively.

Borrowings: Total borrowings decreased by ₹106.75 crore to ₹2,051.15 crore. For further details please refer to Notes 2.2,21a, 21b and related disclosure of the 'Consolidated Financial Statements'.

Trade payables : The total amount of trade payables stood at ₹283.07 crore and ₹ 312.35 crore as at March 31, 2017 and 2016, respectively.

Other financial liabilities : The total amount of other financial liabilities stood at ₹733.40 crore and ₹506.00 crore as at March 31, 2017 and 2016, respectively which includes security deposit, current maturity of long term borrowings, interest accrued on borrowings, due to our employees and other payables (includes obligations payable to land owners under the joint development arrangements)

Other current liabilities: The total amount of other current liabilities stood at ₹1031.46 crore and ₹ 492.98 crore as at March 31, 2017 and 2016, respectively which comprises advances received from our customers, statutory dues payable, TDS payable, unpaid dividend and other payables (includes obligations payable to land owners under the joint development arrangements)

Transactions with associates and related parties

We enter into transactions with companies, which are controlled by members of our promoter group and other related parties in the ordinary course of our business and on an arms' length basis. As of March 31, 2017, our net balance involving transactions with related parties was ₹183.95 crore in loans, advances, deposits and liabilities to various joint ventures, promoter group companies and related individuals. For details regarding our related party transactions, please see 'Financial Statements–Related Party Transactions'.

14. Cautionary statement

Statements and reports made in the above Management Discussion and Analysis may contain forward looking statements within the meaning of applicable security laws and regulations. These statements that address expectations or projections about the future objectives and business plans but not limited to the Company's strategy for growth, market position, expenditures and financial results, are forward-looking statements. Since these statements and reports are based on certain assumptions and expectations of future events which are subject to a number of factors and uncertainties and the actual results could materially vary from the views expressed herein. The Company cannot undertake that these are accurate or will be realised. All possible care has been taken to ensure that the views and opinions expressed by the Company contain its perceptions on the material facts of the Company in the normal business operations and it is not exhaustive.

Independent Auditor's Report on the Consolidated Financial Statements

To the Members of
Puravankara Limited (formerly Puravankara Projects Limited)

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Puravankara Limited (formerly Puravankara Projects Limited) ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint ventures, which comprise the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The Holding Company's Board of Directors and the respective Board of Directors/management of the subsidiaries included in the Group, and its associates and joint ventures are responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Further, in terms of the provisions of the Act, the respective Board of Directors/management of the companies included in the Group, and its associate companies and joint venture companies covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 9 of the Other Matter(s) paragraph below, is sufficient and appropriate to provide a basis for our unqualified audit opinion on these consolidated financial statements.

Opinion

8. 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 other auditors on separate financial results and on other financial information of the subsidiaries, associates and joint ventures, the consolidated financial results:

(i) include the financial results for the year ended 31 March 2017, of the following entities:

(a) Provident Housing Limited

(b) Starworth Infrastructure and Constructions Limited

(c) Centurions Housing and Construction Private Limited

(d) Prudential Housing and Infrastructure Development Limited

(e) Melmont Constructions Private Limited

(f) Purva Marine Properties Private Limited (until 27 March 2017)

(g) Purva Realities Private Limited

(h) Vaigai Developers Private Limited

(i) Nile Developers Private Limited

(j) Purva Star Properties Private Limited

(k) Purva Sapphire Land Private Limited

(l) Purva Ruby Properties Private Limited

(m) Grand Hills Developments Private Limited (formerly known as Purva Opel Properties Private Limited)

(n) Puravankara Hotels Limited (until 27 March 2017)

(o) Purva Land Limited (until 27 March 2017)

(p) Jaganmata Property Developers Private Limited

(q) Jyothishmati Business Centers Private Limited

(r) Vagishwari Land Developers Private Limited

(s) Varishtha Property Developers Private Limited

(t) Purva Oak Private Limited

(u) Purva Pine Private Limited

(v) Provident Meryta Private Limited

(w) Argan Properties Private Limited

(x) Provident Cedar Private Limited

(y) Kondhwa Projects LLP

(z) Welworth Lanka Holdings Private Limited

(aa) Welworth Projects Lanka Private Limited

(bb) Purva Corporation

(cc) Keppel Puravankara Development Private Limited

(dd) Propmart Technologies Limited

(ee) Sobha Puravankara Aviation Private Limited

(ff) Purva Good Earth Properties Private Limited

(gg) Pune Projects LLP

(ii) give a true and fair view of the consolidated net profit (including other comprehensive income) and other financial information in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act for the year ended 31 March 2017.

Other Matter(s)

9. We did not audit the financial statements of 26 subsidiaries, whose financial statements reflect total assets of ₹306.44 crores as at 31 March 2017, total revenues of ₹80.49 crores and net cash outflows amounting to ₹14.28 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹2.17 crores for the year ended 31 March 2017, as considered in the consolidated financial statements, in respect of 2 joint ventures whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports has/have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associates and joint ventures, is based solely on the reports of the other auditors.

Further, of these subsidiaries, associates and joint ventures, 3 subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries, associates and joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries, associates and joint ventures located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹2.47 crores for the year ended 31 March 2017, as considered in the consolidated financial statements, in respect of 3 associates whose financial statements have not been audited by us. These financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group and its associates.

10. The company had prepared separate sets of consolidated financial statements for the year ended 31 March 2016 and 31 March 2015 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's reports dated 27 May 2016 and 15 May 2015, respectively. These separate sets of consolidated financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report(s) of the other auditor(s) on separate financial statements and other financial information of the subsidiaries, associates and joint ventures, we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

    c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act;

    e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, associate companies and joint venture companies covered under the Act, none of the directors of the Group companies, its associate companies and joint venture companies covered under the Act, are disqualified as on 31 March 2017 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 Holding Company, and its subsidiary companies, associate companies and joint venture companies covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure I';

    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 Auditor's) Rules, 2014 (as amended), 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 report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures:

       (i) the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures as detailed in Note 39 to the consolidated financial statements.

       (ii) the Group, its associates and joint ventures did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

       (iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and joint venture companies covered under the Act;

       (iv) these consolidated financial statements, as detailed in Note 40 to the consolidated financial statements have made requisite disclosures as to holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 by the Holding Company, and its subsidiary companies, associate companies and joint venture companies covered under the Act. Based on the audit procedures performed and taking into consideration the information and explanations given to us and on consideration of the report(s) of the other auditor(s) on separate financial statements and other financial information, in our opinion, these disclosures are in accordance with the books of account maintained by the respective companies.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sanjay Banthia**
Partner
Membership No.: 061068

Place: Bengaluru
Date: 29 May 2017

Annexure I to the Independent Auditor's Report of even date to the members of Puravankara Limited (formerly Puravankara Projects Limited) , on the consolidated financial statements for the year ended 31 March 2017

Annexure I

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1) In conjunction with our audit of the consolidated financial statements of Puravankara Limited (formerly Puravankara Projects Limited) ("the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group"), and its associates as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company, its subsidiaries and its associates, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2) The respective Board of Directors of the Holding Company, its subsidiaries and its associates, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the control criteria in accordance with the Internal control framework defined in Annexure I to SA 315 "Identifying and Assessing the Risk of Material Misstatement Through Understanding the Entity and its Environment" ("the framework"). 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 the company's business, including adherence to the company's policies, the safeguarding of the company's 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 Act.

Auditors' Responsibility

3) Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its subsidiaries and its associates as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note"), issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4) Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5) We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter(s) paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company, and its subsidiaries, as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6) A company's IFCoFR 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 IFCoFR 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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

7) Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8) In our opinion, the Holding Company and its subsidiaries, which are incorporated in India, have, in all material respects, maintained adequate IFCoFR as of 31 March 2017, based on the control criteria established in accordance with the framework, and such internal controls over financial reporting were operating effectively as at 31 March 2017.

Other Matters

9) We did not audit the IFCoFR insofar as it relates to 22 subsidiary companies, which are companies incorporated in India, whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹298.49 crores as at 31 March 2017, total revenues (after eliminating intra-group transactions) of ₹80.49 crores and net cash flows amounting to ₹14.28 crores for the year ended on that date. Our report on the adequacy and operating effectiveness of the IFCoFR insofar as it relates to the aforesaid 22 subsidiaries, which are companies incorporated in India, is solely based on the corresponding reports of the auditors of such companies. Our opinion is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

10) We did not audit the IFCoFR insofar it relates to 3 associates whose financial information reflect the Company's share of profit of ₹2.47 crores for the year ended on that date included in these consolidated financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial information of the aforesaid associates are not material to the Group and its associates. Our report on the adequacy and operating effectiveness of the IFCoFR of the Group and its associates does not include the IFCoFR assessment in respect of aforesaid associates.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sanjay Banthia**
Partner
Membership No.: 061068

Place: Bengaluru
Date: 29 May 2017

Consolidated Balance Sheet as at 31 March 2017

(All amounts in ₹ crore, unless otherwise stated)

	Note	31 Mar 2017	31 Mar 2016	01 Apr 2015
Assets				
Non-current assets				
(a) Property, plant and equipment	3	70.83	83.76	77.17
(b) Capital work-in-progress		0.05	-	12.20
(c) Investment properties	4	39.33	432.54	433.24
(d) Other intangible assets	5	3.93	4.60	4.26
(e) Financial assets				
(i) Investments				
Investments in associates and joint ventures	6a	54.44	51.28	69.49
Other investments	6b	61.86	41.21	-
(ii) Loans and advances	7a	202.92	154.53	120.06
(iii) Other financial assets	8a	21.37	15.50	12.00
(f) Deferred tax assets (net)	12	50.86	39.88	45.74
(g) Other non-current assets	9a	146.34	116.03	104.39
Total Non-current assets		651.93	939.33	878.55
Current assets				
(a) Inventories	14	4,551.11	3,467.86	3,249.06
(b) Financial assets				
(i) Trade receivables	15	426.16	336.32	438.12
(ii) Cash and cash equivalents	16	94.61	282.94	211.76
(iii) Bank balances other than (ii) above	17	3.52	8.49	11.57
(iv) Loans and advances	7b	70.65	62.80	29.66
(v) Other financial assets	8b	178.76	236.10	147.06
(c) Current tax assets (net)	10	1.78	1.21	1.17
(d) Other current assets	9b	192.38	210.71	198.85
Total current assets		5,518.97	4,606.43	4,287.25
Total assets		6,170.90	5,545.76	5,165.80
Equity and liabilities				
Equity				
(a) Equity share capital	18	118.58	118.58	118.58
(b) Other equity	19	2,269.64	2,164.75	2,125.67
Total equity		2,388.22	2,283.33	2,244.25
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	21a	796.06	1,259.81	943.62
(ii) Other financial liabilities	22a	6.92	3.33	1.84
(b) Provisions	23a	11.08	11.57	9.67
(c) Deferred tax liabilities (net)	13	11.80	-	-
Total non-current liabilities		825.86	1,274.71	955.13
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	21b	910.61	669.48	577.63
(ii) Trade payables	24			
total outstanding dues of micro enterprises and small enterprises		3.76	7.34	9.50
total outstanding dues of creditors other than micro enterprises and small enterprises		279.31	305.01	297.40
(iii) Other financial liabilities	22b	726.48	502.67	535.02
(b) Other current liabilities	25	1,031.46	492.98	543.07
(c) Provisions	23b	2.22	2.78	3.22
(d) Current tax liabilities (net)	26	2.98	7.46	0.58
Total current liabilities		2,956.82	1,987.72	1,966.42
Total equity and liabilities		6,170.90	5,545.76	5,165.80
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 Walker Chandiok & Co LLP
Chartered Accountants

per Sanjay Banthia
Partner

Bengaluru
29 May 2017

For and on behalf of the Board of Directors of Puravankara Limited
(formerly Puravankara Projects Limited)

Ashish Puravankara
Managing Director
DIN 00504524

Nani R Choksey
Joint Managing Director
DIN 00504555

Kuldeep Chawla
Chief Financial Officer

Bindu D
Company Secretary
M No. 23290

Bengaluru
29 May 2017

Consolidated Statement of Profit and Loss for the year ended 31 March 2017

(All amounts in ₹ crore, unless otherwise stated)

	Note	31 Mar 2017	31 Mar 2016
Income			
Revenue from operations			
Revenue from projects	27	1,323.64	1,571.46
Other operating revenues	28	83.48	12.58
Other income	29	21.39	21.09
Total		**1,428.51**	**1,605.13**
Expenses			
Material and contract cost	30	740.52	963.13
Land cost		1,067.44	176.98
(Increase) in inventory of properties held for development, properties under development and properties held for sale	31	(1,088.29)	(226.26)
Employee benefits expense	32	100.73	111.03
Finance expense, net	33	250.38	217.31
Depreciation and amortization	34	16.47	15.99
Other expenses	35	180.30	219.28
Total expenses		**1,267.55**	**1,477.46**
Profit before tax		**160.96**	**127.67**
Tax expense			
Current tax	11	36.84	46.31
Deferred tax		1.65	(2.67)
Profit before share of associates		**122.47**	**84.03**
Share of profit/(loss) from investment in associates and joint ventures, net		4.64	(1.18)
Total profit for the year		**127.11**	**82.85**
Other comprehensive income			
(a) Items that will not be reclassified to profit or loss			
(i) Re-measurement of gains/(losses) on defined benefit plans		0.05	0.72
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.02)	(0.26)
(b) Items that will be reclassified to profit or loss		-	-
Total other comprehensive income for the year		**0.03**	**0.46**
Total comprehensive income for the year		**127.14**	**83.31**
Earnings per share (Nominal value ₹5 per share)	36		
Basic (₹)		5.36	3.49
Diluted (₹)		5.36	3.49
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 Walker Chandiok & Co LLP
Chartered Accountants

per Sanjay Banthia
Partner

Bengaluru
29 May 2017

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Bengaluru
29 May 2017

Consolidated Cash Flow Statement for the year ended 31 March 2017

(All amounts in ₹ crore, unless otherwise stated)

	31 Mar 2017	31 Mar 2016
A. Cash flow from operating activities		
Profit for the year	122.47	84.03
Adjustments to reconcile profit before tax to net cash flows		
Tax expense	38.49	43.64
Depreciation and amortization	16.47	15.99
Unwinding of discount of trade receivables	(8.81)	-
(Profit)/loss on sale of fixed assets	(3.28)	1.20
Gain arising from financial instruments designated as FVTPL	(9.23)	(2.10)
Liabilities no longer required written back	-	(14.79)
Advances written-off	-	0.21
Gain on sale of investment in subsidiaries	(71.86)	-
Finance expense, net	250.38	217.31
Operating profit before working capital changes	**334.63**	**345.49**
Working capital adjustments:		
(Increase)/decrease in trade receivables	(81.03)	101.80
(Increase) in inventories	(500.57)	(207.18)
Decrease/(increase) in loans and advances and other assets	34.16	(141.79)
Increase/(decrease) in current liabilities and provisions	13.25	(47.98)
Cash received (used in)/from operations	**(199.56)**	**50.34**
Income tax paid (net)	(52.14)	(36.31)
Net cash flows (used in)/from operating activities	**(251.70)**	**14.03**
B. Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work in progress and capital advances)	(1.78)	(13.97)
Purchase of intangible assets	(0.64)	(1.51)
Proceeds from sale of property, plant and equipment	3.56	6.15
Proceeds from sale of investment properties	403.00	-
Proceeds from sale of shares of subsidiaries, net	71.86	-
Investments in debentures of joint venture	(8.75)	(38.63)
Proceeds from redemption of preference share of associate	-	17.64
Loans given to associates and joint ventures	(2.25)	(33.82)
Loans repaid by associates and joint ventures	6.09	0.88
Net investment in bank deposits and margin monies	(0.90)	(0.54)
Dividend income received	18.50	36.76
Interest income received	11.99	11.19
Net cash flows from / (used in) investing activities	**500.68**	**(15.85)**

Consolidated Cash Flow Statement for the year ended 31 March 2017

(All amounts in ₹ crore, unless otherwise stated)

	31 Mar 2017	31 Mar 2016
C. Cash flows from financing activities		
Proceeds from secured term loans	1,427.57	1,362.48
Repayment of secured term loans	(1,274.68)	(1,053.91)
Repayments of unsecured loan	(246.86)	(2.04)
Proceeds from/(repayments of) cash credit and working capital loan (net)	19.65	91.21
Loans repaid to related parties	(25.37)	-
Dividends paid (including taxes)	(40.75)	(80.99)
Finance charges paid	(296.87)	(243.75)
Net cash (used in)/from financing activities	**(437.31)**	**73.00**
Net (decrease)/increase in cash and cash equivalents (A + B + C)	**(188.33)**	**71.18**
Cash and cash equivalents at the beginning of the year	**282.94**	**211.76**
Cash and cash equivalents at the end of the year	**94.61**	**282.94**
Components of cash and cash equivalents		
Cash and bank balances (as per note 16 to the financial statements)	94.61	282.94
	94.61	**282.94**

As per report of even date

For Walker Chandiok & Co LLP
Chartered Accountants

per Sanjay Banthia
Partner

Bengaluru
29 May 2017

For and on behalf of the Board of Directors of Puravankara Limited
(formerly Puravankara Projects Limited)

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Chief Financial Officer

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Company Secretary
M No. 23290

Bengaluru
29 May 2017

Statement of changes in equity

(All amounts in ₹ crore, unless otherwise stated)

A. Equity share capital

Particulars	As at 01 April 2015	Movement during 2015-16	As at 31 March 2016	Movement during 2016-17	As at 31 March 2017
Equity share capital of face value of ₹5 each	118.58	-	118.58	-	118.58
23.72 crore (31 Mar 2016 - ₹23.72 crore, 01 Apr 2015 - ₹23.72 crore) equity shares of ₹5 each					
	118.58	-	118.58	-	118.58

B. Other equity

Particulars	Reserves and surplus			
	Securities premium reserve	General reserve	Retained Earnings	Total
Balance as at 1 April 2015 (refer note 50)	963.80	80.28	1,081.59	2,125.67
Profit for the period	-	-	82.85	82.85
Other Comprehensive Income	-	-	0.46	0.46
Dividends including tax on dividend	-	-	(44.23)	(44.23)
Balance as at 31 March 2016	**963.80**	**80.28**	**1,120.67**	**2,164.75**
Profit for the period	-	-	127.11	127.11
Other Comprehensive Income	-	-	0.03	0.03
Dividends including tax on dividend	-	-	(22.25)	(22.25)
Balance as at 31 March 2017	**963.80**	**80.28**	**1,225.56**	**2,269.64**

For Walker Chandiok & Co LLP
Chartered Accountants

per Sanjay Banthia
Partner

Bengaluru
29 May 2017

For and on behalf of the Board of Directors of Puravankara Limited
(formerly Puravankara Projects Limited)

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D. Bindu
Company Secretary
M No. 23290

Bengaluru
29 May 2017

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

1 Corporate information

Puravankara Limited (the 'Company') (formerly Puravankara Projects Limited) has the following subsidiaries (collectively referred to as the 'Group'), associates and joint ventures:

A. Corporate entities

Name of the entity	Country of incorporation	Proportion of beneficial interests held by the Group
Overseas subsidiary companies		
Welworth Lanka Holding Private Limited	Sri Lanka	100%
Welworth Lanka Private Limited	Sri Lanka	100%
Purva Corporation	British Virgin Islands	100%
Indian subsidiary companies		
Prudential Housing and Infrastructure Development Limited	India	100%
Centurions Housing and Constructions Private Limited	India	100%
Melmont Construction Private Limited	India	100%
Purva Marine Properties Private Limited **	India	100%
Purva Realities Private Limited	India	100%
Grand Hills Developments Private Limited	India	100%
Purva Ruby Properties Private Limited	India	100%
Purva Sapphire Land Private Limited	India	100%
Purva Star Properties Private Limited	India	100%
Nile Developers Private Limited	India	100%
Vaigai Developers Private Limited	India	100%
Puravankara Hotels Limited **	India	100%
Purva Land Limited **	India	100%
Starworth Infrastructure and Construction Limited	India	100%
Provident Housing Limited	India	100%
Jaganmata Property Developers Private Limited	India	100%
Jyothishmati Business Centers Private Limited	India	100%
Vagishwari Land Developers Private Limited	India	100%
Varishtha Property Developers Private Limited	India	100%
Purva Pine Private Limited *	India	100%
Purva Oak Private Limited *	India	100%
Provident Meryta Private Limited *	India	100%
Argan Properties Private Limited *	India	100%
Provident Cedar Private Limited *	India	100%
Kondhwa Projects LLP *	India	100%
Associate companies		
Keppel Puravankara Development Private Limited	India	49.00%
Propmart Technologies Limited	India	32.83%
Sobha Puravankara Aviation Private Limited	India	49.75%
Joint venture		
Purva Good Earth Properties Private Limited (with effect from 06 April 2015)	India	25%

There is no change in the effective shareholding of all of the above entities from the previous year ended 31 March 2016.

* These subsidiaries were incorporated during the year ended 31 March 2017.

** on 27th March 2017 disinvested the entire share holding of these subsidiaries. Refer note 49 C.

B. Partnership firm considered as joint venture

Partnership firm	Capital as at 31 Mar 2017	Proportion of beneficial interests held by the Group
Pune Projects LLP	0.016	32%

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

2 Company overview and significant accounting policies

2.1 Company overview

The Company was incorporated on 03 June 1986 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 Company's shares are listed on two recognized stock exchanges in India namely National Stock Exchange of India (NSE) and Bombay Stock Exchange (BSE).

With effect from 21 December 2016 the Company has changed its name from Puravankara Projects Limited to Puravankara Limited.

2.2 Significant accounting policies

a. Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as notified under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules 2015, by Ministry of Corporate Affairs ('MCA'). The Group has uniformly applied the accounting policies during the periods presented.

For all periods up to and including the year ended 31 March 2016, the Group has prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). These financial statements for the year ended 31 March 2017, are the first financial statements which the Group has prepared in accordance with Ind AS (see note 50 for explanation for transition to Ind AS). For the purpose of comparatives, financial statements for the year ended 31 March 2016, are also prepared under Ind AS.

The financial statements for the year ended 31 March 2017 were authorized and approved for issue by the board of directors on 29 May 2017. Amendments to the financial statements are permitted after approval.

b. Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases that are in effect as at 31 March 2017, as summarized below.

In accordance with Ind AS 101, 'First-time Adoption of Indian Accounting Standards' the Group presents three balance sheets, two statement of profit and loss, two statements of cash flows and two statements of changes in equity and related notes, including comparative information for all statements presented, in its first Ind AS financial statements. In future periods, Ind AS 1, 'Presentation of Financial Statements' requires two comparative periods to be presented for the balance sheet only in certain circumstances.

c. Basis of preparation of financial statements

The consolidated financial statements have been prepared on going concern basis under the historical cost basis except for certain financial assets and liabilities which are measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, 'Share-based Payment', leasing transactions that are within the scope of Ind AS 17, 'Leases', and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 'Inventories', or value in use in Ind AS 36 'Impairment of assets'.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1,2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates.

Level 3: Inputs for the assets or liabilities that are not based on the observable marked data (unobservable inputs).

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

2 Company overview and significant accounting policies *(contd.)*

d. Use of estimates

The preparation of financial statements is in conformity with generally accepted accounting principles which require the management of the Group and its associates to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon 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 in future period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Application of accounting policies that require significant accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 2.3 and note 2.4

e. Basis of consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. All subsidiaries have a reporting date of 31 March.

The Company exercises control if an only if it has the following:

a) power over the entity

b) exposure, or rights, to variable returns from its involvement with the entity; and

c) the ability to use its power over the entity to affect the amount of its returns.

The Company reassesses, whether it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When the Company has less than majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including;

a) the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

b) potential voting rights held by the Company, other vote holders or other parties;

c) rights arising from other contractual arrangements; and

d) any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

All transactions and balances between Group companies are eliminated on consolidation, including unrealized gains and losses on transactions between Group companies. Where unrealized losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

f. Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105, 'Non-current Assets Held for Sale and Discontinued Operations'. Under the equity method, an investment in an associate or a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

2 Company overview and significant accounting policies *(contd.)*

includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognize impairment loss with respect to the Group's investment in an associate or a joint venture.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

g. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

(i) An asset is classified as current when it is:

- Expected to be realized or intended to 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

(ii) All other assets are classified as non-current.

(iii) A liability is classified as 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

(iv) All other liabilities are classified as non-current.

(v) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of service and the time between the acquisition of assets for development and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as four years for the purpose of current and non-current classification of assets and liabilities which pertain to the project and for all other assets and liabilities the Group has considered twelve months.

h. Foreign currency transactions

Functional and presentation currency

The financial statements are presented in Indian Rupee ('₹') which is also the functional and presentation currency of the Group. All amounts have been rounded-off to the nearest crores, unless otherwise indicated.

(a) Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

2 Company overview and significant accounting policies *(contd.)*

currency and the foreign currency at the date of the transaction.

(b) Conversion

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

(c) Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the ₹ are translated into ₹ upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into ₹ at the closing rate at the reporting date. Income and expenses have been translated into ₹ at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

i. Revenue recognition

Revenue from projects

Revenue is recognized when it is probable that the economic benefits will flow to the Group and it can be reliably measured, which coincides with entering into a legally binding agreement. Revenue is measured at the fair value of the consideration received/receivable net of rebate and taxes.

Revenue from sale of undivided share of land (UDS) in qualifying projects where the risks and rewards on the sale of the UDS are separable from the risks and rewards on the construction contract is recognized upon the transfer of all significant risks and rewards of ownership of such real estate, as per the terms of the contracts entered into with the buyers, which coincides with the firming of the sales contracts/agreements and a minimum level of collection of dues from the customer.

Revenue from the sale of UDS on other projects where the risk and rewards on the sale of the UDS are not separable from the construction contracts and therefore do not qualify above are recognized on the percentage of completion method.

In accordance with the "Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable)" (Guidance note) construction revenue has been recognized on percentage of completion method provided the following thresholds have been met:

(a) all critical approvals necessary for the commencement have been obtained;

(b) the expenditure incurred on construction and development costs is not less than 25 percent of the total estimated construction and development costs;

(c) at least 25 percent of the saleable project area is secured by agreements with buyers; and

(d) at least 10 percent of the agreements are realized at the reporting date in respect of such contracts.

Contract revenues represent the aggregate amounts of fair value of sale price for agreements entered into and are accrued based on the percentage that the actual construction costs incurred until the reporting date bears to the total estimated construction costs to completion. For projects where the risks and rewards on the sale of the UDS are separable from the risks and rewards on the construction contract, land costs are excluded for the purpose of computing the percentage of completion.

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

For projects executed through joint development arrangements, which represent barter transactions, whereby the Group gives up a defined percentage of constructed area in lieu of payment for its share in the land, the Group accounts for such developmental rights acquired on a gross basis on the estimated amount to be spent on development or construction of built-up area to be surrendered in

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

2 Company overview and significant accounting policies *(contd.)*

lieu of the above rights.

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

Unbilled revenue disclosed under other assets represents revenue recognized over and above the amount due as per payment plans agreed with the customers. Progress billings which exceed the costs and recognized profits to date on projects under construction are disclosed as unearned revenue under other current liabilities. Any billed amount that has not been collected is disclosed under trade receivables and is net of any provisions for amounts doubtful of recovery.

Revenue from the sale of land is recognized in the period in which the agreement to sell is entered into. Where there is a remaining substantial obligation under the agreement, revenue is recognized on the fulfilment of such obligation.

Rental income

Income from rentals are recognized as an income in the statement of profit and loss on a straight-line basis over the lease term except where scheduled increase in rent compensates the Group with expected inflationary costs.

Interior income

Interior income is recognized on the basis of percentage of completion method.

Dividend income

Income from dividends are recognised when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss. The expected cash flows are revisited on a yearly basis.

Interest on delayed receipts, cancellation/forfeiture income and transfer fees from customers are recognized on accrual basis except in cases where ultimate collection is considered doubtful.

j. Inventories

Raw materials

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

Properties under development

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

Properties held for sale

Completed properties held for sale are stated at the lower of cost and net realizable value. Cost includes cost of land, construction related overhead expenditure, borrowing costs and other costs incurred during the period of development.

Net realisable 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.

Properties held for development

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

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

2 Company overview and significant accounting policies *(contd.)*

k. Property, Plant and Equipment

Recognition and initial measurement

Properties plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred.

Subsequent measurement

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Depreciation and useful lives

Depreciation/amortization on fixed assets is provided on the straight-line method, based on the useful life of asset specified in Schedule II to the Companies Act, 2013. The Management estimates the useful lives of the assets as per the indicative useful life prescribed in Schedule II to the Companies Act, 2013, except shuttering materials whose life is estimated as 7 years. Residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Plant and machinery	10 years
Office equipments	5 years
Computer equipment	3 years
Vehicles	8 years
Shuttering material	7 years
Leasehold improvements	10 years

Cost of assets not ready for use at the balance sheet date are disclosed under capital work-in-progress.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised 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 Statement of Profit and Loss when the asset is derecognised.

l. Intangible assets

Recognition and initial measurement

Intangible assets (softwares) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent measurement (amortisation)

The cost of capitalized software is amortized over a period of 6 years from the date of its acquisition on a straight line basis.

m. Investment Properties

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

2 Company overview and significant accounting policies *(contd.)*

Though the Group measures investment properties using cost based measurement, the fair value of investment properties are disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

n. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

The Group determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Group borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

The Group suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

o. Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

p. Leases

Finance leases

Assets acquired on lease which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the assets, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term except where scheduled increase in rent compensates the Group with expected inflationary costs.

q. Employee benefits

Defined contribution plan

The Group's contribution to provident fund is charged to the statement of profit and loss or inventorized as a part of project under development, as the case may be. The Group's contributions towards provident fund are deposited with the Regional Provident Fund Commissioner under a defined contribution plan, in accordance with Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

Defined benefit plan

The Company has funded gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The liability recognised in the balance sheet for defined benefit plans as the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries who use the projected unit credit method to calculate the defined benefit obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

2 Company overview and significant accounting policies *(contd.)*

of plan assets. This cost is included in employee benefit expense in the statement of profit and loss or inventorized as a part of project under development, as the case may be.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost or inventorized as a part of project under development, as the case may be.

Actuarial gain or loss arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income in the year in which such gain or loss arise.

Vacation pay

The Group also provides benefit of vacation pay to its employees. Liability in respect of vacation pay becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss or inventorized as a part of project under development, as the case may be in the year in which such gains or losses arise.

The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

Other short-term benefits

Short-term employee benefits comprising employee costs including performance bonus is recognized in the statement of profit and loss or inventorized as a part of project under development, as the case may be on the basis of the amount paid or payable for the period during which services are rendered by the employee.

r. Tax expense

Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax

Current tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act,1961 and other applicable tax laws in the countries where the Group operates and generates taxable income.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they are relate to items that are recognised 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.

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

2 Company overview and significant accounting policies *(contd.)*

s. **Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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.

t. **Provisions**

Provisions are recognized when the Group has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

u. **Financial instruments**

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement

Debt Instruments

Debt instruments at amortized cost

A 'Debt instruments' is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows 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.

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 statement of profit and loss.

Debt Instruments at fair value through other comprehensive income (FVTOCI)

A debt instrument is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Fair value movements are recognized in other comprehensive income (OCI).

Debt instruments at Fair value through profit and loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments in the scope of Ind AS 109,' Financial Instruments', are measured at fair value. Equity instruments which are held for trading and contingent consideration has been recognized by an acquirer in a business combination to which Ind AS 103,' Business Combinations' applies, are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in OCI with subsequent changes in the fair value.

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

2 Company overview and significant accounting policies *(contd.)*

The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in the OCI.

There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment."

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

De-recognition of financial assets

A financial asset is primarily de-recognized when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

v. Financial liabilities

Initial recognition

All financial liabilities are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortized cost.

Subsequent measurement

These liabilities include are borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognized 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 de-recognition 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 and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

w. Impairment of financial assets

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit and loss.

x. Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any Indication that those assets have suffered an impairment loss. If any such Indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an Individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to Individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

2 Company overview and significant accounting policies *(contd.)*

of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

y. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group is engaged in the business of construction, development and sale of all or any part of housing project which is the only reportable segment. The Group operates primarily in India and there is no other significant geographical segment.

2.3 Significant estimates in applying accounting policies

a. Revenue and inventories – The Group recognizes revenue using the percentage of completion method. This requires forecasts to be made of the outcomes of long-term construction and service contracts, which require assessments and judgements to be made on changes in work scopes, claims and incentive payments to the extent they are probable and they are capable of being reliably measured.

b. Recoverability of advances/receivables – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

c. Useful lives of depreciable/amortizable assets – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software and other assets.

d. Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

e. Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

2.4 Critical judgements in applying accounting policies

a. Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

b. Recognition of deferred tax liability on undistributed profits – The extent to which the Group can control the timing of reversal of deferred tax liability on undistributed profits of its subsidiaries requires judgement.

c. Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

d. Classification of leases – The Group enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

e. Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding warranties and guarantees. However the actual future outcome may be different from this judgement.

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

2 Company overview and significant accounting policies *(contd.)*

f. Investment properties - The Group classifies a property as investment property if the property (land or building) is held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

g. Control over Sobha Puravankara Aviation Private Limited (SPAPL)

The Group holds 49.95% of the ordinary shares and voting rights in SPAPL. The remaining 50.05% is held by unrelated investors. There are no arrangements for the other shareholders to consult one another or act collectively and past experience indicates that few of the other owners actually exercise their voting rights at all. The Group has appointed one of the director on SPAPL's Board of Directors out of the two directors.

Management has reassessed its involvement in SPAPL in accordance with Ind AS 110's, 'Consolidated Financial Statements' revised "control" definition and guidance. It has concluded that it has significant influence but not outright control. In making its judgement, management considered the Group's voting rights, the relative size and dispersion of the voting rights held by other shareholders and the extent of participation by those shareholders in general meetings. The same demonstrates that sufficient of the other shareholders participate such that they prevent the Group from having the practical ability to direct the relevant activities of SPAPL unilaterally.

h. Control over Pune Projects LLP (PP LLP)

The Group has entered into a LLP with other investors named Pune Projects LLP. The Company is a partner contributing 32% of the total capital. The remaining 68% is held by unrelated investors.

Management has reassessed its involvement in PP LLP in accordance with Ind AS 110's, 'Consolidated Financial Statements' revised "control" definition and guidance. As the Group does not have the rights to make decisions around all the relevant activities of the PP LLP's principal purpose and the relevant decisions would require the consent of all other investors jointly, the management has concluded that the agreement gives all parties control of the arrangement collectively and relevant activities require the unanimous consent of the parties.

i. Control over Purva Good Earth Properties Private Limited (PGE)

PGE is engaged in business of construction and property development and is funded by debentures held by the Group and other investor. The Group has 100% equity ownership interest in PGE, however the management believes that the Group has the practical ability to control and direct the relevant activities of PGE jointly with the other investor, considering that the relevant activities of PGE are directed through the debenture agreement between the Group, PGE and the other investor.

2.5 Standards, not yet effective and have not been adopted early by the Group

Information on new standards, amendments and interpretations that are expected to be relevant to the financial statements is provided below.

Amendment to Ind AS 7 'Statement of Cash Flows'

The amendments to Ind AS 7, 'Statement of Cash Flows' inter-alia require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The effective date of the amendment is 01 April 2017. The Group is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

3 Property, plant and equipment

Details of the Group's property, plant and equipment and reconciliation of their carrying amounts from beginning to end of reporting period is as follows:

	Building	Plant and machinery	Office equipments	Computer equipment	Furniture and fixtures	Vehicles	Shuttering material	Leasehold improvements	Total
Gross carrying amount									
At 01 Apr 2015 (refer note a)	7.04	24.85	3.91	4.39	3.99	7.63	10.88	14.48	77.17
Additions	-	1.49	1.65	0.53	0.73	1.04	20.75	1.87	28.06
Disposals	-	(7.47)	(0.41)	(0.61)	(0.57)	(1.24)	-	(1.41)	(11.71)
At 31 Mar 2016	**7.04**	**18.87**	**5.15**	**4.31**	**4.15**	**7.43**	**31.63**	**14.94**	**93.52**
Additions	-	0.54	0.07	0.18	0.03	0.49	0.43	-	1.74
Disposals	-	-	(0.05)	(0.01)	(0.08)	(0.50)	-	(0.19)	(0.83)
At 31 Mar 2017	**7.04**	**19.41**	**5.17**	**4.48**	**4.10**	**7.42**	**32.06**	**14.75**	**94.43**
Accumulated depreciation									
At 01 Apr 2015	-	-	-	-	-	-	-	-	-
Charge for the year	0.12	3.29	1.41	1.72	0.62	1.51	3.61	1.84	14.12
Adjustments for disposals	-	(2.18)	(0.13)	(0.57)	(0.11)	(1.07)	-	(0.30)	(4.36)
At 31 Mar 2016	**0.12**	**1.11**	**1.28**	**1.15**	**0.51**	**0.44**	**3.61**	**1.54**	**9.76**
Charge for the year	0.29	2.86	1.30	1.27	0.54	1.33	5.00	1.80	14.39
Adjustments for disposals	-	-	-	-	-	(0.55)	-	-	(0.55)
At 31 Mar 2017	**0.41**	**3.97**	**2.58**	**2.42**	**1.05**	**1.22**	**8.61**	**3.34**	**23.60**
Net block									
At 01 Apr 2015	**7.04**	**24.85**	**3.91**	**4.39**	**3.99**	**7.63**	**10.88**	**14.48**	**77.17**
At 31 Mar 2016	**6.92**	**17.76**	**3.87**	**3.16**	**3.64**	**6.99**	**28.02**	**13.40**	**83.76**
At 31 Mar 2017	**6.63**	**15.44**	**2.59**	**2.06**	**3.05**	**6.20**	**23.45**	**11.41**	**70.83**

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.

b. **Contractual obligations**
There are no contractual commitments for the acquisition of property, plant and equipment.

c. **Capitalized borrowing cost**
There is no borrowing costs capitalized during the year ended 31 March 2017 (31 March 2016: Nil)

d. **Property, plant and equipment pledged as security**
Details of properties pledged are as per note no. 37

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

4 Investment properties

	Land *	Building **	Total
Gross carrying amount			
At 01 Apr 2015 (refer note a)	410.43	22.81	433.24
Additions	-	-	-
Disposals/ transferred to subsidiaries	-	-	-
At 31 Mar 2016	410.43	22.81	433.24
Additions	1.95	8.61	10.56
Disposals/ transferred to subsidiaries	(403.00)	-	(403.00)
At 31 Mar 2017	9.38	31.42	40.80
Accumulated depreciation			
At 01 Apr 2015	-	-	-
Charge for the year	-	0.70	0.70
Disposals/ transferred to subsidiaries	-	-	-
At 31 Mar 2016	-	0.70	0.70
Charge for the year	-	0.77	0.77
Disposals/ transferred to subsidiaries	-	-	-
At 31 Mar 2017	-	1.47	1.47
Net block			
At 01 Apr 2015	410.43	22.81	433.24
At 31 Mar 2016	410.43	22.11	432.54
At 31 Mar 2017	9.38	29.95	39.33

* Represents the undivided share of land in a jointly developed commercial property and owned commercial property.

** Assets acquired under finance lease (refer note 39B)

Buildings include asset taken on finance lease. Finance lease liabilities are secured by the related asset held under finance lease.

Particulars	31 Mar 2017	31 Mar 2016	01 Apr 2015
Gross block	10.03	10.03	-
Accumulated depreciation	0.63	0.26	-
Net block (refer note a)	9.40	9.77	10.03

Information regarding income and expenditure of investment properties

Particulars	31 Mar 2017	31 Mar 2016
Rental income derived from investment properties	3.92	3.38
Direct operating expenses (including repairs and maintenance) generating rental income	(2.51)	(2.47)
Profit arising from investment properties before depreciation and indirect expenses	1.41	0.91
Less : Depreciation	(0.77)	(0.65)
Profit arising from investment properties before indirect expenses	0.64	0.25

a. **Deemed carrying cost**
For investment property 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.

b. The fair valuations are based on valuations performed by CBRE South Asia Private Limited, an accredited independent valuer. They are specialists in valuing these types of investment properties and have used a valuation model in accordance with that recommended by the International Valuation Standards Committee.

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

4 Investment properties *(contd.)*

The Group has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Reconciliation of fair value - Investment properties

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Opening balance	448.18	434.68	434.68
Fair value difference	(4.60)	13.50	-
Disposals	(403.00)	-	-
Purchases	10.56	-	-
Closing balance	**51.14**	**448.18**	**434.68**

During the year ended 31 March 2017, the Company has entered into an agreement to transfer an investment property to its subsidiaries for a total consideration of ₹403. Hence, the equivalent amount has been considered as the fair value.

Description of valuation techniques used and key inputs to valuation of investment properties

Valuation technique	Significant unobservable Inputs	Range (weighted average)		
		31 Mar 2017	31 Mar 2016	01 Apr 2015
Discounted cash flow (DCF) method (refer below)	Estimated rental value per sq.ft. per month	39 - 40	37 - 66	42 -65
	Rent growth p.a.	5.00%	5.00%	5.00%
	Long-term vacancy rate	5.00%	5.00%	5.00%
	Discount rate	13.27%	13.77%	14.27%

Under the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behavior that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Significant increases/ (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher/ (lower) fair value of the properties. Significant increases/ (decreases) in long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value. Generally, a change in the assumption made for the estimated rental value is accompanied by:

- A directionally similar change in the rent growth per annum and discount rate (and exit yield)

- An opposite change in the long term vacancy rate.

c. **Contractual obligations**
There are no contractual commitments for the acquisition of investment properties

d. **Capitalized borrowing cost**
There is no borrowing costs capitalized during the year ended 31 March 2017 (31 March 2016: Nil)

e. **Investment properties pledged as security**
Details of investment properties pledged are as per note no. 37.

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

5 Intangible assets

	Computer software	Total
Gross carrying amount		
At 01 Apr 2015 (Refer note a)	4.26	4.26
Additions	1.51	1.51
Impairment charge	-	-
At 31 Mar 2016	5.77	5.77
Additions	0.64	0.64
Impairment charge	-	-
At 31 Mar 2017	6.41	6.41
Accumulated amortization		
At 01 Apr 2015	-	-
Charge for the year	1.17	1.17
Impairment charge	-	-
At 31 Mar 2016	1.17	1.17
Charge for the year	1.31	1.31
Impairment charge	-	-
At 31 Mar 2017	2.48	2.48
Net block		
At 01 Apr 2015	4.26	4.26
At 31 Mar 2016	4.60	4.60
At 31 Mar 2017	3.93	3.93

a. Deemed carrying cost

For Intangible assets 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.

6 Non-current investments

		31 Mar 2017	31 Mar 2016	01 Apr 2015
a	**Investment in associates and joint ventures accounted for using the equity method**			
	Investment in equity instruments of associates			
	Keppel Puravankara Development Private Limited	54.44	51.28	51.85
	0.441 crore equity shares (31 Mar 2016 - 0.441 crore, 01 Apr 2015 - 0.441 crore) of ₹10 each			
	Propmart Technologies Limited	-	-	-
	0.234 crore equity shares (31 Mar 2016 - 0.234 crore,01 Apr 2015 - 0.234 crore) of ₹10 each			
	Sobha Puravankara Aviation Private Limited	-	-	-
	0.478 crore equity shares (31 Mar 2016 - 0.478 crore, 01 Apr 2015 - 0.478 crore) of ₹10 each			
	Investment in equity instruments of joint venture			
	Pune Projects LLP ***	-	-	-
	Purva Good Earth Properties Private Limited	-	-	-
	0.001 crore equity shares (31 Mar 2016 - 0.001 crore, 01 April 2015 - 0.001 crore) of ₹10 each			
	Investment in preference shares of associates			
	Keppel Puravankara Development Private Limited *	-	-	17.64

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

6	Non-current investments *(contd.)*			
	13.25% cumulative, redeemable, convertible preference shares, nil (31 Mar 2016 -nil, 01 Apr 2015 - 1.764 crore) of ₹10 each at par			
		54.44	51.28	69.49
b	Other investment			
	Investment carried at fair value through profit or loss (FVTPL)			
	Debentures			
	Purva Good Earth Properties Private Limited **	61.86	41.21	-
	0.474 crores optionally convertible debentures of ₹100 each (31 March 2016 -0.386 crore - 01 Apr 2015 nil)			
		61.86	41.21	-

* During the previous year ended 31 March 2016, the Company had redeemed preference shares of Keppel Puravankara Development Private Limited for an aggregate consideration of ₹17.64.

** Includes interest of ₹14.49 (31 Mar 2016 - ₹2.58, 01 April 2015 - nil)

*** The details of all partners, capital and profit sharing ratio in partnership firms where company is a partner are as under :

Name of the firm/partners	31 Mar 2017		31 Mar 2016		01 Apr 2015	
	Capital	Profit sharing ratio	Capital	Profit sharing ratio	Capital	Profit sharing ratio
Pune Projects LLP						
Puravankara Limited (formerly Puravankara Projects Limited)	0.016	32.00%	0.016	32.00%	0.016	32.00%
Oxford Shelters Private Limited	0.004	8.00%	0.016	31.74%	0.016	31.74%
Mr. Ashok G Mohanani	-	-	0.007	13.63%	0.007	13.63%
Mr. Vivek Mohanani	-	-	0.007	13.63%	0.007	13.63%
Hritik Technologies and Realty Private Limited	0.005	10.00%	0.004	9.00%	0.004	9.00%
Mr.Anirudha Seaolekar	0.004	8.00%	-	-	-	-
Mr.Ashok Kothari	0.004	8.00%	-	-	-	-
Mr.Parag Shah	0.003	6.00%	-	-	-	-
Mr.Anand Mutha	0.001	2.00%	-	-	-	-
Ekta Housing Private Limited	0.013	26.00%	-	-	-	-
	0.050	100.00%	0.050	100.00%	0.050	100.00%

7	Loans and advances	31 Mar 2017	31 Mar 2016	01 Apr 2015
a	Non current			
	Unsecured, considered good			
	Security deposits	182.33	135.15	101.84
	Loans to joint ventures	0.01	0.01	0.01
	Loans to associates	20.58	19.37	18.21
		202.92	154.53	120.06
b	Current			
	Unsecured, considered good			
	Loans to joint ventures	70.65	62.80	29.66
		70.65	62.80	29.66
		273.57	217.33	149.72

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

8 Other financial assets

		31 Mar 2017	31 Mar 2016	01 Apr 2015
a	Non current			
	Non-current bank balances (refer note 17)	21.37	15.50	11.88
	Interest accrued on fixed deposits	-	-	0.12
		21.37	**15.50**	**12.00**
b	Current			
	Interest accrued on fixed deposits	0.71	0.07	0.18
	Unbilled revenue	171.11	229.56	146.88
	Other receivables	6.94	6.47	-
		178.76	**236.10**	**147.06**
		200.13	251.60	159.06

9 Other assets

		31 Mar 2017	31 Mar 2016	01 Apr 2015
a	Non-current			
	Capital advance	-	0.01	1.90
	Rent paid in advance	-	0.82	0.75
	Advances to suppliers	-	4.29	-
	Advances for land contracts	101.21	82.00	77.44
	Advance income tax (net of provision for taxation ₹214.20 (31 March 2016 ₹187.19, 01 April 2015 ₹185.06))	30.57	20.33	15.22
	Prepaid expenses	0.93	0.70	0.14
	Duties and taxes recoverable	11.06	4.71	6.79
	Other advances	2.57	3.17	2.15
		146.34	**116.03**	**104.39**
b	Current			
	Rent paid in advance	0.12	0.36	0.34
	Advances for land contracts	-	-	13.47
	Advances to suppliers	126.61	136.63	126.27
	Prepaid expenses	21.07	21.48	22.84
	Duties and taxes recoverable	28.65	34.18	24.13
	Other receivables	15.93	18.06	11.80
		192.38	**210.71**	**198.85**
		338.72	**326.74**	**303.24**

10 Current tax assets (net)

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Advance income tax (net of provision for taxation ₹150.99 (31 March 2016 ₹123.18, 01 April 2015 ₹114.21))	1.78	1.21	1.17
	1.78	**1.21**	**1.17**

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

11 Income tax

	31 Mar 2017	31 Mar 2016
Current tax		
Current income tax	36.84	46.31
Deferred tax		
Deferred tax charge/(credit)	1.65	(2.67)
Income tax expense reported in the statement of profit and loss	**38.49**	**43.64**
Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 34.608% and the reported tax expense in profit or loss are as follows:		
Accounting profit before income tax	**160.96**	**127.67**
Effective tax rate in India	34.608%	34.608%
Expected tax expenses	55.71	44.18
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Corporate social responsibility	1.26	0.90
Effect of other non-deductible expenses	0.54	0.50
Deductions allowable under section 80-IB of Income Tax Act, 1961	(4.59)	(2.20)
Long term capital gains taxed at lower rate	(4.70)	-
Benefit of carry forward long term capital losses	(10.73)	-
Others	1.01	0.25
Income tax expense	**38.49**	**43.64**

During the previous years, the Company received an order from the Income Tax Appellate Tribunal (ITAT) directing the Assessing Officer to carry-out the denovo assessment of the income for fiscal 2004 to 2009 in relation to the claim under Section 80-IB for a project of the Company. Based on the aforesaid denovo assessment carried out, a portion of the claim under Section 80-IB was disallowed for the above referred project. The appeal against the said ITAT order is pending before the Hon'ble High Court of Bombay.

During the year ended 31 March 2015, the Company received favorable orders for fiscal 2010 and 2011 from CIT (Appeals) allowing the claim under Section 80-IB in relation to certain eligible projects. In addition, a portion of the claim under Section 80-IB for a project was disallowed based on the aforesaid ITAT order.

Consequently, the Company had recorded a net credit amounting ₹27.02 in the financial statements in respect of the eligible claim under Section 80-IB.

Further, during the year ended 31 March 2015, the Company has received an order for fiscal 2005 and 2006 towards penalty amounting to ₹2.54 consequent to the denovo assessment order for those years. The appeal against the demand for penalty which is pending with CIT (Appeals).The management believes that aforesaid open litigations will not have any material affect on the financial statements.

During the quarter ended 31 March 2017, the Group was subjected to proceedings under section 132 of the Income Tax Act, 1961. The Group has made necessary submissions as required under section 132 of the Income Tax Act. The Group did not record additional tax charge since the management is of the view that the final outcome of the disputes should be in favor of the Group and/or the disallowances are mainly on account of temporary differences pending final assessment, no adjustments have been recorded in the financial results for the year ended 31 March 2017.

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

12 Deferred tax assets (net)

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Deferred tax asset arising on account of :			
Expenses allowable on payment basis			
Gratuity	3.38	4.25	3.78
Vacation pay	0.57	0.64	0.59
Bonus	0.70	1.00	0.96
Lease rent	26.05	21.10	16.24
Finance lease obligations	-	1.52	1.21
Carry forward of losses	4.34	4.81	0.68
Others	2.51	-	0.47
Application of guidance note on real estate revenue recognition retrospectively	0.18	3.46	11.88
MAT credit entitlement	15.39	9.04	17.31
Less: Deferred tax liability arising on account of :			
Depreciation	(2.50)	(3.73)	(4.28)
Impact of financial assets and liabilities carried at amortized cost	(2.03)	(1.70)	0.51
Others	2.27	(0.51)	(3.61)
	50.86	**39.88**	**45.74**

13 Deferred tax liabilities (net)

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Deferred tax liabilities arising on account of :			
Application of guidance note on real estate revenue recognition retrospectively	0.02	-	-
Impact of carrying debentures at FVTPL	3.52	-	-
Impact of financial assets and liabilities carried at amortized cost	0.79	-	-
Depreciation	0.03		
Others	10.81	-	-
Less deferred tax asset arising on account of :			
Gratuity	(0.48)	-	-
Vacation pay	(0.14)	-	-
Bonus	(0.17)	-	-
MAT credit entitlement	(2.58)	-	-
	11.80	**-**	**-**

Deferred tax assets and deferred tax liabilities have been offset wherever the Group has a legally enforceable right to set off current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

Deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and tax loss carry forward can be utilized.

Deferred tax arising on all the items has been recognized in the statement of profit and loss except for deferred tax arising on account of provision for employee benefits, a part of which has been recognized in other comprehensive income on account of actuarial gains and losses.

Reconciliation of deferred tax assets, net	31 Mar 2017	31 Mar 2016
Net deferred tax asset at the beginning of the year	39.88	45.74
Tax income/(expense) during the year recognized in profit and loss	(1.65)	2.67
Tax income/(expense) during the year recognized in OCI	(0.02)	(0.26)
MAT credit utilized	-	(8.27)
Others	0.84	-
Net deferred tax asset at the end of the year	**39.05**	**39.88**

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

14 Inventory

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Raw materials	23.13	28.17	35.63
	23.13	28.17	35.63
Properties held for development *			
At the beginning of the period	310.12	366.24	366.24
Add: Additions during the period	800.20	44.89	-
Less: Transferred to properties under development	(133.36)	(101.01)	-
	976.96	310.12	366.24
Properties under development *			
Land cost	1,318.09	1,138.46	1,060.42
Material and construction cost	1,495.72	1,440.85	1,278.60
	2,813.81	2,579.31	2,339.02
Properties held for sale *			
At the beginning of the period	550.26	508.17	484.47
Add : Additions during the period	334.98	161.01	60.73
Less: Properties sold during the period	(137.47)	(118.92)	(37.03)
Less: Transferred to investment properties	(10.56)	-	-
	737.21	550.26	508.17
	4,551.11	3,467.86	3,249.06

* Details of assets pledged are as per note no. 37

15 Trade receivables*

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Secured, considered good			
Outstanding for a period exceeding six months	111.03	103.32	150.52
Other receivable	310.07	233.00	287.60
Dues from related party	5.06	-	-
	426.16	336.32	438.12

* Details of assets pledged are as per note no. 37

16 Cash and cash equivalents

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Cash on hand	0.26	0.27	0.44
Balances with banks			
In current accounts	94.34	278.20	149.82
Bank deposits with original maturity upto three months	0.01	4.47	61.50
	94.61	282.94	211.76

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

17 Other bank balances

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Deposits with maturity more than 12 months*	21.37	15.50	11.88
Deposits with maturity less than 12 months*	-	3.27	5.29
Margin money deposit*	3.40	5.11	6.18
On unpaid dividend account**	0.12	0.11	0.10
	24.89	**23.99**	**23.45**
Less: Non-current bank balances in fixed deposit accounts (refer note 8)	(21.37)	(15.50)	(11.88)
	3.52	**8.49**	**11.57**

* Represents earmarked bank balances restricted for use held as margin money for security against the guarantees and deposits which are subject to first charge to secure the Company's borrowings.

** Represents bank balances which are restricted for use and it relates to unclaimed dividend.

As at 31 March 2017, the Group had available ₹366.30 (31 March 2016 ₹141.8, 01 April 2015 ₹116.30) of undrawn committed borrowing facilities.

18 Equity share capital

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Authorised shares			
Equity share capital of face value of ₹5 each			
32.00 crore (31 Mar 2016 - 32.00 crore, 01 Apr 2015 - 32.00 crore) equity shares of ₹5 each	160.00	160.00	160.00
Issued, subscribed and fully paid-up shares			
Equity share capital of face value of ₹5 each			
23.72 crore (31 Mar 2016 - 23.72 crore, 01 Apr 2015 - 23.72 crore) equity shares of ₹5 each	118.58	118.58	118.58
	118.58	**118.58**	**118.58**

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

Equity shares	31 Mar 2017		31 Mar 2016		01 Apr 2015	
	No. in crore	₹crore	No. in crore	₹crore	No. in crore	₹crore
Balance at the beginning of the year	23.72	118.58	23.72	118.58	23.72	118.58
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	**23.72**	**118.58**	**23.72**	**118.58**	**23.72**	**118.58**

b. **Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹5 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.

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

18 Equity share capital *(contd.)*

c. **Details of shareholders holding more than 5% shares in the company**

	31 Mar 2017		31 Mar 2016		01 Apr 2015	
	No. in crore	% holding in the class	No. in crore	% holding in the class	No. in crore	% holding in the class
Equity shares of ₹5 each fully paid-up						
Ravi Puravankara	17.79	74.99%	17.79	74.99%	17.79	74.99%

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.

d. **Aggregate number of bonus shares issued and shares issued for consideration other than cash during the year of five years immediately preceding the reporting date:**

The Company has not issued any bonus shares nor there has been any buy back of shares during five years immediately preceding 31 March 2017.

e. **Shares reserved for issue under options**

On 1 July 2006, the members of the Company approved the Puravankara Projects Limited 2006 Employee Stock Option Scheme ('ESOS' or 'the Plan') of the Company. The plan provides for the issuance of stock options to eligible employees (including directors of the Company) with the total options issuable under the Plan not to exceed 1,366,080 options and includes a limit for the maximum and minimum number of options that may be granted to each employee. Under the plan, these options vest over a period of four years and can be exercised for a period of one year from vesting. As on 31 March 2017, there are no options outstanding under the above plan.

19 Other equity

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Securities premium reserve	963.80	963.80	963.80
General reserve	80.28	80.28	80.28
Surplus in the statement of profit and loss	1,224.23	1,119.37	1,080.76
Other comprehensive income	1.33	1.30	0.84
	2,269.64	2,164.75	2,125.67

20 Dividends

	31 Mar 2017	31 Mar 2016
Cash dividends on equity shares declared and paid		
Final dividend for the year ended 31 March 2016 ₹0.78 per share (31 March 2015 ₹1.55 per share)	18.50	36.76
Dividend distribution tax (DDT) on final dividend	3.75	7.47
	22.25	44.23
Proposed dividends on equity shares		
Final dividend for the year ended 31 March 2017 ₹2.25 per share (31 March 2016 ₹0.78 per share)	53.36	18.50
Dividend distribution tax on proposed dividend	10.86	3.75
	64.22	22.25

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 31 March 2017.

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

21 Borrowings

	31 Mar 2017	31 Mar 2016	01 Apr 2015
a. Non-current			
Secured loans			
Term loans			
From banks	630.00	900.01	713.71
From others	485.54	572.64	450.91
Finance lease obligations	14.68	14.07	13.54
Unsecured			
Term loans			
From others	25.00	15.77	17.73
	1,155.22	1,502.49	1,195.89
Amount disclosed under "Other current liabilities" (refer note 22b)	(359.16)	(242.68)	(252.27)
	796.06	1,259.81	943.62
b. Current			
Secured loans			
Term loans			
From banks	192.19	103.30	255.79
From others	542.24	153.22	-
Cash credit and other loan from banks	174.12	154.47	63.26
Unsecured			
Term loans			
From bank	-	231.06	231.15
Interest free loan from related parties repayable on demand	2.06	27.43	27.43
	910.61	669.48	577.63
	1,706.67	1,929.29	1,521.25

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

21 Borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	31 Mar 2017	31 Mar 2016	01 Apr 2015
Non-current borrowings						
Term loans from banks (Secured)						
i	Term loan facility from ICICI bank Limited - ₹120	Exclusive charge by way of equitable mortgage on all the piece and parcel of land measuring 18.13 acres owned by the Company along with its two subsidiaries situated at Ernakulam, Thikkakara, Kerala. Hypothecation of all receivables from sold units of Purva Seasons, Purva Midtown, Purva Skywood and Purva Venezia.	Repayable in 30 monthly installments starting from Sept 2017 **	-	120.00	-
ii	Term loan facility from South Indian Bank - ₹40	This facility is secured by an exclusive first mortgage on proportionate undivided share of land and building pertaining to unsold inventory of Purva Highland Phase-I, Phase-II, Purva Swanlake, Purva Grandbay, Purva Eternity, Purva Oceana projects and receivables of all the above projects. This facility is backed by cash shortfall undertaking by Mr. Ashish Puravankara, Managing Director of the Company.	29 monthly instalments starting from May 2017	32.44	40.00	-
iii	Term loan facility from Standard Chartered Bank - ₹294	This facility is secured by an exclusive first mortgage on proportionate undivided share of land and building pertaining to unsold inventory of Purva Highland Phase-I, Phase-II, Purva Swanlake, Purva Grandbay, Purva Eternity, Purva Oceana projects and receivables of all the above projects along with receivables of Purva Venezia and Purva Platina. This facility is backed by cash shortfall undertaking by Mr. Ashish Puravankara, Managing Director of the Company. This facility includes overdraft limit of ₹75 which is repayable as per the terms of the facility.	Repayable in 48 monthly installments starting from Oct 2015	93.34	112.80	-
iv	Term loan facility from Karur Vysya Bank - ₹100 (syndication from Standard Chartered Bank)	This facility is secured by an exclusive first mortgage on proportionate undivided share of land and building pertaining to unsold inventory of Purva Highland Phase-I, Phase-II, Purva Swanlake, Purva Grandbay, Purva Eternity, Purva Oceana projects and receivables of all the above projects along with receivables of Purva Venezia and Purva Platina. This facility is backed by cash shortfall undertaking by Mr. Ashish Puravankara, Managing Director of the Company.	Repayable in 48 monthly installments starting from Oct 2015	77.21	95.19	-
v	Term loan facility from Standard Chartered Bank - ₹321.50	Mortgage of property together with all buildings and structures thereon, both present and future along with scheduled receivables of Purva Windermere Phase I, Phase II and Phase III and also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman of the Company. This facility includes overdraft limit of ₹80.50 which is repayable as per the terms of the facility.	Repayable in 16 quarterly instalments commencing from Mar 2015 **	-	256.98	285.94
vi	Term loan facility from ICICI Bank Limited- ₹105	This facility is secured by an exclusive charge by way of equitable mortgage of all the piece and parcel of land and scheduled receivables of project located at Survey no. 843, Ernakulam village, Kanayannur Taluk, Ernakulam District admeasuring approx. 33,471.90 Sq.mtrs including all the structures thereon both present and future. Exclusive charge by way of hypothecation on the scheduled receivables of Purva Palmbeach.	Repayable in 24 monthly instalments commencing from Nov 2016 **	-	105.00	105.00

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

21 Borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	31 Mar 2017	31 Mar 2016	01 Apr 2015
vii	Term loan facility from ICICI Bank Limited- ₹35	This facility is secured by an exclusive charge on land and building (both present and future) of the project Purva Skydale situated at Kudlu village, Sarjapura Anekal taluk, Bengaluru admeasuring approximately 4.64 acres including hypothecation of scheduled receivables, Escrow account of Purva Skydale project. This is also secured by extension of charge by way of equitable mortgage of land and building (both present and future) of the project Purva Whitehall located at Kaikondanahalli village, Varthoor hobli, Bengaluru including extension of charge by hypothecation of scheduled receivables, Escrow account of Purva Whitehall project. Also secured by exclusive charge by way of equitable mortgage of 87,000 sq.ft land situated at Maduvankari village, Chennai.	Repayable in 24 monthly instalments starting from Aug 2016 **	-	0.01	35.00
viii	Term loan facility from South Indian Bank -₹40	This facility is secured by pari passu charge on proportionate undivided share of land and building pertaining to unsold inventory and receivables of Purva Highland Phase-I, Phase-II, Purva Swanlake, Purva Grandbay, Purva Eternity projects and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman of the Company.	Repayable in 21 equal monthly instalments starting from Feb 2015 *	-	-	35.43
ix	Term loan facility from ICICI - ₹175	Exculsive charges by way of equitable mortgage on the Borrowers share in Project Kenworth-I but excluding area mortgaged to GHMC. Residual and subservient charge on Kenworth-I area mortgaged to GHMC. Exculsive charge by way of equitable mortgage on the Borrowers share in saleable area of Kenworth II including undivided share in Property but excluding Kenworth II area mortgaged to GHMC. Residual and subservient charge on Kenworth II area mortgaged to GHMC. Exclusive charge by way of Hypothecation on the Scheduled receivable of Kenworth I & II and all insurance proceeds both present and future. Exclusive charge by way of hypothecation on the Escrow Account along with all monies credited/ deposited therein (in whatever form the same may be) and all investments in respect thereof (in whatever form the same may be).	Repayable in 45 monthly installments commencing from Feb 2018	54.90	-	-
x	Term loan facility from ICICI - ₹150	Mortgage of Developer's share in saleable area including undivided share in the property of Provident Greenpark and Provident The Tree, an exclusive charge on the scheduled receivables and all insurance proceeds, both present and future along with all monies credited/deposited in the Escrow Account & DSR Account and all investments thereof. Loan is further secured by extension of charge by way of equitable mortgage on all the piece & parcel of land measuring 18.13 acres situated at Ernakulam, Thikkakara, Kerala and owned by the Company along with its two subsidiaries.	Repayable in 30 monthly installments commencing from Aug 2017	137.17	98.08	-
xi	Term loan facility from Standard Chartered Bank - ₹265	Mortgage of unsold stock along with undivided share in land in the property of Provident Sunworth Phase 1 & 2 along with the undivided share in land of Provident Sunworth Phase 3 & 4, mortgage of unsold stock in the Developers shares of units along with undivided share in land in the property of Provident Welworth, an exclusive charge on the scheduled receivables under the documents entered into with the customers of Provident Sunworth and Provident Welworth and all insurance proceeds, both present and future and personal guarantee of Mr. Ravi Puravankara, Chairman and Mr. Ashish Puravankara, Managing Director of the Company.	Repayable in 54 monthly installments starting from Feb 2017	180.61	-	-

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

21 Borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	31 Mar 2017	31 Mar 2016	01 Apr 2015
xii	Term loan facility from Standard Chartered Bank - ₹131.58	This facility is secured by an exclusive first mortgage on proportionate undivided share of land and building pertaining to unsold inventory and receivables of Purva Highland Phase-I, Phase-II, Purva Swanlake, Purva Grandbay, Purva Eternity projects and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman of the Company. This facility includes overdraft limit of ₹10 which is repayable as per the terms of the facility.	Repayable in 30 monthly instalments starting from Jun 2014 *	-	-	73.23
xiii	Term loan facility from State Bank of Hyderabad - ₹50	This facility is secured by pari passu charge on proportionate undivided share of land and building pertaining to unsold inventory and receivables of Purva Highland Phase-I, Phase-II, Purva Swanlake, Purva Grandbay, Purva Eternity projects and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman of the Company.	Repayable in 20 monthly instalments starting from Oct 2014 *	-	-	28.67
xiv	Term loan facility from The Karur Vysya Bank - ₹50	This facility is secured by pari passu charge on proportionate undivided share of land and building pertaining to unsold inventory and receivables of Purva Highland Phase-I, Phase-II, Purva Swanlake, Purva Grandbay, Purva Eternity projects and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman of the Company.	Repayable in 18 monthly instalments starting from Dec 2014 *	-	-	30.75
xv	Term loan facility from State Bank of Bikaner and Jaipur - ₹33.42	This facility is secured by pari passu charge on proportionate undivided share of land and building pertaining to unsold inventory and receivables of Purva Highland Phase-I, Phase-II, Purva Swanlake, Purva Grandbay, Purva Eternity projects and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman of the Company.	Repayable in 19 monthly instalments starting from Nov 2014 *	-	-	22.15
xvi	Term loan facility from State Bank of Mysore - ₹50 (syndication from Standard Chartered Bank)	This facility is secured by pari passu charge on proportionate undivided share of land and building pertaining to unsold inventory and receivables of Purva Highland Phase-I, Phase-II, Purva Swanlake, Purva Grandbay, Purva Eternity projects and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman of the Company.	Repayable in 21 monthly instalments starting from Sep 2014 *	-	-	26.93
xvii	Term loan facility from ICICI Bank Limited- ₹100	This facility is secured by an exclusive charge by way of equitable mortgage of 87,000 sq.ft land situated at Maduvankari village, Chennai together with all buildings and structures thereon both present and future, undivided share of land of Purva Bluemont Project Phase I (excluding the proportionate share of sold area of 498,072 sq.ft approx) together with all buildings and structures thereof both present and future and hypothecation of scheduled receivables, Escrow accounts and DSR account of Purva Bluemont Project Phase I and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman of the Company.	Repayable in 30 monthly instalments commencing from Sep 2013	-	0.64	40.65
xviii	Term loan facility from ICICI Bank Limited- ₹150	Mortgage of building and structure thereon both present and future of Purva Seasons project, receivables of Purva Season Project and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Mr. Ashish Puravankara, Managing Director of the Company.	Repayable in 30 monthly instalments starting from Aug 2013	-	-	7.39

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

21 Borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	31 Mar 2017	31 Mar 2016	01 Apr 2015
xix	Term loan facility from IDBI Bank Limited- ₹88	Mortgage of immovable property at Edapally, Kochi measuring about 11.15 acres and backed by the personal guarantee of Mr Ravi Puravankara, Chairman of the Company.	Repayable in 8 equal quarterly instalments starting from Oct 2013	-	-	22.00
xx	Other Loans (Vehicle Loans)	Secured by a charge against respective vehicles	Repayable in 36 to 60 monthly instalments	-	-	0.27
xxi	Equipment loan facility of ₹8.32 from ICICI Bank Limited	This facility is secured by an exclusive first charge and hypothecation of MFE form work equipment of Purva Palm Beach project.	Repayable in 36 equal monthly installments commencing from Oct 2014.	1.15	4.39	7.23
xxii	Equipment loan facility of ₹5.03 from ICICI Bank Limited	This facility is secured by an exclusive first charge and hypothecation of commercial vehicle of Purva Palm Beach and Purva Westend project.	Repayable in 36 equal monthly installments commencing from Aug 2014.	0.52	2.69	4.27
xxiii	Term loan facility from HDFC Bank -₹80	Mortgage of property Purva West End on land admeasuring 8 acres located at Begur Hobli, Bengaluru along with developer share of undivided land (UDL) and existing and proposed construction thereon and also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Mr. Ashish Puravankara, Managing Director of the Company.	Repayable in 11 quarterly installments starting from Apr 2017	65.44	75.57	-
		Unamortised upfront fees on borrowing		(12.79)	(11.29)	(11.20)
				630.00	900.06	713.71
	The interest on above term loans from banks are linked to the respective banks base rates. The effective interest rates per annum ranges between			10.50% to 13.00%	11.50% to 13.75%	8.35% to 15.00%

* Loans pre-closed during the previous year

** Loans pre-closed during the year

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

21 Borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	31 Mar 2017	31 Mar 2016	01 Apr 2015
Term loans from others (Secured)						
i.	Term loan facility from Piramal Enterprises Limited- ₹235.09	UDS and super built up area of construction thereon of unsold area and receivables from sold area of Purva Gainz, UDS and super built up area of construction thereon proportionate to inventory in Purva Skydale, Purva Sunflower, Purva Whitehall, Purva Amaiti and Purva Bluemont along with receivables from sold and unsold units of the respective projects, UDS and super built up area of construction thereon of unsold area receivables from sold of area of Purva Primus. Exclusive first charge by way of equitable mortgage on land parcel measuring 17 acres in Padur at Chennai and exclusive charge by way of equitable mortgage on UDS of unopened phase of Purva Amaiti.	14 quarterly instalments starting from Sep 2017	180.02	188.09	-
ii.	Term loan facility from Aditya Birla Finance Limited- ₹95	This facility is secured by an exclusive first mortgage on proportionate undivided share of land and building pertaining to unsold inventory of Purva Highland Phase-I, Phase-II, Purva Swanlake, Purva Grandbay, Purva Eternity, Purva Oceana projects and receivables of all the above projects along with receivables of Purva Venezia and Purva Platina. This facility is backed by cash shortfall undertaking by Mr. Ashish Puravankara, Managing Director of the Company.	29 monthly instalments starting from May 2017	77.06	95.00	-
iii.	Term loan facility from PNB Housing Finance Limited- ₹90	This facility is secured by registered mortgage of unsold units at Purva Venezia, Purva Atria Platina and Purva Oceana Projects.	Repayable in 60 equal monthly instalments starting from Feb 2014 *	-	-	72.67
iv	Corporate loan facility from IFCI Limited - ₹100	Mortgage of land parcels situated at Sathanapukkam village, Chengalpattu taluk, Kancheepuram district and Padur village, Chengalpattu taluk, Kancheepuram district.	14 quarterly instalments commencing from Aug 2016 **	-	29.10	83.10
v	Term loan facility from HDFC Ltd -₹97	Mortgage of property bearing sy no. 86/4, 86/1, 95/1 and 95/2, Thanisandra Village, K R Puram Hobli, Bangalore along with receivables of the upcoming project in the said land. Post dated security cheques towards repayment of principal	Repayable in 36 monthly instalments commencing from May 2018	97.00	-	-
vi	Term loan facility from HDFC - ₹300	Mortgage of unsold stock along with undivided share in land in the property of Provident Sunworth Phase 1 & 2 along with the undivided share in land of Provident Sunworth Phase 3 & 4, mortgage of unsold stock in the Developers shares of units along with undivided share in land in the property of Provident Welworth, an exclusive charge on the scheduled receivables under the documents entered into with the customers of Provident Sunworth and Provident Welworth and all insurance proceeds, both present and future and personal guarantee of Mr. Ravi Puravankara, Chairman and Mr. Ashish Puravankara, Managing Director of the Company.	Repayable in 45 monthly installments starting from Mar 2016	-	263.37	297.46
vii	Term loan facility from Aditya Birla HFL- ₹50	Mortgage of unsold stock along with undivided share in land in the property of Provident Sunworth Phase 1 & 2 along with the undivided share in land of Provident Sunworth Phase 3 & 4, mortgage of unsold stock in the Developers shares of units along with undivided share in land in the property of Provident Welworth, an exclusive charge on the scheduled receivables under the documents entered into with the customers of Provident Sunworth and Provident Welworth and all insurance proceeds, both present and future and personal guarantee of Mr. Ravi Puravanakara, Chairman and Mr. Ashish Puravankara, Managing Director of the Company.	Repayable in 54 monthly installments starting from Mar 2017 .	49.98	-	-

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

21 Borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	31 Mar 2017	31 Mar 2016	01 Apr 2015
viii	Term loan facility from Aditya Birla Finance Ltd ₹25	Mortgage of unsold stock along with undivided share in land in the property of Provident Sunworth Phase 1 & 2 along with the undivided share in land of Provident Sunworth Phase 3 & 4, mortgage of unsold stock in the Developers shares of units along with undivided share in land in the property of Provident Welworth, an exclusive charge on the scheduled receivables under the documents entered into with the customers of Provident Sunworth and Provident Welworth and all insurance proceeds, both present and future and personal guarantee of Mr. Ravi Puravanakara, Chairman and Mr. Ashish Puravankara, Managing Director of the Company.	Repayable in 54 monthly installments starting from Mar 2017.	24.99	-	-
ix	Term loan facility from PNB Housing Finance Ltd ₹65	Simple Registered Mortgage in favour of PNBHFL of 100% Completed 329 residential units admeasuring approximately 31,657 square meters of the project Provident Comocity located at Pudupakkam Chennai. Hypothecation of receivables (Sold/ Unsold) of the project Provident Cosmocity of approximately ₹116.18. Receivable coverage (net of expenses) to be maintained at 1.35 times of loan outstanding at any point of time. Registration of Charge with ROC. Registration of Charge with Central Registry (CERSAI)	Repayable in 48 months including moratorium of 24 months from the date of first disbursement. i.e starting from Dec 2018	60.00	-	-
x	Other Loans (Vehicle Loans)	Secured by a charge against respective vehicles	Repayable in 36 to 60 monthly instalments	0.24	-	-
xi	Vehicle Loan from Kotak Mahindra Prime Limited	Secured by a charge against respective vehicle.	Repayable in 36 to 60 monthly instalments	0.68	1.65	1.87
		Unamortised upfront fees on borrowing		(4.42)	(4.57)	(4.19)
				485.54	**572.64**	**450.91**
	The interest on above term loans from others are primarily linked to the respective benchmarks. The effective interest rates per annum ranges between			9.13% to 13.55%	9.56% to 15.23%	9.78% to 15.23%
Term loan from others (Unsecured)						
i.	HDFC Limited- ₹22	Mortgage of non residential property, Purva Premier owned by Mr. Ravi Puravankara, Chairman of the Company.		-	15.80	17.76
ii	Anushka Construction Pvt Ltd - ₹25	Unsecured		25.00	-	-
		Unamortised upfront fees on borrowing		-	(0.03)	(0.03)
				25.00	**15.77**	**17.73**
	The interest on above term loans from financial institutions are linked to the respective benchmarks. The effective interest rates per annum ranges between			10.25% to 15.00%	12.80%	13.00%

* Loans pre-closed during the previous year

** Loans pre-closed during the year

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

21 Borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	31 Mar 2017	31 Mar 2016	01 Apr 2015
Current borrowings						
Term loans from banks (Secured)						
i.	Term loan facility from ICICI bank Limited - ₹30	Exclusive charge by way of equitable mortgage on all the piece and parcel of land measuring 18.13 acres owned by the Company along with its two subsidiary situated at Ernakulam, Thikkakara, Kerala. Hypothecation of all receivables from sold units from Purva Seasons, Purva Midtown, Purva Skywood and Purva Venezia.	Repayable in 30 monthly instalments starting from Sep 2017 **	-	10.00	-
ii	Term loan facility from Standard Chartered Bank -₹250	First and exclusive charge over land and building of project Purva Palm Beach along with borrowers share of receivables ensuring security cover 1.82X and first exclusive charge over land and building of project Provident Sunworth Phase III and scheduled receivables of the said project to the extent of security shortfall and cost overrun, completion and cash shortfall undertaking by Mr. Ashish Puravankara, Managing Director of the Company. This facility includes overdraft limit of ₹10 which is repayable as per the terms of the facility	Repayable in 10 quarterly instalments starting from Apr 2019.	170.00	-	-
iii	Term loan facility from ICICI Bank Limited- ₹95	This facility is secured by an exclusive charge by way of equitable mortgage of all the piece and parcel of land and scheduled receivables of project located at Survey no. 843, Ernakulam village, Kanayannur Taluk, Ernakulam District admeasuring approx. 33,471.90 Sq.mtrs including all the structures thereon both present and future. Exclusive charge by way of hypothecation on the scheduled receivables of Purva Palm Beach.	Repayable in 24 monthly instalments commencing from 15 Nov 2016 **	-	95.00	95.00
iv	Term loan facility from ICICI Bank Limited- ₹95	This facility is secured by an exclusive charge on land and building (both present and future) of the project Purva Skydale situated at Kudlu village, Sarjapura Anekal taluk, Bengaluru admeasuring approximately 4.64 acres including hypothecation of scheduled receivables, Escrow accounts and DSR account of Purva Skydale project. This is also secured by extension of charge by way of equitable mortgage of land and building (both present and future) of the project Purva Whitehall located at Kaikondanahalli village, Varthoor hobli, Bengaluru including extension of charge by hypothecation of scheduled receivables, Escrow account and DSR account of Purva Whitehall project. Also secured by exclusive charge by way of equitable mortgage of 87,000 sq.ft land situated at Maduvankari village, Chennai.	Repayable in 24 monthly instalments starting from Aug 2016 **	-	0.02	55.00
v	Credit facility from Standard Chartered Bank- ₹60	This facility is secured by exclusive charge over land and buildings and receivables of Purva Sunflower Project. This facility includes overdraft limit of ₹10 which is repayable as per the terms of the facility.	Repayable in 5 quarterly instalments starting from Sep 2015 *	-	-	41.80

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

21 Borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	31 Mar 2017	31 Mar 2016	01 Apr 2015
vi	Term loan facility from ICICI Bank Limited- ₹50	Mortgage of building and structure thereon both present and future, receivables of Purva Season Project and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Mr. Ashish Puravankara, Managing Director of the Company.	Repayable in 30 monthly instalments starting from Aug 2013	-	-	50.00
vii	Term loan facility from IndusInd Bank Limited - ₹55	This facility is secured by an exclusive charge by way of equitable mortgage of unsold units of Purva Skywood project. This facility includes overdraft limit of ₹25.15 which is repayable as per the terms of the facility.	Repayable in 15 monthly instalments commencing from Sep 2014	-	-	18.11
		Unamortised upfront fees on borrowing		(3.33)	(1.77)	(4.12)
				166.67	103.25	255.79
	The interest on above term loans from banks are linked to the respective banks base rates. The effective interest rates per annum ranges between			10.85% to 11.50%	12.15% to 12.60%	12.80% to 15.00%

* Loans pre-closed during the previous year

** Loans pre-closed during the year

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

21 Borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	31 Mar 2017	31 Mar 2016	01 Apr 2015
Term loans from others (Secured)						
i	Term loan facility from Piramal Enterprises Limited- ₹154.91	UDS and super built up area of construction thereon of unsold area and receivables from sold area of Purva Gainz, UDS and super built up area of construction thereon proportionate to inventory in Purva Skydale, Purva Sunflower, Purva Whitehall, Purva Amaiti and Purva Bluemont along with receivables from sold and unsold units of the respective projects, UDS and super built up area of construction thereon of unsold area receivables from sold of area of Purva Primus. Exclusive first charge by way of equitable mortgage on land parcel measuring 17 acres in Padur at Chennai and exclusive charge by way of equitable mortgage on UDS of unopened phase of Purva Amaiti.	14 quarterly instalments starting from Sep 2017	110.93	154.91	-
ii	Term loan facility from PNB Housing Finance Limited-₹100	Equitable mortgage on land parcel admeasuring 90659.00 sqmts situated at Kachanayakanahalli, Bengaluru (This security is cross collateralised with Term Facility of Provident Housing Limited)	Repayable in 24 equal monthly instalments starting from Feb 2019	100.00	-	-
iii	Term loan facility from HDFC Limited-₹413	Mortgage of unsold stock in the project Purva Windermere along with present and future construction on land measuring 54.19 acres along with exclusive charge over the present and future receivables of project Purva Windermere situated at Pallikarni Village and Medavakkam Village, Tambaram Taluk,Tamilnadu	Repayable in 36 monthly instalments starting from quarterly instalments from Mar 2019	337.17	-	-
		Unamortised upfront fees on borrowing		(6.82)	(1.69)	-
				541.29	**153.22**	**-**
	The interest on above term loans from financial institutions are linked to the respective benckmarks. The effective interest rates per annum ranges between			10.90% to 12.00%	12.00%	13.50%
* Loans pre-closed during the previous year.						
Cash credit and other loan from banks (Secured)						
i	Cash credit facility from Andhra Bank-₹108	Secured against 60% share of Purva Mall situated at no. 53,54, 54/1,2,3, Church street, Bengaluru, residential plots/apartments of extent 98,514 sq.ft situated at Whitefield Bouganvilla, Channasandra village, Bidarahalli Hobli, Bengaluru, land of extent 20 acres and 7.5 guntas situated at Kachanayakanahalli village, Jigani Hobli, Anekal Taluk, Bengaluru, land parcel measuring 2A and 16G situated at Sy no 2, Thalgattapura, Mallasandra Village, Bengaluru and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Mr. Ashish Puravankara, Managing Director of the Company.		104.57	98.52	14.93
ii	Overdraft facility from Dhanlaxmi Bank- ₹50	Mortgage of land parcel in 33.56 acres owned by the company situated at Uganavadi village, Bengaluru and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman of the Company.		49.78	49.77	48.33

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

21 Borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	31 Mar 2017	31 Mar 2016	01 Apr 2015
iii	Overdraft facility from Indusind bank Ltd ₹10	Exclusive Charge on fixed assets of the Company excluding the assets exclusively funded by under equipment finance by ICICI bank		19.77	6.18	-
				174.12	154.47	63.26
	The interest on above loans from banks are linked to the respective banks base rates. The effective interest rates per annum ranges between			11.00% to 13.00%	11.75% to 13.00%	13.50% to 14.50%
From banks (Unsecured)						
i	Working capital facility from Deutsche Bank- ₹65	Secured by pledge of personal investments of Mr. Ravi Puravankara, Chairman of the Company.		-	32.16	32.25
ii	Short-term loan from Barclays PLC- ₹169	Secured by pledge of personal investments of Mr. Ravi Puravankara, Chairman of the Company.		-	168.90	168.90
iii	Term loan facility from Citi Bank- ₹30	Secured by pledge of personal investments of Mr. Ravi Puravankara, Chairman of the Company.		-	30.00	30.00
				-	231.06	231.15
	The interest on above loans from banks are linked to the respective banks base rates. The effective interest rates per annum ranges between			8.30% to 8.90%	9.20% to 9.65%	9.75% to 9.95%

* Loans pre-closed during the previous year

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

22 Other financial liabilities

		31 Mar 2017	31 Mar 2016	01 Apr 2015
a.	Non current			
	Security deposit	6.92	3.33	1.84
		6.92	**3.33**	**1.84**
b.	Current			
	Current maturities of long term borrowings (note 21a)	359.16	242.68	252.27
	Interest accrued but not due on borrowings	1.31	1.89	4.16
	Due to employees	2.91	8.95	6.50
	Other payables *	362.98	249.04	271.99
	Unpaid dividend	0.12	0.11	0.10
		726.48	**502.67**	**535.02**
		733.40	**506.00**	**536.86**

* Includes obligations payable to land owners under the joint development arrangements.

23 Provisions

		31 Mar 2017	31 Mar 2016	01 Apr 2015
a.	Non-current			
	Provision for employee benefits			
	Gratuity	11.08	11.57	9.67
		11.08	**11.57**	**9.67**
b.	Current			
	Provision for employee benefits			
	Gratuity	0.15	0.92	1.46
	Vacation pay	2.07	1.86	1.76
		2.22	**2.78**	**3.22**
		13.30	**14.35**	**12.89**

24 Trade payables

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Total outstanding dues of creditors other than micro enterprises and small enterprises			
Trade payables	277.23	301.87	294.39
Other comprehensive income	2.08	3.14	3.01
	279.31	**305.01**	**297.40**

*** 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 Group and has been relied upon by the auditors. The Group has not received any claim for interest from any supplier under the said Act.

		31 Mar 2017	31 Mar 2016	01 Apr 2015
i.	The principal amount remaining unpaid	3.76	7.34	9.50
ii.	Interest due thereon remaining unpaid	0.01	0.03	-
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.	-	-	-

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

24 Trade payables *(contd.)*

	31 Mar 2017	31 Mar 2016	01 Apr 2015
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) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	0.01	0.03	-
v. The amount of interest accrued during the year and remaining unpaid	0.01	0.03	-
vi. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	0.01	0.03	-

25 Other current liabilities

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Advances received from customers	129.88	216.08	237.96
Statutory dues payable	7.85	4.57	7.95
Tax deducted at source payable	6.54	6.08	6.70
Deferred income	7.24	0.70	-
Other payables *	879.95	265.55	290.46
	1,031.46	**492.98**	**543.07**

* Includes obligations to land owners under the joint development arrangements.

26 Current tax liabilities (net)

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Provision for tax (net of advance tax ₹49.77 (31 March 2016 ₹63.27, 01 April 2015 ₹34.97))	2.98	7.46	0.58
	2.98	**7.46**	**0.58**

27 Revenue from operations

	31 Mar 2017	31 Mar 2016
Revenue from projects		
Sale of properties	1,316.39	1,563.12
Interior	7.25	8.34
	1,323.64	**1,571.46**

a) During the year ended 31 March 2015, the Company had entered into a sale deed and agreement to sell undivided share (UDS) of its property under development aggregating to 50 percent of the said property for a cash consideration of ₹320.81. Of the total consideration, ₹155.81 was received for the 25 percent portion of the land and accordingly recorded as revenue during quarter ended 30 June 2014. The balance consideration amounting to ₹165 towards the remaining 25 percent was contingent on receiving plan sanction and accordingly it was deferred.

During the year ended 31 March 2017, the above contingency has been resolved and the Company has entered into a supplemental agreement to sale on 26 September 2016 transferring the UDS for a deferred consideration of ₹165. Consequent to above, the Company has recorded the fair value of ₹151.59 as revenue for the sale of UDS of its property under development.

b) During the year ended 31 March 2016, the Company had sold a land parcel (included within property under development) located in Bengaluru for a cash consideration of ₹140.00.

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

28 Other operating revenues

	31 Mar 2017	31 Mar 2016
Rental income	2.89	3.38
Scrap sales	1.61	1.27
Others *	78.98	7.93
	83.48	12.58

*During the year ended 31 March 2017, the Company has entered into an agreement to transfer an investment property to its subsidiaries for a total consideration of ₹403. The Company has also sold its investment in the aforementioned subsidiaries to a third party for a cash consideration of ₹72 and consequently the net gain amounting to ₹71.86 which represents sale of the investment property have been included within 'other operating revenue'.

29 Other income

	31 Mar 2017	31 Mar 2016
Unwinding of discount of trade receivables	8.81	-
Gain arising from financial instruments designated as FVTPL	9.23	2.10
Others	3.35	4.20
Liabilities no longer required written back *	-	14.79
	21.39	21.09

*During the quarter and year ended 31 March 2016, the Company has written back liabilities primarily on account of retention balances no longer payable to vendors.

30 Material and contract cost

	31 Mar 2017	31 Mar 2016
Inventory of building material at the beginning of the year	28.17	35.63
Add : Incurred during the year		
Material and contract cost	735.48	955.67
	763.65	991.30
Less : Inventory of building material at the end of the year	23.13	28.17
	740.52	963.13

31 (Increase) in inventory of properties held for development, properties under development and properties held for sale

	31 Mar 2017	31 Mar 2016
Inventory at the beginning of the year		
Properties held for development	310.12	366.24
Properties under development	2,579.31	2,339.02
Properties held for sale	550.26	508.17
Inventory at the end of the year		
Properties held for development	976.96	310.12
Properties under development	2,813.81	2,579.31
Properties held for sale	737.21	550.26
	(1,088.29)	(226.26)

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

32 Employee benefits expense

	31 Mar 2017	31 Mar 2016
Salaries, wages and bonus	90.89	99.61
Contribution to provident fund and other funds (refer note 44B)	3.93	5.54
Gratuity expenses (refer note 44A)	3.74	3.11
Vacation pay (refer note 44A)	0.75	0.72
Staff welfare	1.42	2.05
	100.73	111.03

33 Finance expense, net *

	31 Mar 2017	31 Mar 2016
Finance expense:		
Interest		
- Term loans	249.32	207.32
- Cash credits	16.73	14.22
Bank charges	1.68	0.74
Loan and other processing charges	15.26	17.45
Others	6.39	3.24
Interest on income tax	0.12	-
	289.50	242.97
Finance income:		
Bank deposits	2.76	2.65
Interest received from customers	3.81	2.93
Unwinding of discount relating to refundable security deposits	15.20	15.23
Interest on loan to joint venture	9.34	-
Interest on loan to associates	1.95	1.95
Others	6.06	2.90
	39.12	25.66
Finance expense, net	250.38	217.31

*Includes finance expense capitalized amounting to ₹257.31 for the year ended 31 March 2017 (31 March 2016 - ₹215.24).

34 Depreciation and amortization

	31 Mar 2017	31 Mar 2016
Depreciation of tangible assets (refer note 3)	14.39	14.12
Depreciation of investment properties (refer note 4)	0.77	0.70
Amortization of intangible assets (refer note 5)	1.31	1.17
	16.47	15.99

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

35 Other expenses

	31 Mar 2017	31 Mar 2016
Travel and conveyance	6.27	7.12
Repairs and maintenance		
- buildings	2.25	0.20
- plant & machinery	0.04	0.49
- others	17.20	19.14
Legal and professional *	41.83	42.42
Rent (refer note 39)	27.15	27.78
Rates and taxes	10.80	50.99
Security	18.13	14.39
Communication costs	2.59	2.58
Printing and stationery	1.48	2.28
Advertising and sales promotion	35.90	33.30
Brokerage and referral	5.51	8.31
Foreign exchange loss	0.03	0.21
Corporate social responsibility expenses (refer note 46)	3.65	2.59
Miscellaneous expenses	7.47	7.47
	180.30	**219.28**
*** Payment to auditor (on accrual basis, excluding service tax) [included in legal and professional charges]**		
As auditor:		
Audit fee	1.06	1.07
Other services	0.15	-
In other capacity:		
Certification	0.02	-
Reimbursement of expenses	0.01	0.01
	1.24	**1.08**

36 Earnings per share (EPS)

	31 Mar 2017	31 Mar 2016
Weighted average number of shares outstanding during the year (crore)	23.72	23.72
Add: Dilutive effect of stock options (crore)	-	-
Weighted average number of shares used to compute diluted EPS (crore)	**23.72**	**23.72**
Net profit after tax attributable to equity shareholders	127.11	82.85
Earnings per share (₹):		
Basic (₹)	5.36	3.49
Diluted (₹)	5.36	3.49
Nominal value - ₹ per equity share	5.00	5.00

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

37 Assets pledged as security

	31 Mar 2017	31 Mar 2016	01 Apr 2015
The carrying amounts of assets pledged as security for current and non-current borrowings are:			
Current			
Financial assets			
First charge			
Trade receivables	231.45	315.20	416.41
Non-financial assets			
First charge			
Inventories	2,299.82	2,494.97	2,086.58
Total current assets pledged as securities	**2,531.27**	**2,810.17**	**2,502.99**
Non-current			
First charge			
Vehicles	2.75	2.71	4.25
Property, plant and equipment	29.13	33.74	19.53
Investment properties	15.46	15.75	16.04
Total non-current assets pledged as securities	**47.34**	**52.20**	**39.82**
Total assets pledged as securities	**2,578.61**	**2,862.37**	**2,542.81**

38 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2017 were as follows :

Particulars	Note	FVTPL	FVTOCI	Amortised cost	Total carrying value	Total fair value
Financial assets :						
Investments	6b	61.86	-	-	61.86	61.86
Trade receivables	15	-	-	426.16	426.16	426.16
Loans and advances	7	-	-	273.57	273.57	273.57
Cash and cash equivalents including other bank balances	16,17	-	-	98.13	98.13	98.13
Other financial assets	8	-	-	200.13	200.13	200.13
Total financial assets		**61.86**	**-**	**997.99**	**1,059.85**	**1,059.85**
Financial liabilities :						
Borrowings *	21	-	-	2,065.83	2,065.83	2,065.83
Trade payables	24	-	-	283.07	283.07	283.07
Other financial liabilities	22	-	-	374.24	374.24	374.24
Total financial liabilities		**-**	**-**	**2,723.14**	**2,723.14**	**2,723.14**

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

38 Financial instruments *(contd.)*

The carrying value and fair value of financial instruments by categories as at 31 March 2016 were as follows :

Particulars	Note	FVTPL	FVTOCI	Amortised cost	Total carrying value	Total fair value
Financial assets :						
Investments	6b	41.21	-	-	41.21	41.21
Trade receivables	15	-	-	336.32	336.32	336.32
Loans and advances	7	-	-	217.33	217.33	217.33
Cash and cash equivalents including other bank balances	16,17	-	-	291.43	291.43	291.43
Other financial assets	8	-	-	251.60	251.60	251.60
Total financial assets		**41.21**	**-**	**1,096.68**	**1,137.89**	**1,137.89**
Financial liabilities :						
Borrowings *	21	-	-	2,171.97	2,171.97	2,171.97
Trade payables	24	-	-	312.35	312.35	312.35
Other financial liabilities	22	-	-	263.32	263.32	263.32
Total financial liabilities		**-**	**-**	**2,747.64**	**2,747.64**	**2,747.64**

The carrying value and fair value of financial instruments by categories as at 01 April 2015 were as follows :

Particulars	Note	FVTPL	FVTOCI	Amortised cost	Total carrying value	Total fair value
Financial assets :						
Investments	6b	-	-	-	-	-
Trade receivables	15	-	-	438.12	438.12	438.12
Loans and advances	7	-	-	149.72	149.72	149.72
Cash and cash equivalents including other bank balances	16,17	-	-	223.33	223.33	223.33
Other financial assets	8	-	-	159.06	159.06	159.06
Total financial assets		**-**	**-**	**970.23**	**970.23**	**970.23**
Financial liabilities :						
Borrowings *	21	-	-	1,773.52	1,773.52	1,773.52
Trade payables	24	-	-	306.90	306.90	306.90
Other financial liabilities	22	-	-	284.59	284.59	284.59
Total financial liabilities		**-**	**-**	**2,365.01**	**2,365.01**	**2,365.01**

* including current maturities of long term debt and finance lease obligations

Notes to financial instruments

i. The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables, borrowings and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

ii. Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the balance sheet are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

38 Financial instruments *(contd.)*

maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Measurement of fair value of financial instruments

The Group's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialist for complex valuations, wherever necessary. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximizing the use of market-based information.

Investment in Debentures

The fair values of the debentures are estimated using a discounted cash flow approach, which discounts the estimated contractual cash flows using discount rates derived from observable market interest rates of similar bonds with similar risk.

The following table shows the fair value hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 Mar 2017, 31 Mar 2016 and 01 Apr 2015:

As at 31 Mar 2017

Particulars	FVTOCI	Amortised cost	Total carrying value	Total fair value
Financial assets				
Investment	-	-	61.86	61.86
	-	-	61.86	61.86
Financial liabilities	-	-	-	-
Net Fair value	**-**	**-**	**61.86**	**61.86**

As at 31 Mar 2016

Particulars	FVTOCI	Amortised cost	Total carrying value	Total fair value
Financial assets				
Investment	-	-	41.21	41.21
	-	-	41.21	41.21
Financial liabilities	-	-	-	-
Net Fair value	**-**	**-**	**41.21**	**41.21**

As at 01 Apr 2015

Particulars	FVTOCI	Amortised cost	Total carrying value	Total fair value
Financial assets				
Investment	-	-	-	-
	-	-	-	-
Financial liabilities	-	-	-	-
Net Fair value	**-**	**-**	**-**	**-**

Sensitivity analysis of Level III

Particulars	Valuation technique	Significant unobservable inputs	Change	Sensitivity of the input to fair value
Investments in unquoted debentures	DCF method	Discounting rate	50 basis points	50 basis points Increase (decrease) in the discount would decrease (increase) the fair value by ₹80.74 lakhs (₹81.89 lakhs)

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

38 Financial instruments *(contd.)*

Financial risk management

Financial risk factors

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalent, trade receivables, financial assets measured at amortized cost	Ageing analysis
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts
Market risk – Interest rate	Long-term borrowings at variable rates	Sensitivity analysis

The Company's risk management is carried out by a central treasury department (of the group) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such interest rate risk, credit risk and investment of excess liquidity.

a. **Credit risk**

Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortized cost and deposits with banks and financial institutions.

Credit risk management

The finance function of the Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Expected credit loss for trade receivables under simplified approach

Trade receivables are secured in a form that registry 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 and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

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. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

c. **Maturities of financial liabilities**

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

38 Financial instruments *(contd.)*

31 Mar 2017	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives				
Borrowings *	341.62	1,735.95	15.60	2,093.17
Trade payables	265.78	17.29	-	283.07
Security deposits	6.03	0.89	-	6.92
Other financial liabilities	99.56	201.76	66.00	367.32
Total	**712.99**	**1,955.89**	**81.60**	**2,750.48**

31 Mar 2016	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives				
Borrowings *	628.23	1,549.01	14.08	2,191.32
Trade payables	273.38	38.97	-	312.35
Security deposits	0.49	2.84	-	3.33
Other financial liabilities	78.36	181.63	-	259.99
Total	**980.46**	**1,772.45**	**14.08**	**2,766.99**

01 Apr 2015	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives				
Borrowings *	657.63	1,121.89	13.54	1,793.06
Trade payables	277.01	29.89	-	306.90
Security deposits	1.50	0.34	-	1.84
Other financial liabilities	61.90	220.85	-	282.75
Total	**998.04**	**1,372.97**	**13.54**	**2,384.55**

* including current maturities of long term debt and finance lease obligations

d. Interest rate risk

The Company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosure', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Variable rate borrowing	583.41	439.21	294.61
Fixed rate borrowing	42,756.50	42,387.34	42,068.92
Interest free borrowing	1,438.09	1,682.36	1,424.34
Finance lease obligation	96.09	81.38	39.68
Total borrowings	**44,874.09**	**44,590.29**	**43,827.56**

Interest rate risk

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	31 Mar 2017	31 Mar 2016
Interest rates – increase by 50 basis points (50 bps)	4.37	4.41
Interest rates – decrease by 50 basis points (50 bps)	(4.37)	(4.41)

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

38 Financial instruments *(contd.)*

Capital Management

The Company's objectives when managing capital are to:

Safeguard their ability to continue as a going concern, so that they can continue to provide 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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors its capital using gearing ratio, which is net debt divided by total equity. Net debt includes long term borrowings, short term borrowings, current maturities of long term borrowings less cash and cash equivalents and other bank balances.

Particulars	31 Mar 2017	31 Mar 2016	01 Apr 2015
Long term borrowings	796.06	1,259.81	943.62
Current maturities of long term borrowings and finance lease obligations	359.16	242.68	252.27
Short term borrowings	910.61	669.48	577.63
Less: Cash and cash equivalents	(94.61)	(282.94)	(211.76)
Less : Bank balances other than cash and cash equivalents	(3.52)	(8.49)	(11.57)
Net debt	1,967.70	1,880.54	1,550.19
Total equity	2,388.22	2,283.33	2,244.25
Gearing ratio	0.82	0.82	0.69

(i) Equity includes all capital and reserves of the Company that are managed as capital

(ii) Debt is defined long term and short term borrowings

39 Leases

A. Operating lease

The lease expense for cancellable and non-cancellable operating leases was ₹27.15 for the year ended 31 March 2017 (31 Mar 2016 - ₹27.78). Lease commitments under the non-cancellable operating leases as at the Balance Sheet date were as follows:

Particulars	31 Mar 2017	31 Mar 2016
a) Within one year	23.60	9.62
b) One to five years	35.00	83.82
c) More than five years	21.46	26.35
Total	**80.07**	**119.79**

B. Finance lease

The Company has entered into a finance lease arrangement for building with a lease term of 33 years. Lease commitments under the finance lease as at the Balance Sheet date were as follows:

Particulars	31 Mar 2017	31 Mar 2016
Minimum lease payments		
a) Within one year	1.39	1.39
b) Later than one but not later than five years	6.76	6.35
c) Later than five years	76.84	78.65
Amount representing interest	(70.31)	(72.32)
Present value of minimum lease payments	**14.68**	**14.07**

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

40 Other commitments and contingencies

		31 Mar 2017	31 Mar 2016	01 Apr 2015
a)	Demand from Service Tax Department	-	5.70	5.43
b)	Demand from Commercial Tax Department	8.62	2.26	2.26
c)	Penalty under section 271(1)(c) of Income Tax Act, 1961	2.54	2.54	2.54
d)	Bonus payable to workers and employees	0.33	0.33	-

The Company is also involved in certain litigation for lands acquired by it for construction purposes, either through a Joint Development Agreement or through outright purchases. These cases are pending with the Civil Courts and scheduled for hearings shortly. After considering the circumstances and legal advice received, the management believes that these cases will not adversely effect its financial statements. Further the Company has given certain advances for purchase of land under agreements executed wherein it is required to make further payments based on terms/milestones subject to fulfilment of certain conditions by other party.

On 01 January 2016, the Payment of Bonus (Amendment) Act, 2015 (the ('Act') was notified in the official gazette increasing the minimum wages for payment of statutory bonus with retrospective effect from 01 April 2014. The Hon'ble High Court of Karnataka vide order dated 02 February 2016 stayed the retrospective application of the Act. The Company has provided for the payment of bonus as per the Act for all the locations except Karnataka for which provision has been made for the period on or after 01 April 2015.

41 Details of Specified Bank Notes (SBN) held and transacted during the period from 08 November 2016 to 30 December 2016 as provided in the Table below :

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08 November 2016	0.16	0.26	0.42
Add : Permitted receipts	-	0.21	0.21
Less : Permitted payments	-	(0.23)	(0.23)
Less : Amount deposited in Banks	(0.16)	-	(0.16)
Closing cash in hand as on 30 December 2016	-	0.24	0.24

42 Other Supplementary Information

Particulars	31 Mar 2017	31 Mar 2016
Project revenue recognized as revenue (including revenue from finished inventories) *	1,316.39	1,563.12
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) up to date for all the contracts in progress	3,835.01	3,989.95
Amount of customer advances outstanding for contracts in progress as at date for which revenue has been recognised	129.88	216.08
Amount of work in progress and the value of inventories	2,813.81	2,579.31
Excess of revenue recognised over actual bills raised (unbilled revenue).	171.11	229.56

* The Company has revised its project cost estimates in the current year, as a result of which the profit before tax for the year ended 31 March 2017 is lower by ₹143.87 crores (31 March 2016 - ₹104.00 crores)

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

43 Related party transactions

(i) Parties where control exists

Mr. Ravi Puravankara

(ii) Key management personnel

Mr. Ravi Puravankara
Mr. Ashish Puravankara
Mr. Nani R Choksey

(iii) Relatives of key management personnel

Ms. Geeta S Vhatkar

(iv) Entities controlled/significantly influenced by key management personnel (other related parties)

Purva Developments
Puravankara Investments
Handiman Services Limited
Dealwel – Proprietorship

(v) Associate companies

Keppel Puravankara Development Private Limited
Propmart Technologies Limited
Sobha Puravankara Aviation Private Limited

(vi) Joint venture

Pune Projects LLP
Purva Good Earth Properties Private Limited (with effect from 06 April 2015)

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

Nature of transaction	Associates / Joint venture			Key management personnel			Relatives of key management personnel			Other related parties		
	31 Mar 2017	31 Mar 2016	01 Apr 2015	31 Mar 2017	31 Mar 2016	01 Apr 2015	31 Mar 2017	31 Mar 2016	01 Apr 2015	31 Mar 2017	31 Mar 2016	01 Apr 2015
Loans given to												
Propmart Technologies Limited	20.58	19.37	18.21	-	-	-	-	-	-	-	-	-
Pune Projects LLP	70.61	62.76	29.66	-	-	-	-	-	-	-	-	-
Purva Good Earth Properties Private Limited	0.05	0.05	0.01	-	-	-	-	-	-	-	-	-
Loans taken from												
Puravankara Investments	-	-	-	-	-	-	-	-	-	1.88	1.88	1.88
Ravi Puravankara	-	-	-	-	25.55	25.55	-	-	-	-	-	-
Purva Development	-	-	-	-	-	-	-	-	-	0.18	0.18	0.18
Advance for land contracts paid to												
Geeta S Vhatkar	-	-	-	-	-	-	17.93	17.93	17.93	-	-	-
Advance to suppliers												
Sobha Puravankara Aviation Private Limited	3.08	9.13	4.92	-	-	-	-	-	-	-	-	-
Investment in partnership firm												
Pune Projects LLP	-	-	-	-	-	-	-	-	-	-	-	-
Investment in debentures												
Purva Good Earth Properties Private Limited	61.86	41.21	-	-	-	-	-	-	-	-	-	-
Security Deposits paid to												
Dealwel	-	-	-	-	-	-	-	-	-	0.15	0.15	0.15
Puravankara Investments	-	-	-	-	-	-	-	-	-	0.45	0.45	0.45
Dues from												
Pune Projects LLP	5.06	-	-	-	-	-	-	-	-	-	-	-

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

43 Related party transactions *(contd.)*

Nature of transaction	Associates / Joint venture			Key management personnel			Relatives of key management personnel			Other related parties		
	31 Mar 2017	31 Mar 2016	01 Apr 2015	31 Mar 2017	31 Mar 2016	01 Apr 2015	31 Mar 2017	31 Mar 2016	01 Apr 2015	31 Mar 2017	31 Mar 2016	01 Apr 2015
Dues to												
Handiman Services Limited	-	-	-	-	-	-	-	-	-	2.05	2.93	2.80
Puravankara Investments	-	-	-	-	-	-	-	-	-	0.03	0.03	0.03
Guarantees given by												
Ravi Puravankara	-	-	-	238.00	1,245.50	1,818.50	-	-	-	-	-	-
Ashish Puravankara	-	-	-	967.00	1,017.00	618.00	-	-	-	-	-	-

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

Nature of transaction	Associates / Joint venture		Key management personnel		Relatives of key management personnel		Other related parties	
	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
Interest income on loans								
Propmart Technologies Limited	1.95	1.95	-	-	-	-	-	-
Pune Projects LLP	9.34	-	-	-	-	-	-	-
Loans given to								
Pune Projects LLP	2.25	33.78	-	-	-	-	-	-
Purva Good Earth Properties Private Limited	-	0.04						
Loans repaid by								
Propmart Technologies Limited	0.09	0.20	-	-	-	-	-	-
Pune Projects LLP	6.00	0.68	-	-	-	-	-	-
Loans repaid to								
Ravi Puravankara	-	-	25.55	-	-	-	-	-
Gain arising from financial instruments designated as FVTPL								
Purva Good Earth Properties Private Limited	9.23	2.10	-	-	-	-	-	-
Advance paid to								
Sobha Puravankara Aviation Private Limited	12.14	22.32	-	-	-	-	-	-
Security charges								
Handiman Services Limited	-	-	-	-	-	-	25.82	19.80
Rent (excluding service tax)								
Sobha Puravankara Aviation Private Limited	15.89	15.89	-	-	-	-		-
Puravankara Investments	-	-	-	-	-	-	3.80	3.80
Administration charges recovered from								
Pune Projects LLP	3.13	0.06	-	-	-	-	-	-
Brokerage and referral								
Propmart Technologies Limited	-	0.32	-	-	-	-	-	-
Reimbursement of expenses from								
Pune Projects LLP	1.68	0.09	-	-	-	-	-	-
Travel and conveyance								
Sobha Puravankara Aviation Private Limited	0.03	0.03	-	-	-	-	-	-
Investment in debentures								
Purva Good Earth Properties Private Limited	8.75	38.63	-	-	-	-	-	-
Proceeds on redemption of preference share								
Keppel Puravankara Development Private Limited	-	17.64	-	-	-	-	-	-
Guarantees given by								
Ravi Puravankara	-	-	-	80.00	-	-	-	-
Ashish Puravankara	-	-	250.00	609.00	-	-	-	-
Guarantees released by								
Ravi Puravankara	-	-	1,007.50	653.00	-	-	-	-

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

43 Related party transactions *(contd.)*

Nature of transaction	Associates / Joint venture		Key management personnel		Relatives of key management personnel		Other related parties	
	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
Ashish Puravankara	-	-	300.00	210.00	-	-	-	-
Remuneration (Employee benefits expense) *								
Ravi Puravankara								
Short-term employee benefits	-	-	2.60	2.59	-	-	-	-
Ashish Puravankara								
Short-term employee benefits	-	-	2.00	1.40	-	-	-	-
Lowell Fernandes								
Short-term employee benefits	-	-	-	-	-	0.36	-	-
Amanda Puravankara								
Short-term employee benefits	-	-	-	-	-	0.11	-	-

* As the future liability for gratuity and vacation pay is provided on an actuarial basis for the company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

44 Employee benefits

A. Defined benefit plan

The Company has gratuity and vacation pay as defined benefit retirement plans for its employees. The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity at the rate of 15 days basic salary for each year of service until the retirement age. As at 31 March 2017 and 31 March 2016 the plan assets were invested in insurer managed funds.

The following tables set out the funded status of gratuity plans and the amount recognized in Company's financial statements :

		31 Mar 2017		31 Mar 2016	
		Gratuity	Vacation pay	Gratuity	Vacation pay
1	**The amounts recognized in the Balance Sheet are as follows:**				
	Present value of the obligation as at the end of the year	16.09	2.07	13.47	1.86
	Fair value of plan assets as at the end of the year	(4.86)	-	(0.98)	-
	Net liability recognized in the Balance Sheet	**11.23**	**2.07**	**12.49**	**1.86**
2	**Changes in the present value of defined benefit obligation**				
	Defined benefit obligation as at beginning of the year	13.47	1.86	12.90	1.76
	Service cost	2.31	0.41	2.51	0.48
	Interest cost	1.58	0.16	1.02	0.13
	Actuarial losses/(gains) arising from				
	- change in demographic assumptions				
	- change in financial assumptions	0.81	0.12	(0.21)	(0.01)
	- experience variance (i.e. Actual experiences assumptions)	(0.29)	0.06	(0.60)	0.12
	Past service cost				
	Benefits paid	(1.71)	(0.53)	(2.26)	(0.62)
	Acquisition adjustment	(0.08)	(0.01)	-	-
	Others	-	-	0.11	-
	Defined benefit obligation as at the end of the year	**16.09**	**2.07**	**13.47**	**1.86**
3	**Changes in the fair value of plan assets**				
	Fair value as at the beginning of the year	0.98	-	1.77	-
	Return on plan assets	0.15	-	0.16	-
	Actuarial (losses)/gains	0.57	-	(0.09)	-

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

44 Employee benefits *(contd.)*

	31 Mar 2017		31 Mar 2016	
	Gratuity	Vacation pay	Gratuity	Vacation pay
Contributions	5.17	0.52	1.00	0.62
Benefits paid	(1.48)	(0.52)	(1.97)	(0.62)
Others	(0.53)	-	0.11	-
Fair value as at the end of the year	4.86	-	0.98	-
Non-current	11.08	-	11.57	-
Current	0.15	2.07	0.92	1.86
Assumptions used in the above valuations are as under:				
Interest rate	7.30%	7.30%	8.00%	8.00%
Discount rate	7.30%	7.30%	8.00%	8.00%
Future salary increase	6.00%	6.00%	6.00%	6.00%
Attrition rate	5.00%	5.00%	5.00%	5.00%
Retirement age	60 years	60 years	60 years	60 years
4 **Net gratuity and vacation pay cost for the year ended 31 March 2017 and 31 March 2016 comprises of following components.**				
Service cost	2.31	0.41	2.51	0.48
Net Interest Cost on the net defined benefit liability	1.43	0.16	0.60	0.13
Actuarial losses/(gains)	-	0.18	-	0.11
Net cost	3.74	0.75	3.11	0.72

5 Other Comprehensive Income

	31 Mar 2017	31 Mar 2016
Change in financial assumptions	0.81	(0.21)
Experience variance (i.e. Actual experience vs assumptions)	(0.29)	(0.60)
Return on plan assets, excluding amount recognized in net interest expense	(0.57)	0.09
Components of defined benefit costs recognized in other comprehensive income	(0.05)	(0.72)

6 Experience adjustments

	31 Mar 2017	31 Mar 2016	31 Mar 2015	31 Mar 2014	31 Mar 2013
Defined benefit obligation as at the end of the year	16.09	13.47	12.90	9.73	7.79
Plan assets	4.86	0.98	1.77	1.98	2.33
Surplus/(deficit)	(11.23)	(12.49)	(11.13)	(7.75)	(5.47)
Experience adjustments on plan liabilities	(0.52)	(1.10)	(0.02)	(0.25)	0.09
Experience adjustments on plan assets	(0.57)	(0.09)	0.11	(0.09)	0.03

B. **Defined contribution plan**

The Company makes contribution of statutory provident fund as per Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Employees State Insurance Scheme as per the Employees' State Insurance Act, 1948. This is a defined contribution and contribution made was ₹3.93 for the year ended 31 March 2017 (31 March 2016- ₹5.54).

C. **Sensitivity Analysis**

Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

44 Employee benefits *(contd.)*

a. Interest Rate Risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of liability (as shown in financial statements)

b. Liquidity Risk: This is the risk that the Company is not able to meet the short term benefit payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

c. Salary Escalation Risk: The present value of the above benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

d. Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

e. Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (for example, increase in the maximum liability on gratuity of INR 10,00,000)

f. Asset Liability Mismatching or Market Risk: the duration of the liability is longer compared to duration of assets exposing the company to market risks for volatilities/fall in interest rate.

g. Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

	31 Mar 2017		31 Mar 2016	
	Decrease	Increase	Decrease	Increase
Gratuity				
Discount Rate (- / + 1%)	1.36	(1.17)	1.07	(0.93)
Salary Growth Rate (- / + 1%)	(1.20)	1.36	(0.91)	1.04
Attrition Rate (- / + 50%)	(0.20)	0.02	(0.26)	0.17
Vacation pay				
Discount Rate (- / + 1%)	0.20	(0.18)	0.16	(0.16)
Salary Growth Rate (- / + 1%)	(0.18)	0.20	(0.15)	0.17
Attrition Rate (- / + 50%)	(0.03)	0.02	(0.06)	0.05

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

There is no change in the method of valuation for the prior period.

D. Effect of Plan on Entity's Future Cash Flows

a) Funding arrangements and Funding Policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

44 Employee benefits *(contd.)*

		31 Mar 2017
b)	Expected Contribution during the next annual reporting period	8.93
	The Company's best estimate of Contribution during the next year	
c)	Maturity Profile of Defined Benefit Obligation	
	Weighted average duration (based on discounted cash flows)	8 years
	Expected cash flows over the next (valued on undiscounted basis):	
	1 year	3.65
	2 to 5 years	3.86
	6 to 10 years	4.06
	More than 10 years	12.71

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The statement of profit and loss for the year ended 31 March 2017 includes expenditure amounting to ₹26.91 (previous year - ₹27.14), respectively, in respect of completed projects sold during earlier periods.

46 Corporate social responsibility expenses

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The areas for CSR activities are promoting education, art and culture, healthcare, ensuring environmental sustainability, destitute care and rehabilitation and rural development projects. During the year, the Company has spent ₹3.65 against ₹4.15 towards CSR activities.

Particulars		In cash	Yet to be paid in cash	Total
Construction/acquisition of any asset	31 Mar 2017	-	-	-
	31 Mar 2016	-	-	-
On purposes other than above	31 Mar 2017	3.65	-	3.65
	31 Mar 2016	2.59	-	2.59

47 Disclosure required under Section 186(4) of the Companies Act 2013

For details of loans, advances and guarantees given and securities provided to related parties refer note 43.

48 Segmental information

The Group, its associates and joint ventures are engaged in the development and construction of residential and commercial properties which is considered to be the only reportable business segment as per Ind AS 108, 'Segment Reporting'. The Group, its associates and joint ventures operates primarily in India and there is no other significant geographical segment. The Group, its associates and joint ventures has widespread customer base and no single customer accounted for 10% or more of revenue in any of the years indicated and hence the Group, its associates and joint ventures does not have any concentration risk.

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

49 Investments

A. The investments accounted for using the equity method is as follows:

a. Investment in joint ventures

Name of the joint venture	Country of incorporation and principal place of business	Principal activity	Proportion of ownership interests held by the Group as at		
			31 Mar 2017	31 Mar 2016	01 Apr 2015
Purva Good Earth Properties Private Limited	India, Bengaluru	Real estate development and construction	25%	25%	-
Pune Projects LLP	India, Pune	Real estate development and construction	32%	32%	32%

b. Investment in associates

Name of the joint venture	Country of incorporation and principal place of business	Principal activity	Proportion of ownership interests held by the Group as at		
			31 Mar 2017	31 Mar 2016	01 Apr 2015
Keppel Puravankara Development Private Limited	India, Bengaluru	Real estate development and construction	49.00%	49.00%	49.00%
Propmart Technologies Limited	India, Bengaluru	Real estate agents	32.83%	32.83%	32.83%
Sobha Puravankara Aviation Private Limited	India, Bengaluru	Aviation	49.75%	49.75%	49.75%

The investment in all the above associates is accounted for using the equity method in accordance with Ind AS 28, Investments in Associates and Joint Ventures.

1. Keppel Puravankara Development Private Limited

Summarised aggregate financial information is set out below:

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Non-current assets	16.51	18.71	19.34
Current assets	103.91	105.42	145.42
Non-current liabilities	0.16	0.11	0.10
Current liabilities	9.17	19.36	22.84

Summarised aggregate statement of profit and loss is set out below:

	31 Mar 2017	31 Mar 2016
Revenue	14.26	5.60
Profit and total comprehensive income for the year	9.57	(1.81)
Depreciation and amortization	-	0.02
Tax expense	3.12	(0.18)
Other comprehensive income	-	-

The associates are private companies, therefore no quoted market prices are available for its shares.

Reconciliation of the above summarized financial information to the carrying amount of the interest in the associate recognized in the consolidated financial statements.

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

49 Investments *(contd.)*

Particulars	31 Mar 2017	31 Mar 2016	01 Apr 2015
Net assets of the associate	111.09	104.66	141.82
Proportion of the Group's beneficial interest in the associate	49.00%	49.00%	49.00%
Other adjustments	-	-	-
Carrying amount of the Group's interest in the associate	54.44	51.28	69.49

2. **Propmart Technologies Limited**

Summarised aggregate financial information is set out below:

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Non-current assets	0.39	0.56	0.70
Current assets	6.46	6.47	6.54
Non-current liabilities	-	-	-
Current liabilities	31.51	30.28	28.67

Summarised aggregate statement of profit and loss is set out below:

	31 Mar 2017	31 Mar 2016
Revenue	0.81	1.15
Profit and total comprehensive income for the year	(1.41)	(1.81)
Depreciation and amortisation	0.02	0.03
Tax expense	-	-
Other comprehensive income	-	-

The associates are private companies, therefore no quoted market prices are available for its shares.

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements.

Particulars	31 Mar 2017	31 Mar 2016	01 Apr 2015
Net assets of the joint venture	(24.65)	(23.25)	(21.43)
Proportion of the Group's ownership interest in the associate	32.83%	32.83%	32.83%
Other adjustments *	(5.75)	(5.29)	(4.70)
Carrying amount of the Group's interest in the associate	-	-	-

3. **Sobha Puravankara Aviation Private Limited**

Summarised aggregate financial information is set out below:

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Non-current assets	78.56	83.38	91.44
Current assets	3.83	3.56	2.49
Non-current liabilities	164.46	164.74	147.64
Current liabilities	1.59	1.28	8.32

Summarised aggregate statement of profit and loss is set out below:

	31 Mar 2017	31 Mar 2016
Revenue	14.91	8.82
Profit and total comprehensive income for the year	(4.64)	(12.95)
Depreciation and amortisation	4.86	4.87
Tax expense	(0.06)	0.90
Other comprehensive income	-	-

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

49 Investments *(contd.)*

The associates are private companies, therefore no quoted market prices are available for its shares.

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements.

Particulars	31 Mar 2017	31 Mar 2016	01 Apr 2015
Net assets of the joint venture	(83.67)	(79.08)	(62.03)
Proportion of the Group's ownership interest in the associate	49.75%	49.75%	49.75%
Other adjustments **	(36.84)	(34.56)	(26.08)
Carrying amount of the Group's interest in the associate	-	-	-

* Represents losses pertains to the losses of joint venture/associates adjusted with other long term investments on account of constructive obligation

** Represents the losses restricted to the extent of the carrying value of the investments

B. Investment in jointly controlled operations

Name of the jointly controlled operations	Country of incorporation and principal place of business	Principal activity	Proportion of ownership interests held by the Group as at		
			31 Mar 2017	31 Mar 2016	01 Apr 2015
Jointly controlled operation with Sobha Limited (Sobha Marina One)	India, Cochin	Real estate development and construction	50%	-	-
Jointly controlled operation with Keppel Puravankara Development Private Limited	India, Bengaluru	Real estate development and construction	75%	75%	75%

C. Investments in subsidiaries

1. Composition of the Group

Set out below details of the subsidiaries held directly by the Group:

Name of the entity	Country of incorporation and principal place of business	Proportion of ownership interests held by the Group as at		
		31 Mar 2017	31 Mar 2016	01 Apr 2015
Prudential Housing and Infrastructure Development Limited	India, Mumbai	100%	100%	100%
Centurions Housing and Constructions Private Limited	India, Chennai	100%	100%	100%
Melmont Construction Private Limited	India, Bengaluru	100%	100%	100%
Purva Marine Properties Private Limited ***	India, Bengaluru	-	100%	100%
Purva Realities Private Limited	India, Bengaluru	100%	100%	100%
Grand Hills Developments Private Limited	India, Bengaluru	100%	100%	100%
Purva Ruby Properties Private Limited	India, Bengaluru	100%	100%	100%
Purva Sapphire Land Private Limited	India, Bengaluru	100%	100%	100%
Purva Star Properties Private Limited	India, Bengaluru	100%	100%	100%
Purva Good Earth Properties Private Limited (till 06 April 2015)	India, Bengaluru	-	-	100%
Nile Developers Private Limited	India, Chennai	100%	100%	100%
Vaigai Developers Private Limited	India, Chennai	100%	100%	100%
Puravankara Hotels Limited ***	India, Bengaluru	-	100%	100%

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

49 Investments *(contd.)*

Name of the entity	Country of incorporation and principal place of business	Proportion of ownership interests held by the Group as at		
		31 Mar 2017	31 Mar 2016	01 Apr 2015
Purva Land Limited ***	India, Bengaluru	-	100%	100%
Starworth Infrastructure and Construction Limited	India, Bengaluru	100%	100%	100%
Provident Housing Limited	India, Bengaluru	100%	100%	100%
Jaganmata Property Developers Private Limited	India, Hyderabad	100%	100%	-
Jyothishmati Business Centers Private Limited	India, Hyderabad	100%	100%	-
Vagishwari Land Developers Private Limited	India, Hyderabad	100%	100%	-
Varishtha Property Developers Private Limited	India, Hyderabad	100%	100%	-
Purva Pine Private Limited **	India, Bengaluru	100%	-	-
Purva Oak Private Limited **	India, Bengaluru	100%	-	-
Provident Meryta Private Limited **	India, Bengaluru	100%	-	-
Argan Properties Private Limited **	India, Bengaluru	100%	-	-
Provident Cedar Private Limited **	India, Bengaluru	100%	-	-
Welworth Lanka Holding Private Limited	Sri Lanka, Colombo	100%	100%	100%
Welworth Lanka Private Limited	Sri Lanka, Colombo	100%	100%	100%
Purva Corporation	British Virgin Islands, London	100%	100%	100%
Puravankara (UK) Limited *	British Virgin Islands	-	100%	100%

The primary activity of all the above entities is real estate development and construction

* Investment in this subsidiary was written off during the year 31 March 2017

** These subsidiaries were incorporated during the year ended 31 March 2017

*** During the year ended 31 March 2017, the Company sold investment in these subsidiaries for consideration of ₹72.00

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

49 Investments *(contd.)*

2. **Losing control over a subsidiary during the reporting period**

During the year ended 31 March 2017, the Group disposed of its 100% equity interest in its following subsidiaries :
Purva Marine Properties Private Limited
Puravankara Hotels Limited
Purva Land Limited

Consequent to the above disposal, gain on deconsolidation was as follows:

Details of Purchase consideration	Purva Marine Properties Private Limited	Puravankara Hotels Limited	Purva Land Limited
Consideration received in cash	17.49	23.37	31.14
Total purchase consideration	**17.49**	**23.37**	**31.14**
Details of Net assets transferred:			
Cash and cash equivalents	0.02	0.04	0.04
Total current assets	**0.02**	**0.04**	**0.04**
Borrowings	0.03	0.01	0.04
Total current liabilities	**0.03**	**0.01**	**0.04**
Total net assets	**(0.01)**	**0.03**	**-**
Profit on disposal			
Total purchase consideration	17.49	23.37	31.14
Less: Cost of disposal	0.02	0.05	0.05
Less: Net assets transferred	(0.01)	0.03	-
Profit on disposal	**17.48**	**23.29**	**31.09**

The profit on disposal is included in the profit for the year in the consolidated statement of profit and loss under the head other operating revenue (refer note 28).

50 First time adoption of Ind AS

These are the Group's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the Group's date of transition).

An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

A **Ind AS optional exemptions**

Ind-AS 101, 'First-time Adoption of Indian Accounting Standards', allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind-As. The Group has accordingly applied the following exemptions.

(a) **Deemed cost for property, plant and equipment, investment properties and intangible assets**

Ind AS 101 'First-time Adoption of Indian Accounting Standards' permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets and investment properties covered by Ind AS 38, 'Intangible Assets' and Ind AS 40, 'Investment Property', respectively. Accordingly, the Group has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

50 First time adoption of Ind AS *(contd.)*

(b) Leases

Appendix C to Ind AS 17, 'Leases' requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, 'Leases', this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101, 'First-time Adoption of Indian Accounting Standards', provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Group has elected to apply this exemption for such contracts/arrangements.

B Ind AS mandatory exceptions

(a) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 31 March 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP except as disclosed in note 10 of first time adoption.

(b) Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109, 'Financial Instruments', are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

a) The effects of the retrospective application or retrospective restatement are not determinable;

b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period;

The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

(c) De-recognition of financial assets and liabilities

Ind AS 101, 'First-time Adoption of Indian Accounting Standards', requires a first-time adopter to apply the de-recognition provisions of Ind AS 109, 'Financial Instruments', prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101, 'First-time Adoption of Indian Accounting Standards', allows a first-time adopter to apply the de-recognition requirements in Ind AS 109, 'Financial Instruments', retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109, 'Financial Instruments', to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions. The Group has elected to apply the de-recognition provisions of Ind AS 109, 'Financial Instruments', prospectively from the date of transition to Ind AS.

C Reconciliations between previous GAAP and Ind AS

Ind AS 101,'First-time Adoption of Indian Accounting Standards', requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

50 First time adoption of Ind AS *(contd.)*

(a) Reconciliation of total equity as at 31 March 2016 and 1 April 2015

	Notes to first time adoption	As at 31 Mar 2016					As at 01 Apr 2015				
		IGAAP (refer note 1 below)	Refer note 10 below	Refer note 13 below	Other Ind AS Adjustments	Amount as per Ind AS	IGAAP (refer note 1 below)	Refer note 10 below	Refer note 13 below	Other Ind AS Adjustments	Amount as per Ind AS
Assets											
Non-current assets											
(a) Property, plant and equipment	2	113.30	-	-	(29.54)	83.76	107.41	-	-	(30.24)	77.17
(b) Capital work-in-progress		-	-	-	-	-	12.20	-	-	-	12.20
(c) Investment properties	2,15	-	-	-	432.54	432.54	-	-	-	433.24	433.24
(d) Other Intangible assets		4.60	-	-	-	4.60	4.26	-	-	-	4.26
(e) Financial assets											
(i) Investments		51.28	-	41.21	-	92.49	69.49	-	-	-	69.49
(ii) Loans and advances	4, 14	227.46	-	(0.10)	(72.83)	154.53	188.05	-	-	(67.99)	120.06
(iii) Others		15.50	-	-	-	15.50	12.00	-	-	-	12.00
(f) Deferred tax assets (net)	11	20.29	20.26	-	(0.67)	39.88	22.78	15.54	-	7.42	45.74
(g) Other non-current assets	4	176.32	(61.10)	-	0.82	116.04	103.60	-	-	0.79	104.39
Total Non-current assets		**608.75**	**(40.84)**	**41.10**	**330.32**	**939.33**	**519.79**	**15.54**	**-**	**343.22**	**878.55**
Current assets											
(a) Inventories	3,4,8,15	3,969.84	-	(194.57)	(307.41)	3,467.86	3,565.54	-	(7.06)	(309.42)	3,249.06
(b) Financial assets											
(i) Trade receivables		336.32	-	-	-	336.32	438.12	-	-	-	438.12
(ii) Cash and cash equivalents		283.78	-	(0.84)	-	282.94	211.76	-	-	-	211.76
(iii) Bank balances other than (ii) above		8.49	-	-	-	8.49	11.57	-	-	-	11.57
(iv) Loans and advances		30.53	-	32.27	-	62.80	22.60	-	7.06	-	29.66
(v) Others		236.10	-	-	-	236.10	147.06	-	-	-	147.06
(c) Current tax assets (net)		1.21	-	-	-	1.21	1.17		-	-	1.17
(c) Other current assets	4	210.35	-	-	0.36	210.71	245.41	(46.90)	-	0.34	198.85
Total Current assets		**5,076.62**	**-**	**(163.14)**	**(307.05)**	**4,606.43**	**4,643.23**	**(46.90)**	**-**	**(309.08)**	**4,287.25**
Total assets		**5,685.37**	**(40.84)**	**(122.03)**	**23.27**	**5,545.77**	**5,163.02**	**(31.36)**	**-**	**34.14**	**5,165.80**

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

50 First time adoption of Ind AS *(contd.)*

	Notes to first time adoption	As at 31 Mar 2016					As at 01 Apr 2015				
		IGAAP (refer note 1 below)	Refer note 10 below	Refer note 13 below	Other Ind AS Adjustments	Amount as per Ind AS	IGAAP (refer note 1 below)	Refer note 10 below	Refer note 13 below	Other Ind AS Adjustments	Amount as per Ind AS
Equity and liabilities											
Equity											
(a) Equity share capital		118.58	-	-	-	118.58	118.58	-	-	-	118.58
(b) Other equity	16	2,186.69	(38.27)	2.90	13.33	2,164.75	2,142.15	(29.37)	-	12.89	2,125.67
Total equity		2,305.27	(38.27)	2.90	13.33	2,283.33	2,260.73	(29.37)	-	12.89	2,244.25
Liabilities											
Non-current liabilities											
(a) Financial liabilities											
(i) Borrowings	3	1,389.35	-	(115.88)	(13.66)	1,259.81	956.94	-	-	(13.32)	943.62
(ii) Other financial liabilities		3.33	-	-	-	3.33	1.84	-	-	-	1.84
(b) Provisions		11.57	-	-	-	11.57	9.67	-	-	-	9.67
Total non-current liabilities		1,404.25	-	(115.88)	(13.66)	1,274.71	968.45	-	-	(13.32)	955.13
Current liabilities											
(a) Financial liabilities											
(i) Borrowings	3	672.89	-	-	(3.41)	669.48	581.75	-	-	(4.12)	577.63
(ii) Trade payables		311.00	-	1.35	-	312.35	306.90	-	-	-	306.90
(iii) Other financial liabilities	3	504.95	-	-	(2.28)	502.67	537.11	-	-	(2.09)	535.02
(b) Other current liabilities	3,7,8	454.50	(2.57)	(10.40)	51.45	492.98	460.04	(1.99)	-	85.02	543.07
(c) Provisions	6	25.05	-	-	(22.27)	2.78	47.46	-	-	(44.24)	3.22
(d) Current tax liabilities (net)		7.46	-	-	-	7.46	0.58	-	-	-	0.58
Total current liabilities		1,975.85	(2.57)	(9.05)	23.49	1,987.72	1,933.84	(1.99)	-	34.57	1,966.42
Total equity and liabilities		5,685.37	(40.84)	(122.03)	23.27	5,545.76	5,163.02	(31.36)	-	34.14	5,165.80

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

50 First time adoption of Ind AS *(contd.)*

(b) Reconciliation of Statement of Profit and loss as previously reported under IGAAP and Ind AS :

Particulars	Notes to first time adoption	Year ended 31 Mar 2016				
		IGAAP (refer note 1 below)	Refer note 10 below	Refer note 13 below	Other Ind AS Adjustments	Amount as per Ind AS
Income						
Revenue From Operations	8	1,548.04	-	-	36.00	1,584.04
Other Income	8	20.37	-	-	0.72	21.09
Total		**1,568.41**	**-**	**-**	**36.72**	**1,605.13**
Expenses						
Material and contract cost	4	991.44	-	(28.31)	-	963.13
Land cost	4	350.00	-	(127.17)	(45.85)	176.98
Changes in inventory of properties under development and properties held for sale	3,4,8	(480.88)	-	187.57	67.05	(226.26)
Employee benefits expense	9	110.30	-	0.01	0.72	111.03
Finance costs	3, 5	243.81	-	(11.49)	(15.01)	217.31
Depreciation and amortization expense		15.99	-	-	-	15.99
Other expenses	4, 7	229.85	13.62	(23.52)	(0.67)	219.28
Total expenses		**1,460.51**	**13.62**	**(2.91)**	**6.25**	**1,477.46**
Profit before share of associates		**107.90**	**(13.62)**	**2.91**	**30.48**	**127.67**
Tax expense						
Current tax		46.30	-	0.01	-	46.31
Deferred tax	11	(5.78)	(4.71)	-	7.82	(2.67)
Profit before share of associates		**67.38**	**(8.91)**	**2.90**	**22.65**	**84.03**
Share of (profit)/loss from investment in associates	14	(0.57)			(0.61)	(1.18)
Total profit for the year		**66.81**	**(8.91)**	**2.90**	**22.04**	**82.85**
Other Comprehensive Income						
Remeasurements of the defined benefit plans	12	-	-	-	0.72	0.72
Income tax relating to items that will not be reclassified to profit or loss	12	-	-	-	(0.26)	(0.26)
Total Other Comprehensive Income for the year		**-**	**-**	**-**	**0.46**	**0.46**
Total comprehensive income for the year		**66.81**	**(8.91)**	**2.90**	**22.50**	**83.31**

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

50 First time adoption of Ind AS *(contd.)*

(c) Reconciliation of total equity as at 31 March 2016 and 1 April 2015

Particulars	Note	31 Mar 2016	01 Apr 2015
Total equity (shareholder's funds) as per previous GAAP		2,186.69	2,142.15
Change in accounting estimate	10	(58.53)	(44.91)
Deferred tax impact on above	10	20.26	15.55
Total equity (shareholder's funds)		**2,148.42**	**2,112.79**
Adjustments:			
Application of Guidance Note on real estate revenue recognition retrospectively	8a,8b	(11.07)	(34.33)
Reversal of proposed dividend and tax on proposed dividend	6	22.26	44.23
Impact of financial assets and liabilities carried at amortized cost	3,4	5.62	(1.48)
Impact of reversal of lease straight lining	7	4.90	4.06
Reclassification of actuarial loss on employee benefit to other comprehensive income	9	(1.97)	(1.25)
Deconsolidation of subsidiary	13	2.90	-
Equity pick up on account of constructive obligation as per Ind AS 110	14	(7.63)	(7.03)
Deferred tax impact on above adjustments	11	0.02	7.84
Other comprehensive income, net of deferred tax	12	1.30	0.84
Total adjustments		**16.33**	**12.88**
Total equity as per Ind AS		**2,164.75**	**2,125.67**

(d) Cash flow statement

Particulars	Notes to first time adoption	As per Previous GAAP	Refer note 13 below	Other Ind AS Adjustments	Amount as per Ind AS
Net cash from operating activities	15	(76.47)	172.62	(82.12)	14.03
Net cash (used in) investing activities	15	(31.81)	(66.16)	82.12	(15.85)
Net cash from / (used in) financing activities		180.30	(107.30)	-	73.00
Net increase/(decrease) in cash and cash equivalents		72.02	(0.84)	-	71.18
Cash and cash equivalents at the beginning of the year		211.76	-	-	211.76
Cash and cash equivalents at the end of the year		283.78	(0.84)	-	282.94

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

50 First time adoption of Ind AS *(contd.)*

(e) Notes

1 To comply with the Companies (Accounting Standard) Rules, 2006, certain account balances have been regrouped as per the format prescribed under Division II of Schedule III to the Companies Act, 2013. Other significant reclassifications are given below:

Particulars	01 Apr 2016 (Reported)	Adjustment	01 Apr 2016 (Reclassified)	01 Apr 2015 (Reported)	Adjustment	01 Apr 2015 (Reclassified)
Non-current borrowings	-	-	-	915.21	41.73	956.94
Other financial liabilities	-	-	-	578.84	(41.73)	537.11
Inventories (refer note 15)	3,978.55	(8.71)	3,969.84	-	-	-
Other non-current assets	167.61	8.71	176.32	-	-	-

2 **Investment properties**

Under the previous GAAP, investment properties were presented as part of fixed assets or properties held for development. Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or profit as a result of this adjustment.

3 **Borrowings**

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in the profit or loss or inventorized as a part of project under development, as the case may be over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss or inventorized as a part of project under development as and when incurred. Accordingly, borrowings as at 01 April 2015 and 31 March 2016 have been reduced with a corresponding adjustment to retained earnings.

4 **Security deposits**

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) were recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly, the Company has measured these security deposits at fair value. Difference between the fair value and transaction value of the security deposit has been recognized as prepaid rent which would be amortized over a straight line basis over the period of the deposit.

Under the previous GAAP, interest free security deposits towards joint development (that are refundable in cash on completion of the construction) were recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly, the Company has measured these security deposits at fair value. Difference between the fair value and transaction value of the security deposit has been recognized as land cost.

5 **Investment in Debentures**

Investments in debentures have been measured at fair value through profit or loss (FVTPL) as against cost less diminution of other than temporary nature, if any, under the previous GAAP. The difference between the fair value and previous GAAP carrying value on transition date has been recognized as an adjustment to opening retained earnings. Subsequent fair value changes have been recorded in the statement of profit and loss as against interest recorded at coupon rate under previous GAAP.

6 **Other payable**

Under previous GAAP, dividends proposed by the board of directors after balance sheet date but before the approval of the financial statements were considered as adjusting events. However, under Ind AS, such dividends are recognized when the same is approved by the shareholders in the general meeting.

Accordingly, the liability for proposed dividend recognized as on transition date has been reversed with corresponding adjustment to opening retained earnings and dividend in the subsequent period has been recognized in the year of approval in the general meeting.

7 **Operating leases**

Under the previous GAAP, operating lease payments were recognized as an expense in the statement of profit and loss on a straight-line basis. Under Ind AS, operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where scheduled increase in rent compensates the Group with expected inflationary costs. Accordingly the lease equalization reserve has been written back with a corresponding adjustment to retained earnings.

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

50 First time adoption of Ind AS *(contd.)*

8 Revenue

a. Under the previous GAAP, in accordance with the "Guidance Note on Accounting for Real Estate Transactions (Revised 2012)", construction revenue for projects commenced on or after 01 April 2012 or where revenue was recognized for the first time after the aforesaid date, was recognized on percentage of completion method provided the following thresholds have been met:

(a) all critical approvals necessary for the commencement have been obtained;

(b) the expenditure incurred on construction and development costs is not less than 25 percent of the total estimated construction and development costs;

(c) at least 25 percent of the saleable project area is secured by agreements with buyers; and

(d) at least 10 percent of the agreements are realized at the reporting date in respect of such contracts

Under Ind AS, in accordance with the "Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable)", construction revenue is recognized for all the projects whether commenced before or after 01 April 2012, provided the thresholds mentioned above have been met. Accordingly, revenue and properties under development for the period ended 31 March 2016 have been adjusted with a corresponding adjustment to retained earnings.

b. Joint development arrangements

Under the previous GAAP, for projects executed through joint development arrangements prior to 01 April 2012, which represent barter transactions, whereby the Company gives up a defined percentage of constructed area in lieu of payment for its share in the land, the company accounted for such transactions on net basis and did not ascribe any value to the share of land acquired on such basis. Effective 01 April 2012, in accordance with the Guidance Note, developmental rights acquired through joint development arrangement are recorded on a gross basis on the estimated amount to be spent on development or construction of built-up area to be surrendered in lieu of the above rights.

Under Ind AS, the Company accounts for such developmental rights on gross basis for all the projects retrospectively. Accordingly, land cost has been recognized with a corresponding impact to other current liabilities, revenue and properties under development for the period ended 31 March 2016 has been adjusted with a corresponding adjustment to other current liabilities.

c. Borrowing costs

The Company has capitalized its borrowing cost including its processing fees in accordance with the previous GAAP, the adjustment to the same as per note 4 has resulted in a change of percentage of completion and accordingly, revenue for the period ended 31 March 2016 has been adjusted with corresponding adjustments to properties under development and retained earnings.

d. Security deposits

The Company has capitalized the interest income arising from security deposits relating to projects as mentioned in note 4, which has resulted in a change of percentage of completion and accordingly, revenue for the period ended 31 March 2016 has been adjusted with corresponding adjustments to properties under development and retained earnings.

9 Defined benefit liabilities

Both under Previous GAAP and Ind AS, the Group recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced by such amount with a corresponding adjustment on defined benefit plans has been recognized in the OCI net of tax.

10 Change in accounting estimate

Until year ended 31 March 2016, the Company was recording the lease expenses in respect of an operating lease of an aircraft based on actual consumption/ usage of hours committed under the take or pay lease agreement. During the year ended 31 March 2017, the lease expense in respect of the aforesaid take-or-pay agreement have been accounted on a straight-lined basis over the lease term in accordance with the Ind-AS 17.

11 Deferred tax

Under previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

50 First time adoption of Ind AS *(contd.)*

taxable profit and accounting profits for the period. Under IND AS, deferred tax is recognized following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments has also lead to recognition of deferred taxes on new temporary differences.

12 Other comprehensive income

Under Ind AS, all items of income and expense recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

13 De-consolidation of subsidiaries

Under the previous GAAP, certain entities were consolidated as subsidiaries as per the control assessment under that GAAP. Under Ind AS the aforesaid entities have been assessed as joint venture and accordingly have been deconsolidated.

14 Investment in associates and joint venture

Under the previous GAAP, equity method of accounting required the share of loss to be restricted to the legal and contractual obligation over and above the investment value. However under Ind AS, equity method of accounting requires an entity to consider constructive obligation over and above contractual obligation. Consequent to above the loan given to the associate and joint venture has been considered as a part of the net investment in the associate and joint venture. Accordingly incremental share of losses have been recorded in retained earnings and for the year ended 31 March 2016 in the statement of profit and loss.

15 Property held for development (PHD)

Under the previous GAAP, PHD which represents land acquired for future development and construction was shown as a separate head under non-current assets. Under Ind AS, PHD to the extent which is not an investment property is included as inventory as it will be used for development and sale of residential and commercial units.

16 Retained earnings

Retained earnings as at 01 April 2015 and 31 March 2016 has been adjusted consequent to the above Ind AS transition adjustments.

51 Additional Information as required under Schedule III to the Companies Act, 2013.

Sl. no.	Name of the entity	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Puravankara Limited (formerly Puravankara Projects Limited)		82.92%	1,980.31	79.08%	100.51	(166.67)%	(0.05)	79.02%	100.46
Subsidiaries (held directly)									
Indian subsidiaries									
1	Prudential Housing and Infrastructure Development Limited	(0.06)%	(1.44)	(0.02)%	(0.02)	-	-	(0.02)%	(0.02)
2	Centurions Housing and Constructions Private Limited	0.30%	7.13	5.10%	6.48	-	-	5.10%	6.48
3	Melmont Construction Private Limited	(0.16)%	(3.93)	(0.03)%	(0.04)	-	-	(0.03)%	(0.04)
4	Purva Realities Private Limited * # $	(0.00)%	(0.01)	0.00%	(0.00)	-	-	0.00%	(0.00)
5	Grand Hills Developments Private Limited * # $	(0.00)%	(0.01)	0.00%	(0.00)	-	-	0.00%	(0.00)

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

51 Additional Information as required under Schedule III to the Companies Act, 2013. *(contd.)*

Sl. no.	Name of the entity	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
6	Purva Ruby Properties Private Limited $	(0.02)%	(0.52)	-	-	-	-	-	-
7	Purva Sapphire Land Private Limited *# $	(0.00)%	(0.03)	0.00%	(0.00)	-	-	0.00%	(0.00)
8	Purva Star Properties Private Limited	3.16%	75.38	-	-	-	-	-	-
9	Nile Developers Private Limited	0.29%	6.82	(0.10)%	(0.12)	-	-	(0.10)%	(0.12)
10	Vaigai Developers Private Limited # $	0.21%	5.09	0.00%	(0.00)	-	-	0.00%	(0.00)
11	Jaganmata Property Developers Private Limited * # $	0.00%	0.004	0.00%	(0.00)	-	-	0.00%	(0.00)
12	Jyothishmati Business Centers Private Limited * # $	0.00%	0.004	0.00%	(0.00)	-	-	0.00%	(0.00)
13	Vagishwari Land Developers Private Limited * # $	0.00%	0.004	0.00%	(0.00)	-	-	0.00%	(0.00)
14	Varishtha Property Developers Private Limited * # $	0.00%	0.004	0.00%	(0.00)	-	-	0.00%	(0.00)
15	Starworth Infrastructure & Construction Limited	0.68%	16.15	0.04%	0.05	316.00%	0.09	0.12%	0.15
16	Provident Housing Limited	13.18%	314.65	18.70%	23.77	(49.33)%	(0.01)	18.69%	23.76
17	Purva Pine Private Limited * # $	0.00%	0.01	0.00%	(0.00)	-	-	0.00%	(0.00)
18	Purva Oak Private Limited * # $	0.00%	0.01	0.00%	(0.00)	-	-	0.00%	(0.00)
19	Provident Meryta Private Limited * # $	0.00%	0.01	0.00%	(0.00)	-	-	0.00%	(0.00)
20	Argan Properties Private Limited * # $	0.00%	0.01	0.00%	(0.00)	-	-	0.00%	(0.00)
21	Provident Cedar Private Limited * # $	0.00%	0.01	0.00%	(0.00)	-	-	0.00%	(0.00)
Foreign subsidiaries									
1	Purva Corporation *	(0.00)%	(0.04)	(0.02)%	(0.03)	-	-	(0.02)%	(0.03)
2	Welworth Lanka Holding Private Limited	0.50%	12.06	(0.01)%	(0.01)	-	-	(0.01)%	(0.01)
3	Welworth Lanka Projects (Pvt) Ltd	0.33%	7.79	(0.82)%	(1.04)	-	-	(0.82)%	(1.04)
Associates									
1	Keppel Puravankara Development Private Limited	-	-	2.18%	2.78	-	-	2.18%	2.78

Summary of significant accounting policies and other explanatory information to consolidated financial statements

(All amounts in ₹ crore, unless otherwise stated)

51 Additional Information as required under Schedule III to the Companies Act, 2013. *(contd.)*

Sl. no.	Name of the entity	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
2	Propmart Technologies Limited	-	-	(0.49)%	(0.62)	-	-	(0.49)%	(0.62)
3	Sobha Puravankara Aviation Private Limited	-	-		-	-	-	-	-
Joint ventures									
1	Purva Good Earth Properties Private Limited	-	-	-	-	-	-	-	-
2	Pune Projects LLP	-	-	1.95%	2.48	-	-	1.95%	2.48
	Adjustment arising out of consolidation	(1.31)%	(31.25)	(5.55)%	(7.05)	-	-	(5.55)%	(7.05)
	Grand total	100.00%	2,388.22	100.00%	127.11	100.00%	0.03	100.00%	127.14

* The net assets of the aforesaid subsidiaries and associates cumulatively represents 0.01% as a percentage of consolidated net assets. Consequently the net assets as a percentage of consolidated net assets of the individual subsidiaries and associates presented above appears as 'zero'.

The share of profit/(loss) of the aforesaid subsidiaries and associates cumulatively represents 0.01% as a percentage of consolidated profit. Consequently share of profit (loss) as a percentage of consolidated profit of the individual subsidiaries and associates presented above appears as 'zero'.

$ The share of total comprehensive income/(loss) of the aforesaid subsidiaries and associates cumulatively represents 0.01% as a percentage of consolidated total comprehensive income. Consequently share of total comprehensive income (loss) as a percentage of consolidated total comprehensive income of the individual subsidiaries and associates presented above appears as 'zero'.

For Walker Chandiok & Co LLP
Chartered Accountants

per Sanjay Banthia
Partner

Bengaluru
29 May 2017

For and on behalf of the Board of Directors of Puravankara Limited
(formerly Puravankara Projects Limited)

Ashish Puravankara
Managing Director
DIN 00504524

Nani R Choksey
Joint Managing Director
DIN 00504555

Kuldeep Chawla
Chief Financial Officer

Bindu D
Company Secretary
M No. 23290

Bengaluru
29 May 2017

Independent Auditor's Report

To the Members of
Puravankara Limited (formerly Puravankara Projects Limited)

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Puravankara Limited (formerly Puravankara Projects Limited) ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. 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 standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter(s)

9. The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2016 and 31 March 2015 in accordance with {Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2016 on which we issued auditor's reports to the shareholders of the Company dated 27 May 2016 and 15 May 2015 respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure II a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. Further to our comments in Annexure 1, 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 purpose 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 standalone financial statements dealt with by this report are in agreement with the books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;

    f) We have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 29 May 2017 as per Annexure I, expressed unqualified opinion.

    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, 2017, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company, as detailed in Note 39 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position.

        ii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

        iii. The company, as detailed in Note 40 to the standalone financial statements, has made requisite disclosures in these standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the company.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sanjay Banthia**
Partner
Membership No.: 061068

Place: Bengaluru
Date: 29 May 2017

Annexure I to the Independent Auditor's Report of even date to the members of Puravankara Limited (formerly Puravankara Projects Limited), on the financial statements for the year ended 31 March 2017

Annexure I

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the financial statements of Puravankara Limited (formerly Puravankara Projects Limited) ("the Company") as at and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the control criteria in accordance with the Internal control framework defined in Annexure I to SA 315 "Identifying and Assessing the Risk of Material Misstatement Through Understanding the Entity and its Environment" ("the framework"). 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 the Company's 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ("the ICAI") and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR include 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

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the framework.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sanjay Banthia**
Partner
Membership No.: 061068

Place: Bengaluru
Date: 29 May 2017

Annexure II to the Independent Auditor's Report of even date to the members of Puravankara Limited (formerly Puravankara Projects Limited), on the standalone financial statements for the year ended 31 March 2017

Annexure II

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

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

(b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The fixed assets have been physically verified by the management during the year and material discrepancies were noticed on such verification. These have been properly dealt with in the books of account.

(c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has granted interest free and interest bearing unsecured loans to companies/firms/ Limited Liability Partnerships (LLPs)/ other parties covered in the register maintained under Section 189 of the Act; and with respect to the same:

(a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the company's interest.

(b) the schedule of repayment of the principal and the payment of the interest has not been stipulated and hence we are unable to comment as to whether repayments/ receipts of the principal amount and the interest are regular;

(c) In the absence of stipulated schedule of repayment of principal and payment of interest, we are unable to comment as to whether there is any amount which is overdue for more than 90 days and whether reasonable steps have been taken by the Company for recovery of the principal amount and interest.

(iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
The Karnataka Value Added Tax Act.	Value Added Tax (including interest & penalty on an approximate basis)	8,721,672	8,721,672	2005-07	Karnataka Appellate Tribunal
		77,494,569	26,032,204	2008-12	The Joint Commissioner of Commercial taxes (Appeals)
Chapter V of the Finance Act, 1994	Irregular shifting from construction of complex service to works contract service including interest & penalty	56,995,015	-	2007-2008	Customs, Excise & Service Tax Appellate Tribunal, Bangalore
Chapter V of the Finance Act, 1994	Service tax not paid on other services	22,325,348	-	2002-2006	Customs, Excise & Service Tax Appellate Tribunal, Bangalore
Chapter V of the Finance Act, 1994	Service tax not paid on other services	2,482,000	92,700	2008-09	Commissioner of Service Tax (Appeals)
Income-Tax Act, 1961	Interest on delayed payment of TDS	704,824	704,824	2009-2010	Commissioner of Income Tax (Appeals)
Income-Tax Act, 1961	Penalty under Section 271(1)(c)	25,436,199	-	2005-2007	High Court of Bombay
Income-Tax Act, 1961	Disallowance of deduction u/s 80IB	360,412,780	-	2012-14	Commissioner of Income Tax (Appeals)

(viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or government or any dues to debenture-holders during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purpose for which the loans were obtained, though idle/surplus funds which were not required for immediate utilization were temporarily used for the purpose other than for which the loan was sanctioned but were ultimately utilized for the stated end-use.

(x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sanjay Banthia**
Partner
Membership No.: 061068

Place: Bengaluru
Date: 29 May 2017

Balance Sheet as at 31 March 2017

(All amounts in ₹ crore, unless otherwise stated)

	Note	31 Mar 2017	31 Mar 2016	01 Apr 2015
Assets				
Non-current assets				
(a) Property, plant and equipment	2	38.14	45.81	51.26
(b) Capital work-in-progress		0.08	-	0.85
(c) Investment properties	3	39.33	432.64	433.34
(d) Intangible assets	4	3.85	4.48	4.10
(e) Financial assets				
(i) Investments	5	33.27	29.48	44.73
(ii) Loans and advances	6a	339.23	356.48	293.02
(iii) Other financial assets	7a	13.10	10.82	10.91
(f) Deferred tax assets (net)	10	38.27	34.44	45.48
(g) Other non-current assets	8a	102.29	83.67	77.37
Total Non-current assets		607.56	997.82	961.06
Current assets				
(a) Inventories	11	3,460.14	2,687.25	2,529.39
(b) Financial assets				
(i) Trade receivables	12	331.64	219.94	313.05
(ii) Cash and cash equivalents	13	74.98	191.91	116.93
(iii) Bank balances other than (ii) above	14	3.52	8.49	9.86
(iv) Loans and advances	6b	71.52	67.61	30.37
(v) Other financial assets	7b	123.64	162.40	131.47
(c) Other current assets	8b	127.78	155.71	144.70
Total current assets		4,193.22	3,493.31	3,275.77
Total assets		4,800.78	4,491.13	4,236.83
Equity and liabilities				
Equity				
(a) Equity share capital	15	118.58	118.58	118.58
(b) Other equity	16	1,861.73	1,780.14	1,730.43
Total equity		1,980.31	1,898.72	1,849.01
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	18a	513.41	932.99	644.36
(ii) Other financial liabilities	19a	7.76	4.17	2.68
(b) Provisions	20a	7.32	9.63	8.24
Total non-current liabilities		528.49	946.79	655.28
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	18b	985.30	744.12	615.21
(ii) Trade payables				
total outstanding dues of micro enterprises and small enterprises		3.53	5.84	8.46
total outstanding dues of creditors other than micro enterprises and small enterprises	21	188.52	199.52	201.98
(iii) Other financial liabilities	19b	416.25	380.98	525.10
(b) Other current liabilities	22	697.05	311.48	379.88
(c) Provisions	20b	1.33	0.83	1.91
(d) Current tax liabilities (net)	23	-	2.85	-
Total current liabilities		2,291.98	1,645.62	1,732.54
Total equity and liabilities		4,800.78	4,491.13	4,236.83
Significant accounting policies	1.2			

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

As per report of even date

For Walker Chandiok & Co LLP
Chartered Accountants

per Sanjay Banthia
Partner

Bengaluru
29 May 2017

For and on behalf of the Board of Directors of Puravankara Limited
(formerly Puravankara Projects Limited)

Ashish Puravankara
Managing Director
DIN 00504524

Nani R Choksey
Joint Managing Director
DIN 00504555

Kuldeep Chawla
Chief Financial Officer

Bindu D
Company Secretary
M No. 23290

Bengaluru
29 May 2017

Statement of Profit and Loss for the year ended 31 March 2017

(All amounts in ₹ crore, unless otherwise stated)

	Note	31 Mar 2017	31 Mar 2016
Income			
Revenue from operations			
Revenue from projects	24	894.11	1,004.52
Other operating revenues	25	82.36	11.17
Other income	26	34.00	59.18
Total		**1,010.47**	**1,074.87**
Expenses			
Material and contract cost	27	447.94	558.25
Land cost		812.29	148.19
(Increase) in inventory of properties held for development, properties under development and properties held for sale	28	(777.69)	(161.64)
Employee benefits expense	29	67.37	70.05
Finance expense, net	30	209.93	185.52
Depreciation and amortization	31	9.98	10.51
Other expenses	32	123.09	154.01
Total expenses		**892.91**	**964.89**
Profit before tax		**117.56**	**109.98**
Tax expense	9		
Current tax		20.85	21.28
Deferred tax		(3.80)	2.59
Profit after tax		**100.51**	**86.11**
Other comprehensive income			
(a) Items that will not be reclassified to profit or loss			
(i) Re-measurement of gains/(losses) on defined benefit plans		(0.08)	0.54
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.03	(0.18)
(b) Items that will be reclassified to profit or loss		-	-
Total other comprehensive income for the year		**(0.05)**	**0.36**
Total comprehensive income for the year		**100.46**	**86.47**
Earnings per share (Nominal value ₹5 per share)			
Basic (₹)	33	4.24	3.63
Diluted (₹)	33	4.24	3.63
Significant accounting policies	1.2		

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

As per report of even date

For Walker Chandiok & Co LLP
Chartered Accountants

per Sanjay Banthia
Partner

Bengaluru
29 May 2017

For and on behalf of the Board of Directors of Puravankara Limited
(formerly Puravankara Projects Limited)

Ashish Puravankara
Managing Director
DIN 00504524

Nani R Choksey
Joint Managing Director
DIN 00504555

Kuldeep Chawla
Chief Financial Officer

Bindu D
Company Secretary
M No. 23290

Bengaluru
29 May 2017

Cash Flow Statement for the year ended 31 March 2017

(All amounts in ₹ crore, unless otherwise stated)

		31 Mar 2017	31 Mar 2016
A.	Cash flow from operating activities		
	Profit for the year	100.51	86.11
	Adjustments to reconcile profit before tax to net cash flows		
	Tax expense	17.05	23.87
	Depreciation and amortization	9.98	10.51
	Financial guarantee obligation	(1.31)	(1.05)
	(Profit)/loss on sale of fixed assets	(0.06)	0.37
	Dividend income received	(18.50)	(36.76)
	Unwinding of discount of trade receivables	(8.81)	-
	Liabilities no longer required written back	-	(14.79)
	Advances written-off	-	0.21
	Gain on sale of investment in subsidiaries	(71.76)	-
	Investment in subsidiaries written off	0.05	
	Finance expense, net	209.93	185.52
	Operating profit before working capital changes	237.08	253.99
	Working capital adjustments:		
	(Increase)/decrease in trade receivables	(102.89)	93.11
	(Increase) in inventories	(185.89)	(145.93)
	(Increase)/decrease in loans and advances and other assets	45.46	(74.22)
	(Decrease) in current liabilities and provisions	(116.16)	(80.23)
	Cash received from / (used in) operations	(122.40)	46.72
	Income tax paid (net)	(32.88)	(10.90)
	Net cash flows from / (used in) operating activities	(155.28)	35.82
B.	Cash flows from investing activities		
	Proceeds from sale of investment properties	403.00	-
	Proceeds from sale of shares of subsidiaries	72.00	0.01
	Purchase of property, plant and equipment (including capital work in progress and capital advances)	(0.58)	(3.28)
	Purchase of intangible assets	(0.64)	(1.45)
	Proceeds from sale of property, plant and equipment	0.29	1.16
	Investments made in equity shares of subsidiaries	(1.28)	(2.40)
	Loans given to subsidiaries, associates and joint ventures	(26.59)	(96.99)
	Loans repaid by subsidiaries, associates and joint ventures	75.21	26.20
	Advance for allotment of shares in subsidiaries	(0.59)	(2.26)
	Proceeds from redemption of preference shares of associate	-	17.64
	Net investment in bank deposits and margin monies	2.69	1.41
	Dividend income received	18.50	36.76
	Interest income received	3.99	4.24
	Net cash flows from / (used in) investing activities	546.00	(18.96)

Cash Flow Statement for the year ended 31 March 2017

(All amounts in ₹ crore, unless otherwise stated)

	31 Mar 2017	31 Mar 2016
C. Cash flows from financing activities		
Proceeds from secured term loans	906.27	1,180.47
Repayment of secured term loans	(909.46)	(1,007.04)
Repayments of unsecured loan	(246.83)	(2.05)
Proceeds from cash credit and working capital loan (net)	6.06	85.03
Loans repaid to related parties	(25.55)	-
Loans taken from subsidiaries and associates	37.60	76.74
Loans repaid to subsidiaries and associates	(29.06)	(38.43)
Payment of stamp duty charges	(0.19)	-
Dividends paid (including taxes)	(18.68)	(36.75)
Finance charges paid	(227.81)	(199.85)
Net cash from / (used in) financing activities	**(507.65)**	**58.12**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**(116.93)**	**74.98**
Cash and cash equivalents at the beginning of the year	**191.91**	**116.93**
Cash and cash equivalents at the end of the year	**74.98**	**191.91**
Components of cash and cash equivalents		
Cash and bank balances (as per note 13 to the financial statements)	74.98	191.91
	74.98	**191.91**

As per report of even date

For Walker Chandiok & Co LLP
Chartered Accountants

per Sanjay Banthia
Partner

Bengaluru
29 May 2017

For and on behalf of the Board of Directors of Puravankara Limited
(formerly Puravankara Projects Limited)

Ashish Puravankara
Managing Director
DIN 00504524

Nani R Choksey
Joint Managing Director
DIN 00504555

Kuldeep Chawla
Chief Financial Officer

Bindu D
Company Secretary
M No. 23290

Bengaluru
29 May 2017

Statement of changes in equity as at 31 March, 2017

(All amounts in ₹ crore, unless otherwise stated)

A. Equity share capital

Particulars	As at 01 April 2015	Movement during 2015-16	As at 31 March 2016	Movement during 2016-17	As at 31 March 2017
Equity share capital of face value of ₹5 each	118.58	-	118.58	-	118.58
23.72 crore (31 Mar 2016 - 23.72 crore, 01 Apr 2015 - 23.72 crore) equity shares of ₹5 each					
	118.58	-	118.58	-	118.58

B. Other equity

Particulars	Reserves and surplus			
	Securities premium reserve	General reserve	Retained Earnings	Total
Balance as at 1 April 2015 (refer note 50)	963.80	80.28	686.35	1,730.43
Profit for the period	-	-	86.11	86.11
Other Comprehensive Income	-	-	0.36	0.36
Dividends including tax on dividend	-	-	(36.76)	(36.76)
Any other change (to be specified)	-	-	-	-
Balance as at 31 March 2016	**963.80**	**80.28**	**736.06**	**1,780.14**
Profit for the period	-	-	100.51	100.51
Other Comprehensive Income	-	-	(0.05)	(0.05)
Dividends including tax on dividend	-	-	(18.68)	(18.68)
Others	(0.19)	-	-	(0.19)
Balance as at 31 March 2017	**963.61**	**80.28**	**817.84**	**1,861.73**

For Walker Chandiok & Co LLP
Chartered Accountants

per Sanjay Banthia
Partner

Bengaluru
29 May 2017

For and on behalf of the Board of Directors of Puravankara Limited
(formerly Puravankara Projects Limited)

Ashish Puravankara
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Company Secretary
M No. 23290

Bengaluru
29 May 2017

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

1 Company overview and significant accounting policies

1.1 Company overview

Puravankara Limited (the 'Company') (formerly Puravankara Projects Limited) was incorporated on 03 June 1986 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 Company's shares are listed on two recognized stock exchanges in India namely National Stock Exchange of India (NSE) and Bombay Stock Exchange (BSE).

With effect from 21 December 2016 the Company has changed its name from Puravankara Projects Limited to Puravankara Limited.

1.2 Significant accounting policies

a. Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ('MCA')). The Company has uniformly applied the accounting policies during the periods presented.

For all periods up to and including the year ended 31 March 2016, the Company has prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). These financial statements for the year ended 31 March 2017 are the first financial statements which the Company has prepared in accordance with Ind AS (see note 50 for explanation for transition to Ind AS). For the purpose of comparatives, financial statements for the year ended 31 March 2016 are also prepared under Ind AS.

The financial statements for the year ended 31 March 2017 were authorized and approved for issue by the Board of Directors on 29 May 2017. Amendments to the financial statements are permitted after approval.

b. Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases that are in effect as at 31 March 2017, as summarized below.

In accordance with Ind AS 101,'First-time Adoption of Indian Accounting Standards' the Company presents three balance sheets, two statement of profit and loss, two statements of cash flows and two statements of changes in equity and related notes, including comparative information for all statements presented, in its first Ind AS financial statements. In future periods, Ind AS 1, 'Presentation of Financial Statements' requires two comparative periods to be presented for the balance sheet only in certain circumstances.

c. Basis of preparation of financial statements

The financial statements have been prepared on going concern basis under the historical cost basis except for certain financial assets and liabilities which are measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, 'Share-based Payment', leasing transactions that are within the scope of Ind AS 17, 'Leases', and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 'Inventories', or value in use in Ind AS 36 'Impairment of assets'.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates.

Level 3: Inputs for the assets or liabilities that are not based on the observable marked data (unobservable inputs)

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

2 Company overview and significant accounting policies *(contd.)*

d. **Use of estimates**

The preparation of financial statements is in conformity with generally accepted accounting principles which require the management of the Company to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon 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 in future period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Application of accounting policies that require significant accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 1.3 and 1.4.

e. **Standards, not yet effective and have not been adopted early by the Company**

Information on new standards, amendments and interpretations that are expected to be relevant to the financial statements is provided below.

Amendment to Ind AS 7 'Statement of Cash Flows'

The amendments to Ind AS 7, 'Statement of cash flows' inter-alia require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The effective date of the amendment is 01 April 2017. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

f. **Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

(i) An asset is classified as current when it is:

- Expected to be realized or intended to 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

(ii) All other assets are classified as non-current.

(iii) A liability is classified as 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

(iv) All other liabilities are classified as non-current.

(v) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of service and the time between the acquisition of assets for development and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as four years for the purpose of current and non-current classification of assets and liabilities which pertain to the project and for all other assets and liabilities the Company has considered twelve months.

g. **Foreign currency transactions**

Functional and presentation currency

The financial statements are presented in Indian Rupee ('₹') which is also the functional and presentation currency of the Company. All amounts have been rounded-off to the nearest crores, unless otherwise indicated.

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

2 Company overview and significant accounting policies *(contd.)*

(a) Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

(b) Conversion

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

h. Revenue recognition

Revenue from projects

Revenue from sale of properties is recognised when it is probable that the economic benefits will flow to the Company and it can be reliably measured, which coincides with entering into a legally binding agreement. Revenue is measured at the fair value of the consideration received/receivable net of rebate and taxes.

Revenue from sale of undivided share of land (UDS) in qualifying projects where the risks and rewards on the sale of the UDS are separable from the risks and rewards on the construction contract is recognized upon the transfer of all significant risks and rewards of ownership of such real estate, as per the terms of the contracts entered into with the buyers, which coincides with the firming of the sales contracts/agreements and a minimum level of collection of dues from the customer.

Revenue from the sale of UDS on other projects where the risk and rewards on the sale of the UDS are not separable from the construction contracts and therefore do not qualify above are recognized on the percentage of completion method.

In accordance with the "Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable)" (guidance note) all projects where revenue is recognized for the first time, construction revenue on such projects have been recognized on percentage of completion method provided the following thresholds have been met:

(a) all critical approvals necessary for the commencement have been obtained;

(b) the expenditure incurred on construction and development costs is not less than 25 percent of the total estimated construction and development costs;

(c) at least 25 percent of the saleable project area is secured by agreements with buyers; and

(d) at least 10 percent of the agreements are realized at the reporting date in respect of such contracts.

Contract revenues represent the aggregate amounts of fair value of sale price for agreements entered into and are accrued based on the percentage that the actual construction costs incurred until the reporting date bears to the total estimated construction costs to completion. For projects where the risks and rewards on the sale of the UDS are separable from the risks and rewards on the construction contract, land costs are excluded for the purpose of computing the percentage of completion.

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

For projects executed through joint development arrangements, which represent barter transactions, whereby the Company gives up a defined percentage of constructed area in lieu of payment for its share in the land, the Company accounts for such developmental rights acquired on a gross basis on the estimated amount to be spent on development or construction of built-up area to be surrendered in lieu of the above rights.

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

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

2 Company overview and significant accounting policies *(contd.)*

Unbilled revenue disclosed under other financial assets represents revenue recognized over and above the amount due as per payment plans agreed with the customers. Progress billings which exceed the costs and recognized profits to date on projects under construction are disclosed as unearned revenue under other current liabilities. Any billed amount that has not been collected is disclosed under trade receivables and is net of any provisions for amounts doubtful of recovery.

Revenue from the sale of land is recognized in the period in which the agreement to sell is entered into. Where there is a remaining substantial obligation under the agreement, revenue is recognized on the fulfilment of such obligation.

Rental income

Income from rentals are recognized as an income in the statement of profit and loss on a straight-line basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.

Interior income

Interior income is recognized on the basis of percentage of completion method.

Dividend income

Income from dividends are recognized when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Interest income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss. The expected cash flows are revisited on a yearly basis.

Interest on delayed receipts, cancellation/forfeiture income and transfer fees from customers are recognized on accrual basis except in cases where ultimate collection is considered doubtful.

Share in profits of LLP investment

The Company's share in profits from a LLP where the Company is a partner, is recognized as income in the statement of profit and loss as and when the right to receive its profit share is established which coincides with the same being credited to the Company's current account on the basis of such LLP's audited accounts, as per terms of the LLP agreement.

i. Inventories

Raw materials

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

Properties under development

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

Properties held for sale

Completed properties held for sale are stated at the lower of cost and net realizable value. Cost includes cost of land, construction related overhead expenditure, borrowing costs and other costs incurred during the period of development.

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.

Properties held for development

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

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

2 Company overview and significant accounting policies *(contd.)*

I. Property, Plant and Equipment (PPE)

Recognition and initial measurement

Properties plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met, any expected costs of decommissioning and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent measurement

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Depreciation and useful lives

Depreciation/amortization on fixed assets is provided on the straight-line method, based on the useful life of asset specified in Schedule II to the Companies Act, 2013. The Management estimates the useful lives of the assets as per the indicative useful life prescribed in Schedule II to the Companies Act, 2013, except shuttering materials whose life is estimated as 7 years. Residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Plant and machinery	10 years
Office equipments	5 years
Computer equipment	3 years
Vehicles	8 years
Shuttering material	7 years
Leasehold improvements	10 years

Cost of assets not ready for use at the balance sheet date are disclosed under capital work-in-progress.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised 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 statement of profit and loss when the asset is derecognised.

k. Intangible assets

Recognition and initial measurement

Intangible assets (software) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent measurement (amortisation)

The cost of capitalized software is amortized over a period of 6 years from the date of its acquisition on a straight line basis.

l. Investment Properties

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Though the Company measures investment properties using cost based measurement, the fair value of investment properties are disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

2 Company overview and significant accounting policies *(contd.)*

investment properties being valued.

m. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

The Company suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

n. Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

o. Leases

Finance leases

Assets acquired on lease which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the assets, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.

p. Employee benefits

Defined contribution plan

The Company's contribution to provident fund is charged to the statement of profit and loss or inventorized as a part of project under development, as the case may be. The Company's contributions towards provident fund are deposited with the Regional Provident Fund Commissioner under a defined contribution plan, in accordance with Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

Defined benefit plan

The Company has funded gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The liability recognised in the balance sheet for defined benefit plans as the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries who use the projected unit credit method to calculate the defined benefit obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss or inventorized as a part of project under development, as the case may be.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

2 Company overview and significant accounting policies *(contd.)*

immediately in profit or loss as past service cost or inventorized as a part of project under development, as the case may be.

Actuarial gain or loss arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income in the year in which such gain or loss arise.

Vacation pay

The Company also provides benefit of vacation pay to its employees. Liability in respect of vacation pay becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss or inventorized as a part of project under development, as the case may be in the year in which such gains or losses arise.

The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

Other short-term benefits

Short-term employee benefits comprising employee costs including performance bonus is recognized in the statement of profit and loss or inventorized as a part of project under development, as the case may be on the basis of the amount paid or payable for the period during which services are rendered by the employee.

q. **Tax expense**

Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax

Current tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act,1961 and other applicable tax laws in the countries where the Company operates and generates taxable income.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they are relate to items that are recognised 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.

r. **Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

2 Company overview and significant accounting policies *(contd.)*

equity shares outstanding during the period is adjusted for events including a bonus issue.

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.

s. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

t. Financial instruments

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement

Debt Instruments

Debt instruments at amortized cost

A 'Debt instruments' is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows 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.

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 statement of profit and loss.

Debt Instruments at fair value through other comprehensive income (FVTOCI)

A debt instrument is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Fair value movements are recognized in other comprehensive income (OCI).

Debt instruments at Fair value through profit and loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments in the scope of Ind AS 109,' Financial Instruments', are measured at fair value. Equity instruments which are held for trading and contingent consideration has been recognized by an acquirer in a business combination to which Ind AS 103,' Business Combinations' applies, are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in OCI with subsequent changes in the fair value.

The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

2 Company overview and significant accounting policies *(contd.)*

irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in the OCI.

There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

De-recognition of financial assets

A financial asset is primarily de-recognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Investment in subsidiaries:

The Company's investment in equity instruments of subsidiaries and joint venture are accounted for at cost.

u. Financial liabilities

Initial recognition

All financial liabilities are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortized cost.

Subsequent measurement

These liabilities include are borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognized 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 de-recognition 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 and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

v. Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the statement of profit and loss.

w. Impairment of financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

2 Company overview and significant accounting policies *(contd.)*

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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

x. Investment in subsidiaries, associates and jointly controlled entities

The Company's investment in instruments of subsidiaries, associates and jointly controlled entities are accounted for at cost.

y. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the business of construction, development and sale of all or any part of housing project which is the only reportable segment. The Company operates primarily in India and there is no other significant geographical segment.

1.3 Significant estimates in applying accounting policies

a. Revenue and inventories – The Company recognizes revenue using the percentage of completion method. This requires forecasts to be made of the outcomes of long-term construction and service contracts, which require assessments and judgements to be made on changes in work scopes, claims and incentive payments to the extent they are probable and they are capable of being reliably measured.

b. Recoverability of advances/receivables – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

c. Useful lives of depreciable/amortizable assets – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software and other assets.

d. Defined Benefit Obligation (DBO) – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

e. Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

1.4 Critical judgements in applying accounting policies

a. Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

b. Recognition of deferred tax liability on undistributed profits – The extent to which the Company can control the timing of reversal of deferred tax liability on undistributed profits of its subsidiaries requires judgement.

c. Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

2 Company overview and significant accounting policies *(contd.)*

of several external and internal factors which could result in deterioration of recoverable amount of the assets.

d. Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However the actual future outcome may be different from this judgement.

e. Classification of leases – The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

f. Investment property - The Company classifies a property as investment property if the property (land or building) is held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

g. Control over Sobha Puravankara Aviation Private Limited (SPAPL)

The Company holds 49.95% of the ordinary shares and voting rights in SPAPL. The remaining 50.05% is held by unrelated investors. There are no arrangements for the other shareholders to consult one another or act collectively and past experience indicates that few of the other owners actually exercise their voting rights at all. The Company has appointed one of SPAPL's Board of Directors out of the two directors.

Management has reassessed its involvement in SPAPL in accordance with Ind AS 110's 'Consolidated Financial Statements' revised "control" definition and guidance. It has concluded that it has significant influence but not outright control. In making its judgement, management considered the Company's voting rights, the relative size and dispersion of the voting rights held by other shareholders and the extent of participation by those shareholders in general meetings. The same demonstrates that sufficient of the other shareholders participate such that they prevent the Company from having the practical ability to direct the relevant activities of SPAPL unilaterally.

h. Control over Pune Projects LLP (PP LLP)

The Company has entered into a LLP with other investors named Pune Projects LLP. The Company is a partner contributing 32% of the total capital. The remaining 68% is held by unrelated investors.

Management has reassessed its involvement in PP LLP in accordance with Ind AS 110's 'Consolidated Financial Statements' revised "control" definition and guidance. As the Company does not have the rights to make decisions around all the relevant activities of the PP LLP's principal purpose and the relevant decisions would require the consent of all other investors jointly, the management has concluded that the agreement gives all parties control of the arrangement collectively and relevant activities require the unanimous consent of the parties.

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

2 Property, plant and equipment

Details of the Company's property, plant and equipment and reconciliation of their carrying amounts from beginning to end of reporting period is as follows:

	Building	Plant and machinery	Office equipments	Computer equipment	Furniture and fixtures	Vehicles	Shuttering material	Leasehold improvements	Total
Gross carrying amount									
At 01 Apr 2015 (refer note a)	6.94	14.17	2.58	3.83	2.87	7.01	2.38	11.48	51.26
Additions	-	0.05	0.98	0.44	0.61	1.04	-	1.70	4.82
Disposals/ Adjustments	-	(2.83)	(0.12)	(0.61)	(0.22)	(1.10)	-	(0.02)	(4.90)
At 31 Mar 2016	6.94	11.39	3.44	3.66	3.26	6.95	2.38	13.16	51.18
Additions	-	0.07	0.04	0.18	0.03	0.18	-	-	0.50
Disposals/ Adjustments	-	-	(0.05)	(0.01)	(0.08)	(0.40)	-	(0.19)	(0.73)
At 31 Mar 2017	6.94	11.46	3.43	3.83	3.21	6.73	2.38	12.97	50.95
Accumulated depreciation									
At 01 Apr 2015									
Charge for the year	0.12	2.39	0.99	1.43	0.50	1.41	0.26	1.64	8.74
Adjustments for disposals	-	(1.63)	(0.07)	(0.57)	(0.06)	(1.04)	-	-	(3.37)
At 31 Mar 2016	0.12	0.76	0.92	0.86	0.44	0.37	0.26	1.64	5.37
Charge for the year	0.29	2.10	0.94	1.07	0.40	1.25	0.26	1.63	7.94
Adjustments for disposals	-	-	(0.04)	(0.01)	(0.03)	(0.29)	-	(0.13)	(0.50)
At 31 Mar 2017	0.41	2.86	1.82	1.92	0.81	1.33	0.52	3.14	12.81
Net block									
At 01 Apr 2015	6.94	14.17	2.58	3.83	2.87	7.01	2.38	11.48	51.26
At 31 Mar 2016	6.82	10.63	2.52	2.80	2.82	6.58	2.12	11.52	45.81
At 31 Mar 2017	6.53	8.60	1.61	1.91	2.40	5.40	1.86	9.83	38.14

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.

b. **Contractual obligations**
There are no contractual commitments pending for the acquisition of property, plant and equipment as at balance sheet date.

c. **Capitalized borrowing cost**
There are no borrowing costs capitalized during the year ended 31 March 2017 and 31 March 2016.

d. **Property, plant and equipment pledged as security**
Details of properties pledged are as per note no.34

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

3 Investment properties

	Land *	Building **	Total
Gross carrying amount			
At 01 Apr 2015 (refer note a)	410.43	22.91	433.34
Additions	-	-	-
Disposals/ transferred to subsidiaries	-	-	-
At 31 Mar 2016	410.43	22.91	433.34
Additions	1.95	8.51	10.46
Disposals/ transferred to subsidiaries	(403.00)	-	(403.00)
At 31 Mar 2017	9.38	31.42	40.80
Accumulated depreciation			
At 01 Apr 2015			
Charge for the year	-	0.70	0.70
Disposals/ transferred to subsidiaries	-	-	-
At 31 Mar 2016	-	0.70	0.70
Charge for the year	-	0.77	0.77
Disposals/ transferred to subsidiaries	-	-	-
At 31 Mar 2017	-	1.47	1.47
Net block			
At 01 Apr 2015	410.43	22.91	433.34
At 31 Mar 2016	410.43	22.21	432.64
At 31 Mar 2017	9.38	29.95	39.33

* Represents the undivided share of land in a jointly developed commercial property and owned commercial property.

** Assets acquired under finance lease (refer note 38B)

Buildings include asset taken on finance lease. Finance lease liabilities are secured by the related asset held under finance lease.

Particulars	31 Mar 2017	31 Mar 2016	01 Apr 2015
Gross block	10.03	10.03	-
Accumulated depreciation	0.63	0.26	-
Net block (refer note a)	9.40	9.77	10.03

Information regarding income and expenditure of investment properties

Particulars	31 Mar 2017	31 Mar 2016
Rental income derived from investment properties	3.92	3.38
Direct operating expenses (including repairs and maintenance) generating rental income	(2.51)	(2.47)
Profit arising from investment properties before depreciation and indirect expenses	1.41	0.91
Less : Depreciation	(0.77)	(0.65)
Profit arising from investment properties before indirect expenses	0.64	0.26

a. Deemed carrying cost
For investment property 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.

b. The fair valuations are based on valuations performed by CBRE South Asia Private Limited, an accredited independent valuer. They are specialists in valuing these types of investment properties and have used a valuation model in accordance with that recommended by the International Valuation Standards Committee.

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

3 Investment properties *(contd.)*

The Company has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Reconciliation of fair value

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Opening balance	448.18	434.68	434.68
Fair value difference	(4.50)	13.50	-
Purchases	10.46	-	-
Disposals	(403.00)	-	-
Closing balance	**51.14**	**448.18**	**434.68**

During the year ended 31 March 2017, the Company has entered into an agreement to transfer an investment property to its subsidiaries for a total consideration of ₹403. Hence, the equivalent amount has been considered as the fair value.

Description of valuation techniques used and key inputs to valuation of investment properties

Valuation technique	Significant inputs	Range (weighted average)		
		31 Mar 2017	31 Mar 2016	01 Apr 2015
Discounted cash flow (DCF) method (refer below)	Estimated rental value per sq.ft. per month (in ₹)	39 - 40	37 - 66	42 - 65
	Rent growth p.a.	5.00%	5.00%	5.00%
	Long-term vacancy rate	5.00%	5.00%	5.00%
	Discount rate	13.27%	13.77%	14.27%

Under the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To project the cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related sub-leasing, redevelopment, or refurbishment. The appropriate duration is typically driven by market behavior that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Significant increases/ (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher/ (lower) fair value of the properties. Significant increases/ (decreases) in long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value. Generally, a change in the assumption made for the estimated rental value is accompanied by:

- A directionally similar change in the rent growth per annum and discount rate (and exit yield)

- An opposite change in the long term vacancy rate.

c. **Contractual obligations**
There are no contractual commitments pending for the acquisition of investment properties as at balance sheet date.

d. **Capitalized borrowing cost**
There are no borrowing costs capitalized during the year ended 31 March 2017 and 31 March 2016.

e. **Investment properties pledged as security**
Details of investment properties pledged are as per note 34

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

4 Intangible assets

	Computer software	Total
Gross carrying amount		
At 01 Apr 2015 (refer note a)	4.10	4.10
Additions	1.45	1.45
Disposals/adjustments	-	-
At 31 Mar 2016	5.55	5.55
Additions	0.64	0.64
Disposals/adjustments	-	-
At 31 Mar 2017	6.19	6.19
Accumulated amortization		
At 01 Apr 2015	-	-
Charge for the year	1.07	1.07
Disposals/adjustments	-	-
At 31 Mar 2016	1.07	1.07
Charge for the year	1.27	1.27
Disposals/adjustments	-	-
At 31 Mar 2017	2.34	2.34
Net block		
At 01 Apr 2015	4.10	4.10
At 31 Mar 2016	4.48	4.48
At 31 Mar 2017	3.85	3.85

a. **Deemed carrying cost**

For Intangible assets 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.

5 Non-current investments

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Investment in subsidiaries (fully paid-up)	21.74	17.95	15.56
Investment in associates (fully paid-up)	11.53	11.53	29.17
Investment in joint venture	-	-	-
Aggregate value of unquoted investments	33.27	29.48	44.73
Non-current investments - valued at cost unless stated otherwise			
Equity instruments (unquoted)			
Investment in subsidiaries (fully paid-up)			
Prudential Housing and Infrastructure Development Limited			
0.005 crore equity shares (31 Mar 2016 - 0.005 crore, 01 Apr 2015 - 0.005 crore) of ₹10 each	0.05	0.05	0.05
Centurions Housing and Constructions Private Limited			
0.001 crore equity shares (31 Mar 2016 - 0.001 crore, 01 Apr 2015 - 0.001 crore) of ₹10 each	0.003	0.003	0.003
Melmont Construction Private Limited			
0.001 crore equity shares (31 Mar 2016 - 0.001 crore, 01 Apr 2015 - 0.001 crore) of ₹10 each	0.01	0.01	0.01

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

5 Non-current investments *(contd.)*

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Purva Corporation			
0.001 crore equity shares (31 Mar 2016 - 0.001 crore, 01 Apr 2015 - 0.001 crore) of USD 1 each	0.05	0.05	0.05
Puravankara UK Limited *			
Nil (31 Mar 2016 - 0.0005 crore, 01 Apr 2015 - 0.0002 crore) of GBP 1 each	-	0.05	0.02
Purva Marine Properties Private Limited **			
Nil (31 Mar 2016 - 0.002 crore, 01 Apr 2015 - 0.002 crore of ₹10 each)	-	0.02	0.02
Purva Realities Private Limited			
0.001 crore equity shares (31 Mar 2016 - 0.001 crore,01 Apr 2015 - 0.001 crore) of ₹10 each	0.01	0.01	0.01
Welworth Lanka Holding Private Limited			
2.94 crore equity shares (31 Mar 2016 - 2.66 crore, 01 Apr 2015 - 2.163 crore) of LKR 10 each	12.50	11.24	8.91
Nile Developers Private Limited			
0.01 crore equity shares (31 Mar 2016 - 0.01 crore, 01 Apr 2015 - 0.01 crore) of ₹10 each	0.34	0.34	0.34
Vaigai Developers Private Limited			
0.01 crore equity shares (31 Mar 2016 - 0.01 crore, 01 Apr 2015 - 0.01 crore) of ₹10 each	0.10	0.10	0.10
Purva Good Earth Properties Private Limited ***			
Nil (31 Mar 2016 - nil, 01 Apr 2015 - 0.001 crore of ₹10 each)	-	-	0.01
Purva Star Properties Private Limited			
0.001 crore equity shares (31 Mar 2016 - 0.001 crore, 01 Apr 2015 - 0.001 crore) of ₹10 each	0.01	0.01	0.01
Purva Sapphire Land Private Limited			
0.001 crore equity shares (31 Mar 2016 - 0.001 crore, 01 Apr 2015 - 0.001 crore) of ₹10 each	0.01	0.01	0.01
Purva Ruby Properties Private Limited			
0.001 crore equity shares (31 Mar 2016 - 0.001 crore, 01 Apr 2015 - 0.001 crore) of ₹10 each	0.01	0.01	0.01
Grand Hills Developments Private Limited			
0.001 crore equity shares (31 Mar 2016 - 0.001 crore, 01 Apr 2015 - 0.001 crore) of ₹10 each	0.01	0.01	0.01
Puravankara Hotels Limited **			
Nil (31 Mar 2016 - 0.005 crore, 01 Apr 2015 - 0.005 crore of ₹10 each)	-	0.05	0.05
Starworth Infrastructure and Construction Limited			
0.005 crore equity shares (31 Mar 2016 - 0.005 crore, 01 Apr 2015 - 0.005 crore) of ₹10 each	0.22	0.22	0.22
Provident Housing Limited			
0.005 crore equity shares (31 Mar 2016 - 0.005 crore, 01 Apr 2015 - 0.005 crore) of ₹10 each	8.36	5.68	5.68
Purva Land Limited **			
Nil (31 Mar 2016- 0.005 crore, 01 Apr 2015- 0.005 crore of ₹10 each)	-	0.05	0.05

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

5 Non-current investments *(contd.)*

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Varishtha Property Developers Private Limited			
0.0001 crore equity shares (31 Mar 2016 - 0.0001 crore, 01 Apr 2015 - nil) of ₹100 each	0.01	0.01	-
Vagishwari Land Developers Private Limited			
0.0001 crore equity shares (31 Mar 2016 - 0.0001 crore, 01 Apr 2015 - nil) of ₹100 each	0.01	0.01	-
Jaganmata Property Developers Private Limited			
0.0001 crore equity shares (31 Mar 2016 - 0.0001 crore, 01 Apr 2015 - nil) of ₹100 each	0.01	0.01	-
Jyothishmati Business Centers Private Limited			
0.0001 crore equity shares (31 Mar 2016 -0.0001 crore, 01 Apr 2015 - nil) of ₹100 each	0.01	0.01	-
Purva Pine Private Limited			
0.0001 crore equity shares (31 Mar 2016 - nil, 01 Apr 2015 - nil) of ₹100 each	0.01	-	-
Purva Oak Private Limited			
0.0001 crore equity shares (31 Mar 2016 - nil, 01 Apr 2015 - nil) of ₹100 each	0.01	-	-
	21.74	**17.95**	**15.56**
Investment in associates (fully paid-up)			
Propmart Technologies Limited	2.34	2.34	2.34
0.234 crore equity shares (31 Mar 2016 - 0.234 crore,01 Apr 2015 - 0.234 crore) of ₹10 each			
Keppel Puravankara Development Private Limited	4.41	4.41	4.41
0.441 crore equity shares (31 Mar 2016 - 0.441 crore, 01 Apr 2015 - 0.441 crore) of ₹10 each			
Sobha Puravankara Aviation Private Limited	4.78	4.78	4.78
0.478 crore equity shares (31 Mar 2016 - 0.478 crore, 01 Apr 2015 - 0.478 crore) of ₹10 each			
Preference shares			
Investment in associates (fully paid-up)			
Keppel Puravankara Development Private Limited ****	-	-	17.64
13.25% cumulative, redeemable, convertible preference shares, nil (31 Mar 2016 -nil, 01 Apr 2015 - 1.764 crore) of ₹10 each at par			
Investment in joint venture *****			
Pune Projects LLP	-	-	-
	11.53	**11.53**	**29.17**

* During the year ended 31 March 2017, the Company has written off the investments in the subsidiary

** During the year ended 31 March 2017, the Company sold investments for an aggregate consideration of ₹72.00 in these subsidiaries.

*** During the year ended 31 March 2016, the Company sold investment for an aggregate consideration of ₹0.01 to Provident Housing Limited, a subsidiary of the Company.

**** During the year ended 31 March 2016, the Company redeemed Preference shares of Keppel Puravankara Development Private Limited for an aggregate consideration of ₹17.64.

***** The details of all partners, capital and profit sharing ratio in partnership firms where company is a partner are as under :

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

5 Non-current investments *(contd.)*

Name of the firm/partners	31 Mar 2017		31 Mar 2016		01 Apr 2015	
	Capital	Profit sharing ratio	Capital	Profit sharing ratio	Capital	Profit sharing ratio
Pune Projects LLP						
Puravankara Limited (formerly Puravankara Projects Limited)	0.016	32.00%	0.016	32.00%	0.016	32.00%
Oxford Shelters Private Limited	0.004	8.00%	0.016	31.74%	0.016	31.74%
Mr. Ashok G Mohanani	-	-	0.007	13.63%	0.007	13.63%
Mr. Vivek Mohanani	-	-	0.007	13.63%	0.007	13.63%
Hritik Technologies and Realty Private Limited	0.005	10.00%	0.004	9.00%	0.004	9.00%
Mr.Anirudha Seaolekar	0.004	8.00%	-	-	-	-
Mr.Ashok Kothari	0.004	8.00%	-	-	-	-
Mr.Parag Shah	0.003	6.00%	-	-	-	-
Mr.Anand Mutha	0.001	2.00%	-	-	-	-
Ekta Housing Private Limited	0.013	26.00%	-	-	-	-
	0.050	100.00%	0.050	100.00%	0.050	100.00%

6 Loans and advances

		31 Mar 2017	31 Mar 2016	01 Apr 2015
a	Non current			
	Unsecured, considered good			
	Security deposits	131.91	104.42	79.69
	Loans to subsidiaries	207.31	252.05	213.33
	Loans to other related parties	0.01	0.01	-
		339.23	**356.48**	**293.02**
b	Current			
	Unsecured, considered good			
	Loans to joint ventures	71.52	67.61	30.37
		71.52	**67.61**	**30.37**
		410.75	**424.09**	**323.39**

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

7 Other financial assets

		31 Mar 2017	31 Mar 2016	01 Apr 2015
a	Non current			
	Non-current bank balances (refer note 14)	13.10	10.82	10.86
	Interest accrued on fixed deposits	-	-	0.05
		13.10	10.82	10.91
b	Current			
	Unbilled revenue	116.61	157.72	125.04
	Other Receivables	1.46	2.53	4.20
	Interest accrued on fixed deposits	0.06	0.06	0.07
	Other advances	5.51	2.09	2.16
		123.64	162.40	131.47

8 Other assets

		31 Mar 2017	31 Mar 2016	01 Apr 2015
a	Non-current			
	Capital advance	-	-	0.70
	Advances for land contracts	75.32	65.11	64.22
	Advances to suppliers	-	4.29	-
	Advance income tax [net of provision for taxation ₹176.73 (31 Mar 2016 ₹134.60 ; 01 Apr 2015 ₹134.60)]	16.80	7.63	6.88
	Duties and taxes recoverable	6.21	2.01	1.62
	Prepaid expenses	0.93	1.37	0.63
	Other advances	3.03	3.26	3.32
		102.29	83.67	77.37
b	Current			
	Advances to suppliers	83.47	98.48	87.36
	Prepaid expenses	11.10	11.18	12.60
	Duties and taxes recoverable	20.37	17.95	18.58
	Other advances	12.84	28.09	26.16
	Capital advance	-	0.01	-
		127.78	155.71	144.70
		230.07	239.38	222.07

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

9 Income tax

	31 Mar 2017	31 Mar 2016
Current tax		
Current income tax	20.85	21.28
Deferred tax		
Deferred tax (credit)/ charge	(3.80)	2.59
Income tax expense reported in the statement of profit and loss	**17.05**	**23.87**
Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 34.608% and the reported tax expense in profit or loss are as follows:		
Accounting profit before income tax	**117.56**	**109.98**
Effective tax rate in India	34.608%	34.608%
Expected tax expense	40.69	38.06
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Corporate social responsibility	0.79	0.37
Effect of other non-deductible expenses	1.07	0.50
Dividend income	(6.40)	(12.72)
Deductions allowable under section 80-IB of Income Tax Act, 1961	(4.59)	(2.20)
Long term capital gains taxed at lower rate	(4.70)	-
Benefit of carry forward long term capital losses	(10.73)	-
Others	0.92	(0.14)
Income tax expense	**17.05**	**23.87**

During the previous years, the Company received an order from the Income Tax Appellate Tribunal (ITAT) directing the Assessing Officer to carry-out the denovo assessment of the income for fiscal 2004 to 2009 in relation to the claim under Section 80-IB for a project of the Company. Based on the aforesaid denovo assessment carried out, a portion of the claim under Section 80-IB was disallowed for the above referred project. The appeal against the said ITAT order is pending before the Hon'ble High Court of Bombay.

During the year ended 31 March 2015, the Company received favorable orders for fiscal 2010 and 2011 from CIT (Appeals) allowing the claim under Section 80-IB in relation to certain eligible projects. In addition, a portion of the claim under Section 80-IB for a project was disallowed based on the aforesaid ITAT order.

Consequently, the Company had recorded a net credit amounting ₹27.02 in the financial statements in respect of the eligible claim under Section 80-IB.

Further, during the year ended 31 March 2015, the Company has received an order for fiscal 2005 and 2006 towards penalty amounting to ₹2.54 consequent to the denovo assessment order for those years. The appeal against the demand for penalty which is pending with CIT (Appeals).The management believes that aforesaid open litigations will not have any material affect on the financial statements.

During the year ended 31 March 2017, the Company was subjected to proceedings under section 132 of the Income Tax Act, 1961. The Company has made necessary submissions as required under section 132 of the Income Tax Act. The Company did not record additional tax charge since the management is of the view that the final outcome of the disputes should be in favor of the Company and/or the disallowances are mainly on account of temporary differences pending final assessment, no adjustments have been recorded in the financial results for the year ended 31 March 2017.

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

10 Deferred tax assets (net)

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Deferred tax asset arising on account of :			
Expenses allowable on payment basis			
Gratuity	2.50	3.13	3.01
Vacation pay	0.45	0.41	0.42
Bonus	0.39	0.44	0.50
Lease rent	26.04	21.09	16.22
Finance lease obligations	-	1.52	1.21
Application of guidance note on real estate revenue recognition retrospectively	0.18	3.46	10.67
MAT Credit entitlement	15.39	9.04	17.31
Less: Deferred tax liability arising on account of :			
Depreciation	(2.11)	(2.95)	(3.62)
Impact of financial assets and liabilities carried at amortized cost	(2.26)	(1.70)	(0.24)
Others	(2.31)	-	-
	38.27	34.44	45.48

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

Deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and tax loss carry forward can be utilized.

Deferred tax arising on all the items has been recognized in the statement of profit and loss except for deferred tax arising on account of provision for employee benefits, a part of which has been recognized in other comprehensive income on account of actuarial gains and losses.

Reconciliation of deferred tax assets	31 Mar 2017	31 Mar 2016
Net deferred tax asset at the beginning of the year	34.44	45.48
Tax income/(expense) during the year recognized in profit and loss	3.80	(2.59)
Tax income/(expense) during the year recognized in OCI	0.03	(0.18)
MAT credit utilized	-	(8.27)
Net deferred tax asset at the end of the year	**38.27**	**34.44**

11 Inventory

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Raw materials	13.02	17.82	21.60
	13.02	17.82	21.60
Properties held for development*			
At the beginning of the period	120.94	180.32	180.32
Add: Additions during the period	688.36	41.63	-
Less: Transferred to properties under development	(133.37)	(101.01)	-
	675.93	120.94	180.32
Properties under development*			
Land cost	1,012.19	917.01	847.11
Material & construction cost	1,192.23	1,187.99	986.80
	2,204.42	2,105.00	1,833.91

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

11 Inventory *(contd.)*

Properties held for sale*			
At the beginning of the period	443.49	493.56	493.56
Add : Additions during the period	251.10	32.26	-
Less: Properties sold during the period	(117.36)	(82.33)	-
Less: Transferred to investment properties	(10.46)	-	-
	566.77	443.49	493.56
	3,460.14	2,687.25	2,529.39

* Details of assets pledged are as per note no.34

12 Trade receivables

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Secured considered good			
Outstanding for a period exceeding six months	71.28	68.04	102.20
Other receivable	260.36	151.90	210.85
	331.64	219.94	313.05

* Details of assets pledged are as per note no.34

13 Cash and cash equivalents

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Cash on hand	0.10	0.13	0.30
Balances with banks			
In current accounts	74.88	187.32	116.63
Bank deposits with original maturity upto three months	-	4.46	-
	74.98	191.91	116.93

14 Other bank balances

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Deposits with original maturity for more than 12 months*	13.10	10.82	10.74
Deposits with original maturity less than 12 months*	-	3.27	5.19
Margin money deposit*	3.40	5.11	4.69
On unpaid dividend account**	0.12	0.11	0.10
	16.62	19.31	20.72
Amount disclosed under non-current assets (refer note 7)	(13.10)	(10.82)	(10.86)
	3.52	8.49	9.86

* Represents earmarked bank balances restricted for use held as margin money for security against the guarantees and deposits which are subject to first charge to secure the Company's borrowings.

** Represents bank balances which are restricted for use and it relates to unclaimed dividend.

As at 31 March 2017, the Company had available ₹160.73 (31 March 2016 ₹93.80, 01 April 2015 ₹116.30) of undrawn committed borrowing facilities

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

15 Equity share capital

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Authorised shares			
Equity share capital of face value of ₹5 each			
32.00 crore (31 Mar 2016 - 32.00 crore, 01 Apr 2015 - 32.00 crore) equity shares of ₹5 each	160.00	160.00	160.00
Issued, subscribed and fully paid-up shares			
Equity share capital of face value of ₹5 each			
23.72 crore (31 Mar 2016 - 23.72 crore, 01 Apr 2015 - 23.72 crore) equity shares of ₹5 each	118.58	118.58	118.58
	118.58	118.58	118.58

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

Equity shares	31 Mar 2017		31 Mar 2016		01 Apr 2015	
	No. in crore	₹crore	No. in crore	₹crore	No. in crore	₹crore
Balance at the beginning of the year	23.72	118.58	23.72	118.58	23.72	118.58
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	23.72	118.58	23.72	118.58	23.72	118.58

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹5 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

	31 Mar 2017		31 Mar 2016		01 Apr 2015	
	No. in crore	% holding in the class	No. in crore	% holding in the class	No. in crore	% holding in the class
Equity shares of ₹5 each fully paid-up						
Ravi Puravankara	17.79	74.99%	17.79	74.99%	17.79	74.99%

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.

d. Aggregate number of bonus shares issued and shares issued for consideration other than cash during the year of five years immediately preceding the reporting date:

The Company has not issued any bonus shares nor there has been any buy back of shares during five years immediately preceding 31 March 2017.

e. Shares reserved for issue under options

On 1 July 2006, the members of the Company approved the Puravankara Projects Limited 2006 Employee Stock Option Scheme ('ESOS' or 'the Plan') of the Company. The plan provides for the issuance of stock options to eligible employees (including directors of the Company) with the total options issuable under the Plan not to exceed 1,366,080 options and includes a limit for the maximum and minimum number of options that may be granted to each employee. Under the plan, these options vest over a period of four years and can be exercised for a period of one year from vesting. As on 31 March 2017, there are no options outstanding under the above plan.

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

16 Other equity

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Securities premium reserve	963.61	963.80	963.80
General reserve	80.28	80.28	80.28
Surplus in the statement of profit and loss	816.93	735.10	685.75
Other comprehensive income	0.91	0.96	0.60
	1,861.73	1,780.14	1,730.43

17 Dividends

	31 Mar 2017	31 Mar 2016
Cash dividends on equity shares declared and paid		
Final dividend for the year ended 31 March 2016 ₹0.78 per share (31 March 2015 ₹1.55 per share)	18.50	36.76
Dividend distribution tax (DDT) on final dividend *	0.18	-
	18.68	36.76
Proposed dividends on equity shares		
Final dividend for the year ended 31 March 2017 ₹2.25 per share (31 March 2016 ₹0.78 per share)	53.36	18.50
Dividend distribution tax on proposed dividend *	10.86	0.18
	64.22	18.68

* 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 recognised as a liability (including DDT thereon) as at 31 March 2017.

18 Borrowings

	31 Mar 2017	31 Mar 2016	01 Apr 2015
a. Non-current			
Secured loans			
Term loans			
From banks	197.65	719.92	702.21
From others	352.34	311.72	156.30
Finance lease obligations	14.68	14.07	13.54
Unsecured			
Term loans			
From others	-	15.77	17.73
	564.67	1,061.48	889.78
Amount disclosed under "Other current financial liabilities" * (refer note 19b)	(51.26)	(128.49)	(245.42)
	513.41	932.99	644.36
* These are repayable within 12 months			
b. Current			
Secured loans			
Term loans			
From banks	192.19	104.30	255.79
From others	540.34	153.12	-
Cash credit and other loan from banks	154.35	148.29	63.26
Unsecured			
Term loans			
From bank	-	198.90	198.90
Working capital loan from bank	-	32.16	32.25
Interest free loan from related parties repayable on demand	3.01	27.61	27.43
Loan from related parties repayable on demand with interest	95.41	79.74	37.58
	985.30	744.12	615.21
	1,498.71	1,677.11	1,259.57

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

18 Long-term Borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	31 Mar 2017	31 Mar 2016	01 Apr 2015
Non-current borrowings						
Term loans from banks (Secured)						
i	Term loan facility from ICICI bank Limited - ₹120	Exclusive charge by way of equitable mortgage on all the piece and parcel of land measuring 18.13 acres owned by the Company along with its two subsidiaries situated at Ernakulam, Thikkakara, Kerala. Hypothecation of all receivables from sold units of Purva Seasons, Purva Midtown, Purva Skywood and Purva Venezia.	Repayable in 30 monthly instalments starting from Sept 2017 **	-	120.00	-
ii	Term loan facility from South Indian Bank - ₹40	This facility is secured by an exclusive first mortgage on proportionate undivided share of land and building pertaining to unsold inventory of Purva Highland Phase-I, Phase-II, Purva Swanlake, Purva Grandbay, Purva Eternity, Purva Oceana projects and receivables of all the above projects. This facility is backed by cash shortfall undertaking by Mr. Ashish Puravankara, Managing Director of the Company.	29 monthly instalments starting from May 2017	32.44	40.00	-
iii	Term loan facility from Standard Chartered Bank - ₹294	This facility is secured by an exclusive first mortgage on proportionate undivided share of land and building pertaining to unsold inventory of Purva Highland Phase-I, Phase-II, Purva Swanlake, Purva Grandbay, Purva Eternity, Purva Oceana projects and receivables of all the above projects. This facility is backed by cash shortfall undertaking by Mr. Ashish Puravankara, Managing Director of the Company. This facility includes overdraft limit of ₹75 which is repayable as per the terms of the facility.	Repayable in 48 monthly instalments starting from Oct 2015	93.34	112.80	-
iv	Term loan facility from Karur Vysya Bank - ₹100 (syndication from Standard Chartered Bank)	This facility is secured by an exclusive first mortgage on proportionate undivided share of land and building pertaining to unsold inventory of Purva Highland Phase-I, Phase-II, Purva Swanlake, Purva Grandbay, Purva Eternity, Purva Oceana projects and receivables of all the above projects. This facility is backed by cash shortfall undertaking by Mr. Ashish Puravankara, Managing Director of the Company.	Repayable in 48 monthly instalments starting from Oct 2015	77.21	95.19	-
v	Term loan facility from Standard Chartered Bank - ₹321.50	Mortgage of property together with all buildings and structures thereon, both present and future along with scheduled receivables of Purva Windermere Phase I, Phase II and Phase III and also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman of the Company. This facility includes overdraft limit of ₹80.50 which is repayable as per the terms of the facility.	Repayable in 16 quarterly instalments commencing from Mar 2015 **	-	256.98	285.94
vi	Term loan facility from ICICI Bank Limited- ₹105	This facility is secured by an exclusive charge by way of equitable mortgage of all the piece and parcel of land and scheduled receivables of project located at Survey no. 843, Ernakulam village, Kanayannur Taluk, Ernakulam District admeasuring approx. 33,471.90 Sq.mtrs including all the structures thereon both present and future. Exclusive charge by way of hypothecation on the scheduled receivables of Purva Palm Beach.	Repayable in 24 monthly instalments commencing from Nov 2016 **	-	105.00	105.00

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

18 Long-term Borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	31 Mar 2017	31 Mar 2016	01 Apr 2015
vii	Term loan facility from ICICI Bank Limited- ₹35	This facility is secured by an exclusive charge on land and building (both present and future) of the project Purva Skydale situated at Kudlu village, Sarjapura Anekal taluk, Bengaluru admeasuring approximately 4.64 acres including hypothecation of scheduled receivables, Escrow account of Purva Skydale project. This is also secured by extension of charge by way of equitable mortgage of land and building (both present and future) of the project Purva Whitehall located at Kaikondanahalli village, Varthoor hobli, Bengaluru including extension of charge by hypothecation of scheduled receivables, Escrow account of Purva Whitehall project. Also secured by exclusive charge by way of equitable mortgage of 87,000 sq.ft land situated at Maduvankari village, Chennai.	Repayable in 24 monthly instalments starting from Aug 2016 **	-	0.01	35.00
viii	Term loan facility from South Indian Bank -₹40	This facility is secured by pari passu charge on proportionate undivided share of land and building pertaining to unsold inventory and receivables of Purva Highland Phase-I, Phase-II, Purva Swanlake, Purva Grandbay, Purva Eternity projects and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman of the Company.	Repayable in 21 equal monthly instalments starting from Feb 2015 *	-	-	35.43
ix	Term loan facility from Standard Chartered Bank - ₹131.58	This facility is secured by an exclusive first mortgage on proportionate undivided share of land and building pertaining to unsold inventory and receivables of Purva Highland Phase-I, Phase-II, Purva Swanlake, Purva Grandbay, Purva Eternity projects and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman of the Company. This facility includes overdraft limit of ₹10 which is repayable as per the terms of the facility.	Repayable in 30 monthly instalments starting from Jun 2014 *	-	-	73.23
x	Term loan facility from State Bank of Hyderabad - ₹50	This facility is secured by pari passu charge on proportionate undivided share of land and building pertaining to unsold inventory and receivables of Purva Highland Phase-I, Phase-II, Purva Swanlake, Purva Grandbay, Purva Eternity projects and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman of the Company.	Repayable in 20 monthly instalments starting from Oct 2014 *	-	-	28.67
xi	Term loan facility from The Karur Vysya Bank - ₹50	This facility is secured by pari passu charge on proportionate undivided share of land and building pertaining to unsold inventory and receivables of Purva Highland Phase-I, Phase-II, Purva Swanlake, Purva Grandbay, Purva Eternity projects and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman of the Company.	Repayable in 18 monthly instalments starting from Dec 2014 *	-	-	30.75
xii	Term loan facility from State Bank of Bikaner and Jaipur - ₹33.42	This facility is secured by pari passu charge on proportionate undivided share of land and building pertaining to unsold inventory and receivables of Purva Highland Phase-I, Phase-II, Purva Swanlake, Purva Grandbay, Purva Eternity projects and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman of the Company.	Repayable in 19 monthly instalments starting from Nov 2014 *	-	-	22.15
xiii	Term loan facility from State Bank of Mysore - ₹50 (syndication from Standard Chartered Bank)	This facility is secured by pari passu charge on proportionate undivided share of land and building pertaining to unsold inventory and receivables of Purva Highland Phase-I, Phase-II, Purva Swanlake, Purva Grandbay, Purva Eternity projects and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman of the Company.	Repayable in 21 monthly instalments starting from Sep 2014 *	-	-	26.93

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

18 Long-term Borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	31 Mar 2017	31 Mar 2016	01 Apr 2015
xiv	Term loan facility from ICICI Bank Limited- ₹100	This facility is secured by an exclusive charge by way of equitable mortgage of 87,000 sq.ft land situated at Maduvankari village, Chennai together with all buildings and structures thereon both present and future, undivided share of land of Purva Bluemont Project Phase I (excluding the proportionate share of sold area of 498,072 sq.ft approx) together with all buildings and structures thereof both present and future and hypothecation of scheduled receivables, Escrow accounts and DSR account of Purva Bluemont Project Phase I and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman of the Company.	Repayable in 30 monthly instalments commencing from Sep 2013	-	0.64	40.65
xv	Term loan facility from ICICI Bank Limited- ₹150	Mortgage of building and structure thereon both present and future of Purva Seasons project, receivables of Purva Season Project and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Mr. Ashish Puravankara, Managing Director of the Company.	Repayable in 30 monthly instalments starting from Aug 2013	-	-	7.39
xvi	Term loan facility from IDBI Bank Limited- ₹88	Mortgage of immovable property at Edapally, Kochi measuring about 11.15 acres and backed by the personal guarantee of Mr Ravi Puravankara, Chairman of the Company.	Repayable in 8 equal quarterly instalments starting from Oct 2013	-	-	22.00
xvii	Other Loans (Vehicle Loans)	Secured by a charge against respective vehicles	Repayable in 36 to 60 monthly instalments	-	-	0.27
		Unamortised upfront fees on borrowing		(5.34)	(10.70)	(11.20)
				197.65	719.92	702.21
	The interest on above term loans from banks are linked to the respective banks base rates. The effective interest rates per annum ranges between			11.00% to 12.50%	11.50% to 13.75%	8.35% to 15.00%

* Loans pre-closed during the previous year

** Loans pre-closed during the year

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

18 Long-term Borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	31 Mar 2017	31 Mar 2016	01 Apr 2015
Term loans from others (Secured)						
i.	Term loan facility from Piramal Finance Limited- ₹235.09	UDS and super built up area of construction thereon of unsold area and receivables from sold area of Purva Gainz, UDS and super built up area of construction thereon proportionate to inventory in Purva Skydale, Purva Sunflower, Purva Whitehall, Purva Amaiti and Purva Bluemont along with receivables from sold and unsold units of the respective projects, UDS and super built up area of construction thereon of unsold area receivables from sold of area of Purva Primus. Exclusive first charge by way of equitable mortgage on land parcel measuring 17 acres in Padur at Chennai and exclusive charge by way of equitable mortgage on UDS of unopened phase of Purva Amaiti.	14 quarterly instalments starting from Sep 2017	180.02	188.09	-
ii.	Term loan facility from Aditya Birla Finance Limited- ₹95	This facility is secured by an exclusive first mortgage on proportionate undivided share of land and building pertaining to unsold inventory of Purva Highland Phase-I, Phase-II, Purva Swanlake, Purva Grandbay, Purva Eternity, Purva Oceana projects and receivables of all the above projects. This facility is backed by cash shortfall undertaking by Mr. Ashish Puravankara, Managing Director of the Company.	29 monthly instalments starting from May 2017	77.06	95.00	-
iii.	Term loan facility from PNB Housing Finance Limited- ₹90	This facility is secured by registered mortgage of unsold units at Purva Venezia, Purva Atria Platina and Purva Oceana Projects.	Repayable in 60 equal monthly instalments starting from Feb 2014 *	-	-	72.67
iv	Corporate loan facility from IFCI Limited - ₹100	Mortgage of land parcels situated at Sathanapukkam village, Chengalpattu taluk, Kancheepuram district and Padur village, Chengalpattu taluk, Kancheepuram district.	14 quarterly instalments commencing from Aug 2016 **	-	29.10	83.10
v	Term loan facility from HDFC Ltd -₹97	Mortgage of property bearing sy no. 86/4, 86/1, 95/1 and 95/2, Thanisandra Village, K R Puram Hobli, Bengaluru along with receivables of the upcoming project in the said land. Post dated security cheques towards repayment of principal.	Repayable in 36 monthly instalments commencing from May 2018	97.00	-	-
vi	Vehicle Loan from Kotak Mahindra Prime Limited	Secured by a charge against respective vehicle.	Repayable in 36 to 60 monthly instalments	0.68	1.65	1.87
		Unamortised upfront fees on borrowing		(2.41)	(2.12)	(1.34)
				352.34	311.72	156.30
	The interest on above term loans from financial institutions are linked to the respective benchmarks. The effective interest rates per annum ranges between			9.13% to 13.55%	9.56% to 15.23%	9.78% to 15.23%
Term loan from others (Unsecured)						
i.	HDFC Limited- ₹22	Mortgage of non residential property, Purva Premier owned by Mr. Ravi Puravankara, Chairman of the Company.	Repayable in 108 equated monthly instalments starting from Jul 2012 **	-	15.80	17.76
		Unamortised upfront fees on borrowing		-	(0.03)	(0.03)
				-	15.77	17.73
	The interest on above term loans from financial institutions are linked to the respective benchmarks. The effective interest rates per annum is			10.25%	12.80%	13.00%

* Loans pre-closed during the previous year

** Loans pre-closed during the year

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

18 Long-term Borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	31 Mar 2017	31 Mar 2016	01 Apr 2015
Current borrowings						
Term loans from banks (Secured)						
i.	Term loan facility from ICICI bank Limited - ₹30	Exclusive charge by way of equitable mortgage on all the piece and parcel of land measuring 18.13 acres owned by the Company along with its two subsidiary situated at Ernakulam, Thikkakara, Kerala. Hypothecation of all receivables from sold units from Purva Seasons, Purva Midtown, Purva Skywood and Purva Venezia.	Repayable in 30 monthly instalments starting from Sep 2017 **	-	10.00	-
ii	Term loan facility from Standard Chartered Bank -₹250	First and exclusive charge over land and building of project Purva Palm beach along with borrowers share of receivables ensuring security cover 1.82X and first exclusive charge over land and building of project Provident Sunworth Phase III and scheduled receivables of the said project to the extent of security shortfall and cost overrun, completion and cash shortfall undertaking by Mr. Ashish Puravankara, Managing Director of the Company. This facility includes overdraft limit of ₹10 which is repayable as per the terms of the facility.	Repayable in 10 quarterly instalments starting from April 2019.	195.52	-	-
iii	Term loan facility from ICICI Bank Limited- ₹95	This facility is secured by an exclusive charge by way of equitable mortgage of all the piece and parcel of land and scheduled receivables of project located at Survey no. 843, Ernakulam village, Kanayannur Taluk, Ernakulam District admeasuring approx. 33,471.90 Sq.mtrs including all the structures thereon both present and future. Exclusive charge by way of hypothecation on the scheduled receivables of Purva Palm Beach.	Repayable in 24 monthly instalments commencing from 15 Nov 2016 **	-	95.00	95.00
iv	Term loan facility from ICICI Bank Limited- ₹95	This facility is secured by an exclusive charge on land and building (both present and future) of the project Purva Skydale situated at Kudlu village, Sarjapura Anekal taluk, Bengaluru admeasuring approximately 4.64 acres including hypothecation of scheduled receivables, Escrow accounts and DSR account of Purva Skydale project. This is also secured by extension of charge by way of equitable mortgage of land and building (both present and future) of the project Purva Whitehall located at Kaikondanahalli village, Varthoor hobli, Bengaluru including extension of charge by hypothecation of scheduled receivables, Escrow account and DSR account of Purva Whitehall project. Also secured by exclusive charge by way of equitable mortgage of 87,000 sq.ft land situated at Maduvankari village, Chennai.	Repayable in 24 monthly instalments starting from Aug 2016 **	-	0.02	55.00
v	Credit facility from Standard Chartered Bank- ₹60	This facility is secured by exclusive charge over land and buildings and receivables of Purva Sunflower Project. This facility includes overdraft limit of ₹10 which is repayable as per the terms of the facility.	Repayable in 5 quarterly instalments starting from Sep 2015 *	-	-	41.80

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

18 Long-term Borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	31 Mar 2017	31 Mar 2016	01 Apr 2015
vi	Term loan facility from ICICI Bank Limited- ₹50	Mortgage of building and structure thereon both present and future, receivables of Purva Season Project and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Mr. Ashish Puravankara, Managing Director of the Company.	Repayable in 30 monthly instalments starting from Aug 2013	-	-	50.00
vii	Term loan facility from IndusInd Bank Limited - ₹55	This facility is secured by an exclusive charge by way of equitable mortgage of unsold units of Purva Skywood project. This facility includes overdraft limit of ₹25.15 which is repayable as per the terms of the facility.	Repayable in 15 monthly instalments commencing from Sep 2014	-	-	18.11
		Unamortised upfront fees on borrowing		(3.33)	(0.72)	(4.12)
				192.19	104.30	255.79
	The interest on above term loans from banks are linked to the respective banks base rates. The effective interest rates per annum ranges between			10.85% to 12.60%	12.15% to 12.60%	12.80% to 15.00%

* Loans pre-closed during the previous year

** Loans pre-closed during the year

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

18 Long-term Borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	31 Mar 2017	31 Mar 2016	01 Apr 2015
Term loans from others (Secured)						
i	Term loan facility from Piramal Finance Limited- ₹154.91	UDS and super built up area of construction thereon of unsold area and receivables from sold area of Purva Gainz, UDS and super built up area of construction thereon proportionate to inventory in Purva Skydale, Purva Sunflower, Purva Whitehall, Purva Amaiti and Purva Bluemont along with receivables from sold and unsold units of the respective projects, UDS and super built up area of construction thereon of unsold area receivables from sold of area of Purva Primus. Exclusive first charge by way of equitable mortgage on land parcel measuring 17 acres in Padur at Chennai and exclusive charge by way of equitable mortgage on UDS of unopened phase of Purva Amaiti.	14 quarterly instalments starting from Sep 2017	110.93	154.91	-
ii	Term loan facility from PNB Housing Finance Limited-₹100	Equitable mortgage on land parcel admeasuring 90659.00 sqmts situated at Kachanayakanahalli, Bengaluru (This security is cross collateralised with Term Facility of Provident Housing Limited).	Repayable in 24 equal monthly instalments starting from Feb 2019	100.00	-	-
iii	Term loan facility from HDFC Limited-₹413	Mortgage of unsold stock in the project Purva Windermere along with present and future construction on land measuring 54.19 acres along with exclusive charge over the present and future receivables of project Purva Windermere situated at Pallikarni Village and Medavakkam Village, Tambaram Taluk,Tamilnadu.	Repayable in 36 monthly instalments starting from quarterly instalments starting from March 2019	337.17	-	-
		Unamortised upfront fees on borrowing		(7.77)	(1.79)	-
				540.34	**153.12**	-
	The interest on above term loans from financial institutions are linked to the respective benckmarks. The effective interest rates per annum ranges between			10.90% to 12.00%	12.00%	13.50%
* Loans pre-closed during the previous year.						
Cash credit and other loan from banks (Secured)						
i	Cash credit facility from Andhra Bank-₹108	Secured against 60% share of Purva Mall situated at no. 53,54, 54/1,2,3, Church street, Bengaluru, residential plots/apartments of extent 98,514 sq.ft situated at Whitefield Bouganvilla, Channasandra village, Bidarahalli Hobli, Bengaluru, land of extent 20 acres and 7.5 guntas situated at Kachanayakanahalli village, Jigani Hobli, Anekal Taluk, Bengaluru, land parcel measuring 2A and 16G situated at Sy no 2, Thalgattapura, Mallasandra Village, Bengaluru and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Mr. Ashish Puravankara, Managing Director of the Company.		104.57	98.52	14.93

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

18 Long-term Borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	31 Mar 2017	31 Mar 2016	01 Apr 2015
ii	Overdraft facility from Dhanlaxmi Bank- ₹50	Mortgage of land parcel in 33.56 acres owned by the company situated at Uganavadi village, Bengaluru and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman of the Company.		49.78	49.77	48.33
				154.35	**148.29**	**63.26**
	The interest on above loans from banks are linked to the respective banks base rates. The effective interest rates per annum ranges between			11.00% to 13.00%	11.75% to 13.00%	13.50% to 14.50%
From banks (Unsecured)						
i	Working capital facility from Deutsche Bank- ₹65	Secured by pledge of personal investments of Mr. Ravi Puravankara, Chairman of the Company.		-	32.16	32.25
ii	Short-term loan from Barclays PLC- ₹169	Secured by pledge of personal investments of Mr. Ravi Puravankara, Chairman of the Company.		-	168.90	168.90
iii	Term loan facility from Citi Bank- ₹30	Secured by pledge of personal investments of Mr. Ravi Puravankara, Chairman of the Company.		-	30.00	30.00
				-	**231.06**	**231.15**
	The interest on above loans from banks are linked to the respective banks base rates. The effective interest rates per annum ranges between			8.30% to 8.90%	9.20% to 9.65%	9.75% to 9.95%

* Loans pre-closed during the previous year

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

19 Other financial liabilities

		31 Mar 2017	31 Mar 2016	01 Apr 2015
a.	Non current			
	Security deposit	7.76	4.17	2.68
		7.76	4.17	2.68
b.	Current			
	Current maturities of long term borrowings (refer note 18a)	51.26	128.49	245.42
	Interest accrued but not due on borrowings	0.29	1.84	4.09
	Dues to employees	1.59	1.54	4.19
	Other payables *	363.11	249.11	271.40
		416.25	380.98	525.10
		424.01	385.15	527.78

* Includes obligations payable to land owners under the joint development arrangements.

20 Provisions

		31 Mar 2017	31 Mar 2016	01 Apr 2015
a.	Non-current			
	Provision for employee benefits			
	Gratuity	7.32	8.51	8.24
	Vacation pay	-	1.12	-
		7.32	9.63	8.24
b.	Current			
	Provision for employee benefits			
	Gratuity	-	0.74	0.66
	Vacation pay	1.33	0.09	1.25
		1.33	0.83	1.91
		8.65	10.46	10.15

21 Trade payables

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Total outstanding dues of creditors other than micro enterprises and small enterprises			
Trade payables	176.94	196.09	186.89
Due to subsidiaries	9.68	1.89	13.68
Due to related parties	1.90	1.54	1.41
	188.52	199.52	201.98

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 and has been relied upon by the auditors. The Company has not received any claim for interest from any supplier under the said Act.

		31 Mar 2017	31 Mar 2016	01 Apr 2015
i.	The principal amount remaining unpaid	3.53	5.84	8.46
ii.	Interest due thereon remaining unpaid	0.004	0.01	-
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.	-	-	-

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

21 Trade payables *(contd.)*

	31 Mar 2017	31 Mar 2016	01 Apr 2015
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) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	0.004	0.01	-
v. The amount of interest accrued during the year and remaining unpaid.	0.004	0.01	-
vi. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	0.004	0.01	-

22 Other current liabilities

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Advances received from customers	72.06	124.86	172.38
Statutory dues payable	3.69	2.54	3.37
Tax deducted at source payable	5.98	4.28	4.44
Other payables *	615.20	179.69	199.59
Unpaid dividend	0.12	0.11	0.10
	697.05	**311.48**	**379.88**

* Includes obligations payable to land owners under the joint development arrangements.

23 Current tax liabilities (net)

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Provision for tax [net of advance tax ₹nil (31 Mar 2016 ₹18.42 ; 31 Mar 2015 ₹nil)]	-	2.85	-
	-	**2.85**	-

24 Revenue from operations

	31 Mar 2017	31 Mar 2016
Revenue from projects		
Sale of properties	886.85	996.18
Interior	7.26	8.34
	894.11	**1,004.52**

a) During the year ended 31 March 2015, the Company had entered into a sale deed and agreement to sell undivided share (UDS) of its property under development aggregating to 50 percent of the said property for a cash consideration of ₹320.81. Of the total consideration, ₹155.81 was received for the 25 percent portion of the land and accordingly recorded as revenue during quarter ended 30 June 2014. The balance consideration amounting to ₹165 towards the remaining 25 percent was contingent on receiving plan sanction and accordingly it was deferred.

During the year ended 31 March 2017, the above contingency has been resolved and the Company has entered into a supplemental agreement to sale on 26 September 2016 transferring the UDS for a deferred consideration of ₹165. Consequent to above, the Company has recorded the fair value of ₹151.59 as revenue for the sale of UDS of its property under development..

b) During the year ended 31 March 2016, the Company had sold a land parcel (included within property under development) located in Bengaluru for a cash consideration of ₹140.00.

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

25 Other operating revenues

	31 Mar 2017	31 Mar 2016
Rental income (refer note 38)	4.30	3.74
Scrap sales	0.30	0.41
Others *	77.76	7.02
	82.36	**11.17**

*During the year ended 31 March 2017, the Company has entered into an agreement to transfer an investment property to its subsidiaries for a total consideration of ₹403. The Company has also sold its investment in the aforementioned subsidiaries to a third party for a cash consideration of ₹72 and consequently the net gain amounting to ₹71.76 which represents sale of the investment property have been included within 'other operating revenue'.

26 Other income

	31 Mar 2017	31 Mar 2016
Unwinding of discount of trade receivables	8.81	-
Others*	25.19	44.39
Liabilities no longer required written back **	-	14.79
	34.00	**59.18**

*Includes interim dividend received from subsidiaries ₹18.50 for the year ended 31 March 2017 (31 Mar 2016- ₹36.76).

**During the year ended 31 March 2016, the Company had written back liabilities primarily on account of retention balances no longer payable to vendors.

27 Material and contract cost

	31 Mar 2017	31 Mar 2016
Inventory of building material at the beginning of the year	17.82	21.60
Add : Incurred during the year		
Material and contract cost	443.14	554.47
	460.96	**576.07**
Less : Inventory of building material at the end of the year	13.02	17.82
	447.94	**558.25**

28 (Increase) in inventory of properties held for development, properties under development and properties held for sale

	31 Mar 2017	31 Mar 2016
Inventory at the beginning of the year		
Properties held for development	120.94	180.32
Properties under development	2,105.00	1,833.91
Properties held for sale	443.49	493.56
Inventory at the end of the year		
Properties held for development	675.93	120.94
Properties under development	2,204.42	2,105.00
Properties held for sale	566.77	443.49
	(777.69)	**(161.64)**

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

29 Employee benefits expense

	31 Mar 2017	31 Mar 2016
Salaries, wages and bonus	61.61	63.63
Contribution to provident fund and other funds (refer note 44B)	1.99	2.70
Gratuity expenses (refer note 44A)	2.21	2.20
Vacation pay (refer note 44A)	0.50	0.37
Staff welfare	1.06	1.15
	67.37	70.05

30 Finance expense, net *

	31 Mar 2017	31 Mar 2016
Finance expense:		
Interest		
- Term loans	190.52	165.81
- Cash credits	16.56	14.05
Bank charges	1.06	0.55
Loan and other processing charges	12.50	16.69
Others	11.57	6.61
	232.21	203.71
Finance income:		
Bank deposits	1.32	1.99
Interest on loan to associates	7.87	5.16
Interest received from customers	2.62	2.21
Unwinding of discount relating to refundable security deposits	10.42	8.83
Income from units of mutual funds	0.05	-
	22.28	18.19
Finance expense, net	209.93	185.52

*Includes finance expense capitalized amounting to ₹200.86 for the year ended 31 March 2017 (31 March 2016 - ₹179.02)

31 Depreciation and amortization

	31 Mar 2017	31 Mar 2016
Depreciation of tangible assets (refer note 2)	7.94	8.74
Depreciation of investment properties (refer note 3)	0.77	0.70
Amortization of intangible assets (refer note 4)	1.27	1.07
	9.98	10.51

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

32 Other expenses

	31 Mar 2017	31 Mar 2016
Travel and conveyance	4.46	5.01
Repairs and maintenance		
- buildings	0.08	0.19
- plant & machinery	0.01	0.39
- others	12.59	13.89
Legal and professional *	29.66	29.87
Rent (refer note 38)	23.31	23.84
Rates and taxes	4.92	32.54
Security	13.28	9.20
Communication costs	2.19	2.07
Printing and stationery	1.16	2.04
Advertising and sales promotion	17.83	17.97
Brokerage and referral	3.31	6.52
Foreign exchange loss	0.08	0.15
Corporate social responsibility expenses (refer note 46)	2.29	2.21
Miscellaneous expenses	7.92	8.12
	123.09	**154.01**
*** Payment to auditor (on accrual basis, excluding service tax) [included in legal and professional charges]**		
As auditor:		
Audit fee	0.48	0.68
Other services	0.15	-
In other capacity:		
Reimbursement of expenses	0.01	0.01
	0.64	**0.69**

33 Earnings per share (EPS)

	31 Mar 2017	31 Mar 2016
Weighted average number of shares outstanding during the year	23.72	23.72
Add: Dilutive effect of stock options	-	-
Weighted average number of shares used to compute diluted EPS	**23.72**	**23.72**
Net profit after tax attributable to equity shareholders	100.51	86.11
Earnings per share (₹):		
Basic (₹)	4.24	3.63
Diluted (₹)	4.24	3.63
Nominal value - ₹per equity share	5.00	5.00

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

34 Assets pledged as security

	31 Mar 2017	31 Mar 2016	01 Apr 2015
The carrying amounts of assets pledged as security for current and non-current borrowings are:			
Current			
Financial assets			
First charge			
Trade receivables	130.35	207.02	288.85
Non-financial assets			
First charge			
Inventories	1,538.29	1,867.93	1,646.40
Total current assets pledged as securities	1,668.64	2,074.95	1,935.25
Non-current			
First charge			
Vehicles	2.47	2.71	4.25
Investment properties	15.46	15.75	16.04
Total non-current assets pledged as securities	17.93	18.46	20.29
Total assets pledged as securities	**1,686.57**	**2,093.41**	**1,955.54**

35 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2017 were as follows :

Particulars	Note	FVTPL	FVTOCI	Amortised cost	Total carrying value	Total fair value
Financial assets :						
Trade receivables	12	-	-	331.64	331.64	331.64
Loans and advances	6	-	-	410.75	410.75	410.75
Cash and cash equivalents including other bank balances	13, 14	-	-	78.50	78.50	78.50
Other financial assets	7	-	-	136.74	136.74	136.74
Total financial assets		-	-	957.63	957.63	957.63
Financial liabilities :						
Borrowings *	18	-	-	1,549.97	1,549.97	1,549.97
Trade payables	0	-	-	192.05	192.05	192.05
Other financial liabilities	19	-	-	372.75	372.75	372.75
Total financial liabilities		-	-	2,114.77	2,114.77	2,114.77

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

35 Financial instruments *(contd.)*

The carrying value and fair value of financial instruments by categories as at 31 March 2016 were as follows :

Particulars	Note	FVTPL	FVTOCI	Amortised cost	Total carrying value	Total fair value
Financial assets :						
Trade receivables	12	-	-	219.94	219.94	219.94
Loans and advances	6	-	-	424.09	424.09	424.09
Cash and cash equivalents including other bank balances	13, 14	-	-	200.40	200.40	200.40
Other financial assets	7	-	-	173.22	173.22	173.22
Total financial assets		**-**	**-**	**1,017.65**	**1,017.65**	**1,017.65**
Financial liabilities :						
Borrowings *	18	-	-	1,805.60	1,805.60	1,805.60
Trade payables	0	-	-	205.36	205.36	205.36
Other financial liabilities	19	-	-	256.66	256.66	256.66
Total financial liabilities		**-**	**-**	**2,267.62**	**2,267.62**	**2,267.62**

The carrying value and fair value of financial instruments by categories as at 01 April 2015 were as follows :

Particulars	Note	FVTPL	FVTOCI	Amortised cost	Total carrying value	Total fair value
Financial assets :						
Trade receivables	12	-	-	313.05	313.05	313.05
Loans and advances	6	-	-	323.39	323.39	323.39
Cash and cash equivalents including other bank balances	13, 14	-	-	126.79	126.79	126.79
Other financial assets	7	-	-	142.38	142.38	142.38
Total financial assets		**-**	**-**	**905.61**	**905.61**	**905.61**
Financial liabilities :						
Borrowings *	18	-	-	1,504.99	1,504.99	1,504.99
Trade payables	0	-	-	210.44	210.44	210.44
Other financial liabilities	19	-	-	282.36	282.36	282.36
Total financial liabilities		**-**	**-**	**1,997.79**	**1,997.79**	**1,997.79**

* including current maturities of long term debt and finance lease obligations

Notes to financial instruments

i. The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments.

The fair value of the financial assets and liabilities is included at 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 has measured investments in subsidiaries, associates and joint ventures at the deemed cost. The Company has considered the carrying amount under previous GAAP as the deemed cost.

ii. **Fair value hierarchy**

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: Inputs for the assets or liabilities that are not based on the observable marked data (unobservable inputs).

Measurement of fair value of financial instruments

The fair value measurement is not applicable since there are no financial assets and liabilities measured at fair value.

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

36 Financial instruments *(contd.)*

Financial risk management

Financial risk factors

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalent, trade receivables, financial assets measured at amortised cost	Ageing analysis
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts
Market risk – Interest rate	Long-term borrowings at variable rates	Sensitivity analysis

The Company's risk management is carried out by a central treasury department (of the group) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such interest rate risk, credit risk and investment of excess liquidity.

a. Credit risk

Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortised cost and deposits with banks and financial institutions.

Credit risk management

The finance function of the Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Expected credit loss for trade receivables under simplified approach

Trade receivables are secured in a form that registry 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 and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

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. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

36 Financial instruments *(contd.)*

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.

31 Mar 2017	Less than 1 year	1 years to 5 years	5 years and above	Total
Non-derivatives				
Borrowings*	329.23	1,223.98	15.60	1,568.81
Trade payables	187.05	5.00	-	192.05
Security deposits	6.03	1.73	-	7.76
Other financial liabilities	97.04	201.95	66.00	364.99
Total	**619.35**	**1,432.66**	**81.60**	**2,133.61**

31 Mar 2016	Less than 1 year	1 years to 5 years	5 years and above	Total
Non-derivatives				
Borrowings*	636.92	1,169.96	14.08	1,820.96
Trade payable	180.41	24.95	-	205.36
Security deposits	0.47	3.70	-	4.17
Other financial liability	70.78	181.71	-	252.49
Total	**888.58**	**1,380.32**	**14.08**	**2,282.98**

01 Apr 2015	Less than 1 year	1 years to 5 years	5 years and above	Total
Non-derivatives				
Borrowings*	688.33	819.81	13.54	1,521.68
Trade payable	191.70	18.74	-	210.44
Security deposits	2.34	0.34	-	2.68
Other financial liability	59.54	220.14	-	279.68
Total	**941.91**	**1,059.03**	**13.54**	**2,014.48**

* including current maturities of long term debt and finance lease obligations

c. **Interest rate risk**

The Company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing::

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Variable rate borrowing	1,437.14	1,682.54	1,424.34
Fixed rate borrowing	96.09	81.38	39.68
Interest free borrowing	2.06	27.61	27.43
Finance lease obligation	14.68	14.07	13.54
Total borrowings	**1,549.97**	**1,805.60**	**1,504.99**

Interest rate risk

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	31 Mar 2017	31 Mar 2016
Interest rates – increase by 50 basis points (50 bps)	3.07	3.26
Interest rates – decrease by 50 basis points (50 bps)	(3.07)	(3.26)

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

37 Capital Management

The Company's objectives when managing capital are to:

Safeguard their ability to continue as a going concern, so that they can continue to provide 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 includes long term borrowings, short term borrowings, current maturities of long term borrowings less cash and cash equivalents and other bank balances.

Particulars	31 Mar 2017	31 Mar 2016	01 Apr 2015
Long term borrowings	513.41	932.99	644.36
Current maturities of long term borrowings and finance lease obligations	51.26	128.49	245.42
Short term borrowings	985.30	744.12	615.21
Less: Cash and cash equivalents	(74.98)	(191.91)	(116.93)
Less : Bank balances other than cash and cash equivalents	(3.52)	(8.49)	(9.86)
Net debt	1,471.47	1,605.20	1,378.20
Total equity	1,980.31	1,898.72	1,849.01
Gearing ratio	0.74	0.85	0.75

(i) Equity includes all capital and reserves of the Company that are managed as capital

(ii) Debt is defined long term and short term borrowings

38 Leases

A. Operating lease

The lease expense for cancellable and non-cancellable operating leases was ₹23.31 for the year ended 31 March 2017 (31 Mar 2016 -₹23.84). Lease commitments under the non-cancellable operating leases as at the Balance Sheet date were as follows:

Particulars	31 Mar 2017	31 Mar 2016	01 Apr 2015
a) Within one year	22.00	15.42	21.11
b) Later than one but not later than five years	31.97	48.93	68.41
c) Later than five years	21.46	26.32	31.64
Total	**75.43**	**90.67**	**121.16**

B. Finance lease

The Company has entered into a finance lease arrangement for building with a lease term of 33 years. Lease commitments under the finance lease as at the Balance Sheet date were as follows:

Particulars	31 Mar 2017	31 Mar 2016	01 Apr 2015
Minimum lease payments			
a) Within one year	1.39	1.39	1.39
b) Later than one but not later than five years	6.76	6.35	5.93
c) Later than five years	76.84	78.65	80.47
Amount representing interest	(70.31)	(72.32)	(74.25)
Present value of minimum lease payments	**14.68**	**14.07**	**13.54**

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

39 Other commitments and contingencies

		31 Mar 2017	31 Mar 2016	01 Apr 2015
a)	Demand from Service Tax Department	-	5.70	5.43
b)	Demand from Commercial Tax Department	8.62	2.26	2.26
c)	Penalty under section 271(1)(c) of Income Tax Act, 1961	2.54	2.54	2.54
d)	Bonus payable to workers and employees	0.33	0.33	-
e)	Guarantee given by the Company on behalf of subsidiary (refer note 43)	766.92	403.35	314.63

The Company is also involved in certain litigation for lands acquired by it for construction purposes, either through a Joint Development Agreement or through outright purchases. These cases are pending with the Civil Courts and scheduled for hearings shortly. After considering the circumstances and legal advice received, the management believes that these cases will not adversely effect its financial statements. Further the Company has given certain advances for purchase of land under agreements executed wherein it is required to make further payments based on terms/milestones subject to fulfilment of certain conditions by other party.

On 01 January 2016, the Payment of Bonus (Amendment) Act, 2015 (the ('Act') was notified in the official gazette increasing the minimum wages for payment of statutory bonus with retrospective effect from 01 April 2014. The Hon'ble High Court of Karnataka vide order dated 02 February 2016 stayed the retrospective application of the Act. The Company has provided for the payment of bonus as per the Act for all the locations except Karnataka for which provision has been made for the period on or after 01 April 2015.

40 Details of Specified Bank Notes (SBN) held and transacted during the period from 08 November 2016 to 30 December 2016 as provided in the Table below :

The term 'Specified Bank Notes'(SBN) shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November, 2016.

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08 November 2016	0.11	0.14	0.25
Add : Permitted receipts	-	0.16	0.16
Less : Permitted payments	-	(0.16)	(0.16)
Less : Amount deposited in Banks	(0.11)	-	(0.11)
Closing cash in hand as on 30 December 2016	-	0.14	0.14

41 Other Supplementary Information

Particulars	31 Mar 2017	31 Mar 2016
Project revenue recognized as revenue (including revenue from finished inventories) *	886.85	996.18
Aggregate amount of contract costs incurred and recognized profits (less recognized losses) up to date for all the contracts in progress	2,409.65	2,309.47
Amount of customer advances outstanding for contracts in progress as at date for which revenue has been recognized	72.06	124.86
Amount of work in progress and the value of inventories	2,204.42	2,105.00
Excess of revenue recognized over actual bills raised (unbilled revenue).	116.61	157.72

* The Company has revised its project cost estimates in the current year, as a result of which the profit before tax for the year ended 31 March 2017 is lower by ₹135.79 crores (31 March 2016 - ₹69.00 crores).

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

42 Subsidiary and affiliates information

Name of the entity	Country of incorporation and principal place of business	Primary activity	Portion of ownership interests held by the Company as on		
			31 Mar 2017	31 Mar 2016	31 Mar 2015
Subsidiary companies					
Prudential Housing and Infrastructure Development Limited	India, Mumbai	Real estate development and construction	100%	100%	100%
Centurions Housing and Constructions Private Limited	India, Chennai	Real estate development and construction	100%	100%	100%
Melmont Construction Private Limited	India, Bengaluru	Real estate development and construction	100%	100%	100%
Purva Marine Properties Private Limited ***	India, Bengaluru	Real estate development and construction	-	100%	100%
Purva Realities Private Limited	India, Bengaluru	Real estate development and construction	100%	100%	100%
Grand Hills Developments Private Limited	India, Bengaluru	Real estate development and construction	100%	100%	100%
Purva Ruby Properties Private Limited	India, Bengaluru	Real estate development and construction	100%	100%	100%
Purva Sapphire Land Private Limited	India, Bengaluru	Real estate development and construction	100%	100%	100%
Purva Star Properties Private Limited	India, Bengaluru	Real estate development and construction	100%	100%	100%
Nile Developers Private Limited	India, Chennai	Real estate development and construction	100%	100%	100%
Vaigai Developers Private Limited	India, Chennai	Real estate development and construction	100%	100%	100%
Puravankara Hotels Limited ***	India, Bengaluru	Real estate development and construction	-	100%	100%
Purva Land Limited ***	India, Bengaluru	Real estate development and construction	-	100%	100%
Starworth Infrastructure and Construction Limited	India, Bengaluru	Real estate development and construction	100%	100%	100%
Provident Housing Limited	India, Bengaluru	Real estate development and construction	100%	100%	100%
Jaganmata Property Developers Private Limited	India, Hyderabad	Real estate development and construction	100%	100%	100%
Jyothishmati Business Centers Private Limited	India, Hyderabad	Real estate development and construction	100%	100%	100%
Vagishwari Land Developers Private Limited	India, Hyderabad	Real estate development and construction	100%	100%	100%
Varishtha Property Developers Private Limited	India, Hyderabad	Real estate development and construction	100%	100%	100%
Purva Pine Private Limited **	India, Bengaluru	Real estate development and construction	100%	-	-
Purva Oak Private Limited **	India, Bengaluru	Real estate development and construction	100%	-	-
Provident Meryta Private Limited **	India, Bengaluru	Real estate development and construction	100%	-	-
Argan Properties Private Limited **	India, Bengaluru	Real estate development and construction	100%	-	-
Provident Cedar Private Limited**	India, Bengaluru	Real estate development and construction	100%	-	-
Purva Good Earth Properties Private Limited****	India, Bengaluru	Real estate development and construction	-	-	100%
Welworth Lanka Holding Private Limited	Sri Lanka, Colombo	Real estate development and construction	100%	100%	100%
Welworth Lanka Private Limited	Sri Lanka, Colombo	Real estate development and construction	100%	100%	100%
Purva Corporation	British Virgin Islands, London	Real estate development and construction	100%	100%	100%
Puravankara (UK) Limited *	British Virgin Islands, London	Real estate development and construction	-	100%	100%
Associate companies					
Keppel Puravankara Development Private Limited	India, Bengaluru	Real estate development and construction	49.00%	49.00%	49.00%
Propmart Technologies Limited	India, Bengaluru	Real estate agents	32.83%	32.83%	32.83%
Sobha Puravankara Aviation Private Limited	India, Bengaluru	Aviation	49.75%	49.75%	49.75%
Joint venture					
Pune Projects LLP	India, Pune	Real estate development and construction	32%	32%	32%

* Investment in this subsidiary was written off during the year 31 March 2017

** These subsidiaries were incorporated during the year ended 31 March 2017

*** During the year ended 31 March 2017, the Company sold investment in these subsidiaries for consideration of ₹72.00

**** During the year ended 31 March 2016, the Company sold investment for an aggregate consideration of ₹0.01 to Provident Housing Limited, a subsidiary of the Company.

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

43 Related party transactions

(i) Subsidiaries

Prudential Housing and Infrastructure Development Limited
Centurions Housing and Constructions Private Limited
Melmont Construction Private Limited
Purva Corporation
Purva Marine Properties Private Limited (until 27 March 2017)
Purva Realities Private Limited
Welworth Lanka Holding Private Limited
Welworth Lanka Private Limited
Nile Developers Private Limited
Vaigai Developers Private Limited
Grand Hills Developments Private Limited
Purva Star Properties Private Limited
Purva Sapphire Land Private Limited
Purva Ruby Properties Private Limited
Puravankara Hotels Limited (until 27 March 2017)
Starworth Infrastructure and Construction Limited
Provident Housing Limited
Jaganmata Property Developers Private Limited
Jyothishmati Business Centers Private Limited
Vagishwari Land Developers Private Limited
Varishtha Property Developers Private Limited
Purva Pine Private Limited
Purva Oak Private Limited
Purva Land Limited (until 27 March 2017)
Puravankara (UK) Limited (until 01 October 2016)
Purva Good Earth Properties Private Limited (until 06 April 2015)

(ii) Parties where control exists

Mr. Ravi Puravankara

(iii) Key management personnel

Mr. Ravi Puravankara
Mr. Ashish Puravankara
Mr. Nani R Choksey

(iv) Relatives of key management personnel

Ms. Geeta S Vhatkar

(v) Entities controlled/significantly influenced by key management personnel (other related parties)

Purva Developments
Puravankara Investments
Handiman Services Limited
Dealwel – Proprietorship

(vi) Associate companies

Keppel Puravankara Development Private Limited
Propmart Technologies Limited
Sobha Puravankara Aviation Private Limited

(vii) Joint venture

Pune Projects LLP

(viii) Other related party

Purva Good Earth Properties Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

43 Related party transactions *(contd.)*

(ix) Balances with related parties as on date are as follows

Nature of transaction	Subsidiaries			Associates / Joint venture			Key management personnel			Relatives of key management personnel			Other related parties		
	31 Mar 2017	31 Mar 2016	01 Apr 2015	31 Mar 2017	31 Mar 2016	01 Apr 2015	31 Mar 2017	31 Mar 2016	01 Apr 2015	31 Mar 2017	31 Mar 2016	01 Apr 2015	31 Mar 2017	31 Mar 2016	01 Apr 2015
Loans given to															
Purva Realities Private Limited	28.79	28.79	28.79	-	-	-	-	-	-	-	-	-	-	-	-
Melmont Construction Private Limited	133.96	132.47	131.12	-	-	-	-	-	-	-	-	-	-	-	-
Prudential Housing and Infrastructure Development Limited	1.85	1.85	1.85	-	-	-	-	-	-	-	-	-	-	-	-
Nile Developers Private Limited	14.31	14.10	13.53	-	-	-	-	-	-	-	-	-	-	-	-
Vaigai Developers Private Limited	11.44	11.44	10.97	-	-	-	-	-	-	-	-	-	-	-	-
Purva Good Earth Properties Private Limited	-	-	0.01	-	-	-	-	-	-	-	-	-	0.01	0.01	-
Purva Star Properties Private Limited	-	-	13.00	-	-	-	-	-	-	-	-	-	-	-	-
Purva Sapphire Land Private Limited	0.51	0.51	0.01	-	-	-	-	-	-	-	-	-	-	-	-
Purva Ruby Properties Private Limited	15.32	14.63	13.95	-	-	-	-	-	-	-	-	-	-	-	-
Grand Hills Developments Private Limited	0.02	0.01	0.01	-	-	-	-	-	-	-	-	-	-	-	-
Puravankara Hotels Limited (until 27 March 2017)	-	0.01	0.01	-	-	-	-	-	-	-	-	-	-	-	-
Starworth Infrastructure & Construction Limited	1.11	-	0.02	-	-	-	-	-	-	-	-	-	-	-	-
Provident Housing Limited	-	48.19	0.01	-	-	-	-	-	-	-	-	-	-	-	-
Purva Land Limited (until 27 March 2017)	-	0.04	0.04	-	-	-	-	-	-	-	-	-	-	-	-
Purva Marine Properties Private Limited (until 27 March 2017)	-	0.01	0.01	-	-	-	-	-	-	-	-	-	-	-	-
Pune Projects LLP	-	-	-	71.52	67.61	30.37	-	-	-	-	-	-	-	-	-
Loans taken from															
Centurions Housing and Constructions Private Limited	15.55	11.52	37.58	-	-	-	-	-	-	-	-	-	-	-	-
Provident Housing Limited	0.94	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purva Star Properties Private Limited	79.85	68.22	-	-	-	-	-	-	-	-	-	-	-	-	-
Starworth Infrastructure & Construction Limited	-	0.18	-	-	-	-	-	-	-	-	-	-	-	-	-
Puravankara Investments	-	-	-	-	-	-	-	-	-	-	-	-	1.88	1.88	1.88
Ravi Puravankara	-	-	-	-	-	-	-	25.55	25.55	-	-	-	-	-	-
Advance for allotment of shares (other advance)															
Welworth Lanka Holding Private Limited	0.59	1.27	1.34	-	-	-	-	-	-	-	-	-	-	-	-
Puravankara (UK) Limited	-	-	0.03	-	-	-	-	-	-	-	-	-	-	-	-
Purva Corporation	0.08	0.08	0.08	-	-	-	-	-	-	-	-	-	-	-	-
Advances for land contracts paid to															
Geeta S Vhatkar	-	-	-	-	-	-	-	-	-	17.93	17.93	17.93	-	-	-

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

43 Related party transactions *(contd.)*

Nature of transaction	Subsidiaries			Associates / Joint venture			Key management personnel			Relatives of key management personnel			Other related parties		
	31 Mar 2017	31 Mar 2016	01 Apr 2015	31 Mar 2017	31 Mar 2016	01 Apr 2015	31 Mar 2017	31 Mar 2016	01 Apr 2015	31 Mar 2017	31 Mar 2016	01 Apr 2015	31 Mar 2017	31 Mar 2016	01 Apr 2015
Advances for land contracts received from															
Provident Housing Limited	28.00	28.00	28.00	-	-	-	-	-	-	-	-	-	-	-	-
Advances to suppliers															
Starworth Infrastructure and Construction Limited	-	10.74	15.65	-	-	-	-	-	-	-	-	-	-	-	-
Sobha Puravankara Aviation Private Limited	-	-	-	3.08	9.13	4.92	-	-	-	-	-	-	-	-	-
Investment in partnership firm															
Pune Projects LLP	-	-	0.02	-	-	-	-	-	-	-	-	-	-	-	-
Security deposits and advance paid to															
Dealwel	-	-	-	-	-	-	-	-	-	-	-	-	0.15	0.15	0.15
Puravankara Investments	-	-	-	-	-	-	-	-	-	-	-	-	0.45	0.45	0.45
Dues from															
Provident Housing Limited	1.54	0.25	1.67	-	-	-	-	-	-	-	-	-	-	-	-
Pune Projects LLP	-	-	-	5.06	-	-	-	-	-	-	-	-	-	-	-
Dues to															
Starworth Infrastructure and Construction Limited	9.68	1.89	13.68	-	-	-	-	-	-	-	-	-	-	-	-
Handiman Services Limited	-	-	-	-	-	-	-	-	-	-	-	-	1.72	1.36	1.23
Purva Development	-	-	-	-	-	-	-	-	-	-	-	-	0.18	0.18	0.18
Guarantees given by															
Ravi Puravankara	-	-	-	-	-	-	158.00	865.50	1,518.50	-	-	-	-	-	-
Ashish Puravankara	-	-	-	-	-	-	887.00	637.00	318.00	-	-	-	-	-	-
Guarantees given to															
Provident Housing Limited	663.57	300.00	300.00	-	-	-	-	-	-	-	-	-	-	-	-
Purva Star Properties Private Limited	80.00	80.00	-	-	-	-	-	-	-	-	-	-	-	-	-
Starworth Infrastructure and Construction Limited	23.35	23.35	14.63	-	-	-	-	-	-	-	-	-	-	-	-

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

Nature of transaction	Subsidiaries		Associates / Joint venture		Key management personnel		Relatives of key management personnel		Other related parties	
	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
Interest income on loans										
Pune Projects LLP	-	-	7.87	5.18	-	-	-	-	-	-
Interest expense on loans										
Centurions Housing and Constructions Private Limited	0.99	2.43	-	-	-	-	-	-	-	-
Purva Star Properties Private Limited	6.89	1.60	-	-	-	-	-	-	-	-
Loans given to										
Melmont Construction Private Limited	1.49	1.36	-	-	-	-	-	-	-	-
Purva Marine Properties Private Limited (until 27 March 2017)	0.02	-	-	-	-	-	-	-	-	-
Grand Hills Developments Private Limited	0.01	-	-	-	-	-	-	-	-	-
Purva Sapphire Land Private Limited	-	0.50	-	-	-	-	-	-	-	-
Purva Star Properties Private Limited	-	10.34	-	-	-	-	-	-	-	-

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

43 Related party transactions *(contd.)*

Nature of transaction	Subsidiaries		Associates / Joint venture		Key management personnel		Relatives of key management personnel		Other related parties	
	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
Purva Ruby Properties Private Limited	0.69	0.91	-	-	-	-	-	-	-	-
Nile Developers Private Limited	0.21	0.57	-	-	-	-	-	-	-	-
Vaigai Developers Private Limited	-	0.47	-	-	-	-	-	-	-	-
Starworth Infrastructure and Construction Limited	1.23	1.80	-	-	-	-	-	-	-	-
Provident Housing Limited	21.13	48.85	-	-	-	-	-	-	-	-
Pune Projects LLP	-	-	1.81	32.19	-	-	-	-	-	-
Loans repaid to										
Starworth Infrastructure and Construction Limited	0.20	0.81	-	-	-	-	-	-	-	-
Provident Housing Limited	12.03	-	-	-	-	-	-	-	-	-
Ravi Puravankara		-	-	-	25.55	-	-	-	-	-
Centurions Housing and Constructions Private Limited	6.37	36.46	-	-	-	-	-	-	-	-
Purva Star Properties Private Limited	10.46	1.16	-	-	-	-	-	-	-	-
Loans taken from										
Centurions Housing and Constructions Private Limited	9.41	7.97	-	-	-	-	-	-	-	-
Provident Housing Limited	12.97	-	-	-	-	-	-	-	-	-
Purva Star Properties Private Limited	15.20	67.78	-	-	-	-	-	-	-	-
Starworth Infrastructure and Construction Limited	0.02	0.99	-	-	-	-	-	-	-	-
Loans repaid by										
Starworth Infrastructure and Construction Limited	0.12	1.82	-	-	-	-	-	-	-	-
Provident Housing Limited	69.32	0.67	-	-	-	-	-	-	-	-
Purva Ruby Properties Private Limited	-	0.23	-	-	-	-	-	-	-	-
Purva Star Properties Private Limited	-	23.34	-	-	-	-	-	-	-	-
Melmont Construction Private Limited	-	0.01	-	-	-	-	-	-	-	-
Pune Projects LLP	-	-	5.77	0.13	-	-	-	-	-	-
Advance paid to										
Starworth Infrastructure and Construction Limited	16.33	67.11	-	-	-	-	-	-	-	-
Sobha Puravankara Aviation Private Limited	-	-	12.14	22.32	-	-	-	-	-	-
Advance for Allotment of Shares										
Welworth Lanka Holding Private Limited	0.59	2.26	-	-	-	-	-	-	-	-
Investment in Shares										
Welworth Lanka Holding Private Limited	1.27	2.33	-	-	-	-	-	-	-	-
Purva Oak Private Limited	0.01	-	-	-	-	-	-	-	-	-
Purva Pine Private Limited	0.01	-	-	-	-	-	-	-	-	-
Provident Housing Limited	2.69	-	-	-	-	-	-	-	-	-
Puravankara (UK) Limited	-	0.03	-	-	-	-	-	-	-	-
Varishtha Property Developers Private Limited	-	0.01	-	-	-	-	-	-	-	-
Vagishwari Land Developers Private Limited	-	0.01	-	-	-	-	-	-	-	-
Jaganmata Property Developers Private Limited	-	0.01	-	-	-	-	-	-	-	-
Jyothishmati Business Centers Private Limited	-	0.01	-	-	-	-	-	-	-	-

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

43 Related party transactions *(contd.)*

Nature of transaction	Subsidiaries		Associates / Joint venture		Key management personnel		Relatives of key management personnel		Other related parties	
	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
Proceeds on redemption of preference share										
Keppel Puravankara Development Private Limited	-	-	-	17.64	-	-	-	-	-	-
Proceeds on sale of investment										
Purva Good Earth Properties Private Limited	-	0.01	-	-	-	-	-	-	-	-
Purchase of material and services										
Starworth Infrastructure and Construction Limited	74.09	123.84	-	-	-	-	-	-	-	-
Rental income										
Provident Housing Limited	0.35	0.36	-	-	-	-	-	-	-	-
Dividend received										
Centurions Housing and Constructions Private Limited	2.49	34.90	-	-	-	-	-	-	-	-
Purva Star Properties Private Limited	6.26	-	-	-	-	-	-	-	-	-
Provident Housing Limited	9.75	1.86	-	-	-	-	-	-	-	-
Reimbursement of expenses from										
Provident Housing Limited	2.30	2.52	-	-	-	-	-	-	-	-
Pune Projects LLP	-	-	1.68	0.09	-	-	-	-	-	-
Reimbursement of expenses to										
Provident Housing Limited	-	1.01	-	-	-	-	-	-	-	-
Purchases of fixed assets										
Provident Housing Limited	-	1.90	-	-	-	-	-	-	-	-
Other operating revenue *										
Purva Marine Properties Private Limited	-	-	-	-	-	-	-	-	-	-
Puravankara Hotels Limited	-	-	-	-	-	-	-	-	-	-
Purva Land Limited	-	-	-	-	-	-	-	-	-	-
Security										
Handiman Services Limited	-	-	-	-	-	-	-	-	16.03	11.16
Rent (excluding service tax)										
Sobha Puravankara Aviation Private Limited	-	-	15.89	15.89		-	-	-		-
Starworth Infrastructure and Construction Limited	4.14	2.06	-	-	-	-	-	-	-	-
Puravankara Investments	-	-	-	-	-	-	-	-	3.80	3.80
Administration charges recovered from										
Pune Projects LLP	-	-	4.60	0.09	-	-	-	-	-	-
Brokerage and referral										
Propmart Technologies Limited	-	-	-	0.32	-	-	-	-	-	-
Travel and conveyance										
Sobha Puravankara Aviation Private Limited	-	-	0.03	0.03	-	-	-	-	-	-
Guarantees given by										
Ravi Puravankara	-	-	-	-	-	-	-	-	-	-
Ashish Puravankara	-	-	-	-	250.00	529.00	-	-	-	-
Guarantees released by										
Ravi Puravankara	-	-	-	-	707.50	653.00	-	-	-	-
Ashish Puravankara	-	-	-	-	-	210.00	-	-	-	-

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

43 Related party transactions *(contd.)*

Nature of transaction	Subsidiaries		Associates / Joint venture		Key management personnel		Relatives of key management personnel		Other related parties	
	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
Guarantees given to										
Provident Housing Limited	663.57	-	-	-	-	-	-	-	-	-
Purva Star Properties Private Limited	-	80.00	-	-	-	-	-	-	-	-
Starworth Infrastructure and Construction Limited	-	8.72	-	-	-	-	-	-	-	-
Guarantees released										
Provident Housing Limited	300.00	-	-	-	-	-	-	-	-	-
Remuneration (Employee benefits expense) **										
Ravi Puravankara										
Short-term employee benefits	-	-	-	-	2.60	2.59	-	-	-	-
Ashish Puravankara										
Short-term employee benefits	-	-	-	-	2.00	1.40	-	-	-	-

* During the year ended 31 March 2017, the Company has entered into an agreement to transfer an investment property, at cost, to its subsidiaries for a total consideration of ₹403.

** As the future liability for gratuity and vacation pay is provided on an actuarial basis for the company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

44 Employee benefits

A. Defined benefit plan

The Company has gratuity and vacation pay as defined benefit retirement plans for its employees. The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity at the rate of 15 days basic salary for each year of service until the retirement age. As at 31 March 2017 and 31 March 2016 the plan assets were invested in insurer managed funds.

The following tables set out the funded status of gratuity plans and the amount recognized in Company's financial statements :

	31 Mar 2017		31 Mar 2016	
	Gratuity	Vacation pay	Gratuity	Vacation pay
1 The amounts recognized in the Balance Sheet are as follows:				
Present value of the obligation as at the end of the year	12.19	1.33	10.24	1.21
Fair value of plan assets as at the end of the year	(4.87)	-	(0.99)	-
Net liability recognized in the Balance Sheet	**7.32**	**1.33**	**9.25**	**1.21**
2 Changes in the present value of defined benefit obligation				
Defined benefit obligation as at beginning of the year	10.24	1.21	10.79	1.25
Service cost	1.54	0.27	1.62	0.23
Interest cost	0.82	0.10	0.74	0.09
Actuarial losses/(gains) arising from				
- change in demographic assumptions				
- change in financial assumptions	0.58	0.07	(0.14)	(0.02)
- experience variance (i.e. Actual experiences assumptions)	0.07	0.06	(0.48)	0.07
Benefits paid	(1.06)	(0.38)	(1.02)	(0.36)
Others		-	(1.27)	(0.05)
Defined benefit obligation as at the end of the year	**12.19**	**1.33**	**10.24**	**1.21**

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

44 Employee benefits *(contd.)*

	31 Mar 2017		31 Mar 2016	
	Gratuity	Vacation pay	Gratuity	Vacation pay
3 Changes in the fair value of plan assets				
Fair value as at the beginning of the year	0.99	-	1.89	-
Expected return on plan assets	0.15	-	0.16	-
Actuarial (losses)/gains	0.57	-	(0.08)	-
Contributions	4.75	-	1.00	-
Benefits paid	(1.06)	-	(1.03)	-
Others	(0.53)	-	(0.95)	-
Fair value as at the end of the year	4.87	-	0.99	-
Non-current	7.32	-	8.51	1.12
Current	-	1.33	0.74	0.09
Assumptions used in the above valuations are as under:				
Interest rate	7.30%	7.30%	8.00%	8.00%
Discount rate	7.30%	7.30%	8.00%	8.00%
Expected return on plan assets	-	-	8.75%	-
Future salary increase	6.00%	6.00%	6.00%	6.00%
Attrition rate	5.00%	5.00%	5.00%	5.00%
Retirement age	60 years	60 years	60 years	60 years
4 Net gratuity and vacation pay cost for the year ended 31 March 2017 and 31 March 2016 comprises of following components.				
Service cost	1.54	0.27	1.62	0.23
Net interest cost on the net defined benefit liability	0.67	0.10	0.58	0.09
Actuarial losses/(gains)	-	0.13	-	0.05
Components of defined benefit costs recognized in Statement of Profit and Loss	2.21	0.50	2.20	0.37

5 Other Comprehensive Income

	31 Mar 2017	31 Mar 2016
Change in financial assumptions	0.58	(0.14)
Experience variance (i.e. Actual experience vs assumptions)	0.07	(0.48)
Return on plan assets, excluding amount recognised in net interest expense	(0.57)	0.08
Components of defined benefit costs recognised in other comprehensive income	0.08	(0.54)

6 Experience adjustments

	31 Mar 2017	31 Mar 2016	31 Mar 2015	31 Mar 2014	31 Mar 2013
Defined benefit obligation as at the end of the year	12.19	10.24	10.79	8.51	6.82
Plan assets	4.87	0.99	1.89	1.99	2.33
Surplus/(deficit)	7.32	9.25	8.90	6.52	4.50
Experience adjustments on plan liabilities	-	(0.62)	(0.14)	(0.21)	0.11
Experience adjustments on plan assets	0.57	(0.09)	0.13	(0.09)	0.03

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

44 Employee benefits *(contd.)*

B. Defined contribution plan

The Company makes contribution of statutory provident fund as per Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Employees State Insurance Scheme as per the Employees' State Insurance Act, 1948. This is a defined contribution and contribution made was ₹1.99 for the year ended 31 March 2017 (31 March 2016- ₹2.70).

C. Sensitivity Analysis

Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:

Interest Rate Risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of liability (as shown in financial statements).

Liquidity Risk: This is the risk that the Company is not able to meet the short term benefit payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk: The present value of the above benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (for example, increase in the maximum liability on gratuity of INR 10,00,000).

Asset Liability Mismatching or Market Risk: the duration of the liability is longer compared to duration of assets exposing the company to market risks for volatilities/fall in interest rate.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

	31 Mar 2017		31 Mar 2016	
	Decrease	Increase	Decrease	Increase
Gratuity				
Discount Rate (- / + 1%)	0.93	(0.81)	0.73	(0.63)
Salary Growth Rate (- / + 1%)	(0.82)	0.94	(0.62)	0.70
Attrition Rate (- / + 50%)	(0.16)	0.10	(0.20)	0.13
Vacation pay				
Discount Rate (- / + 1%)	0.12	(0.11)	0.10	(0.09)
Salary Growth Rate (- / + 1%)	(0.11)	0.12	(0.09)	0.10
Attrition Rate (- / + 50%)	(0.02)	0.02	(0.04)	0.03

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

There is no change in the method of valuation for the prior period..

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

44 Employee benefits *(contd.)*

D. Effect of Plan on Entity's Future Cash Flows

a) Funding arrangements and Funding Policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company

		31 Mar 2017
b)	Expected Contribution during the next annual reporting period	8.93
	The Company's best estimate of Contribution during the next year	
c)	Maturity Profile of Defined Benefit Obligation	
	Weighted average duration (based on discounted cash flows)	8 years
	Expected cash flows over the next (valued on undiscounted basis):	
	1 year	3.65
	2 to 5 years	3.86
	6 to 10 years	4.06
	More than 10 years	12.71

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The statement of profit and loss for the year ended 31 March 2017 includes expenditure amounting to ₹13.54 (previous year ₹24.34), respectively, in respect of completed projects sold during earlier periods.

46 Corporate social responsibility expenses

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The areas for CSR activities are promoting education, art and culture, healthcare, ensuring environmental sustainability, destitute care and rehabilitation and rural development projects. Gross amount required to be spent by the company during the current year ₹2.28 (31 March 2016 - ₹2.58).

Particulars		In cash	Yet to be paid in cash	Total
Construction/acquisition of any asset	31 Mar 2017	-	-	-
	31 Mar 2016	-	-	-
On purposes other than above	31 Mar 2017	2.29	-	2.29
	31 Mar 2016	2.21	-	2.21

47 Disclosure required under Section 186(4) of the Companies Act 2013

For details of loans, advances and guarantees given and securities provided to related parties refer note 43.

48 Segmental information

The Company is engaged in the development and construction of residential and commercial properties which is considered to be the only reportable business segment as per Ind AS 108, 'Segment Reporting'. The Company operates primarily in India and there is no other significant geographical segment. The Company has widespread customer base and no single customer accounted for 10% or more of revenue in any of the years indicated and hence the Company does not have any concentration risk.

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

49 Events occurring after the reporting date

No adjusting or significant non-adjusting events have occurred between 31 March 2017 and the date of authorization of these standalone financial statements.

50 First time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the Company's date of transition).

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A Ind AS optional exemptions

Ind-AS 101, 'First-time Adoption of Indian Accounting Standards', allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind-AS. The Company has accordingly applied the following exemptions.

1 Deemed cost for property, plant and equipment, investment properties and intangible assets

Ind AS 101 'First-time Adoption of Indian Accounting Standards' permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets and investment properties covered by Ind AS 38, 'Intangible Assets' and Ind AS 40, 'Investment Property', respectively. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

2 Leases

Appendix C to Ind AS 17, 'Leases' requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, 'Leases' this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 'First-time Adoption of Indian Accounting Standards' provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to apply this exemption for such contracts/arrangements.

3 Investment in subsidiaries, associates and joint ventures

Ind AS 101, 'First-time Adoption of Indian Accounting Standards' allows a Company to measure investments in subsidiaries, associates and joint ventures at the deemed cost. The Company has considered the carrying amount under previous GAAP as the deemed cost.

B Ind AS mandatory exemptions

1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 31 March 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP except as disclosed in note 10 of first time adoption.

2 Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109, 'Financial Instruments' are met based on facts and circumstances existing at the date of transition.

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

50 First time adoption of Ind AS *(contd.)*

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

a) The effects of the retrospective application or retrospective restatement are not determinable;

b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period;

The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

3 De-recognition of financial assets and liabilities

Ind AS 101, 'First-time Adoption of Indian Accounting Standards' requires a first-time adopter to apply the de-recognition provisions of Ind AS 109,'Financial Instruments' prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101, 'First-time Adoption of Indian Accounting Standards' allows a first-time adopter to apply the de-recognition requirements in Ind AS 109,'Financial Instruments' retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109,'Financial Instruments' to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109,'Financial Instruments' prospectively from the date of transition to Ind AS.

C Reconciliations between previous GAAP and Ind AS

Ind AS 101, 'First-time Adoption of Indian Accounting Standards' requires an entity to reconcile equity, total comprehensive income and cash flows for prior years/periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

50 First time adoption of Ind AS *(contd.)*

(a) Reconciliation of total equity as at 31 March 2016 and 1 April 2015

	Notes to first time adoption	As at 31 Mar 2016				As at 01 Apr 2015			
		IGAAP (refer note 1 below)	Refer note 10 below	Ind AS adjustments	Ind AS	IGAAP (refer note 1 below)	Refer note 10 below	Ind AS adjustments	Ind AS
Assets									
Non-current assets									
(a) Property, plant and equipment	2	75.45	-	(29.64)	45.81	81.60	-	(30.34)	51.26
(b) Capital work-in-progress		-	-	-	-	0.85	-	-	0.85
(c) Investment properties	2,13	-	-	432.64	432.64	-	-	433.34	433.34
(d) Other Intangible assets		4.48	-	-	4.48	4.10	-	-	4.10
(e) Financial assets									
(i) Investments	3	23.68	-	5.80	29.48	38.93	-	5.80	44.73
(ii) Loans and advances	5	393.09	-	(36.61)	356.48	325.87	-	(32.85)	293.02
(iii) Others		10.82	-	-	10.82	10.91	-	-	10.91
(f) Deferred tax assets (net)	11	14.05	20.26	0.13	34.44	20.87	15.55	9.05	45.47
(g) Other non-current assets	5	144.11	(61.10)	0.66	83.67	76.88	-	0.49	77.37
Total Non-current assets		**665.68**	**(40.84)**	**372.98**	**997.82**	**560.01**	**15.55**	**385.50**	**961.06**
Current assets									
(a) Inventories	2,4,5,8,13	3,022.78	-	(335.53)	2,687.25	2,864.93	-	(335.54)	2,529.39
(b) Financial assets									
(i) Trade receivables		219.94	-	-	219.94	313.05	-	-	313.05
(ii) Cash and cash equivalents		191.91	-	-	191.91	116.93	-	-	116.93
(iii) Bank balances other than (ii) above		8.49	-	-	8.49	9.86	-	-	9.86
(iv) Loans and advances		67.61	-	-	67.61	30.37	-	-	30.37
(v) Others		162.40	-	-	162.40	131.47	-	-	131.47
(c) Other current assets	5	155.48	-	0.23	155.71	191.55	(47.03)	0.18	144.71
Total Current assets		**3,828.61**	**-**	**(335.30)**	**3,493.31**	**3,658.16**	**(47.03)**	**(335.36)**	**3,275.77**
Total assets		**4,494.29**	**(40.84)**	**37.68**	**4,491.13**	**4,218.17**	**(31.48)**	**50.14**	**4,236.83**

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

49 First time adoption of Ind AS *(contd.)*

	Notes to first time adoption	As at 31 Mar 2016				As at 01 Apr 2015			
		IGAAP (refer note 1 below)	Refer note 10 below	Ind AS adjustments	Ind AS	IGAAP (refer note 1 below)	Refer note 10 below	Ind AS adjustments	Ind AS
Equity and liabilities									
Equity									
(a) Equity share capital		118.58	-	-	118.58	118.58	-	-	118.58
(b) Other equity	14	1,795.12	(38.27)	23.29	1,780.14	1,732.42	(29.36)	27.37	1,730.43
Total equity		1,913.70	(38.27)	23.29	1,898.72	1,851.00	(29.36)	27.37	1,849.01
Liabilities									
Non-current liabilities									
(a) Financial liabilities									
(i) Borrowings	4	943.91	-	(10.92)	932.99	654.88	-	(10.52)	644.36
(ii) Other financial liabilities		4.17	-	-	4.17	2.68	-		2.68
(b) Provisions		9.63	-	-	9.63	8.24	-	-	8.24
Total non-current liabilities		957.71	-	(10.92)	946.79	665.80	-	(10.52)	655.28
Current liabilities									
(a) Financial liabilities									
(i) Borrowings	4	746.63	-	(2.51)	744.12	619.33	-	(4.12)	615.21
(ii) Trade payables		205.36	-	-	205.36	210.44	-	-	210.44
(iii) Other financial liabilities		382.91	-	(1.93)	380.98	527.15	-	(2.05)	525.10
(b) Other current liabilities	3,4,7,8	262.02	(2.57)	52.03	311.48	298.30	(2.12)	83.70	379.88
(c) Provisions	6	23.11	-	(22.28)	0.83	46.15	-	(44.24)	1.91
(d) Current tax liabilities (net)		2.85	-	-	2.85	-	-	-	-
Total current liabilities		1,622.88	(2.57)	25.31	1,645.62	1,701.37	(2.12)	33.29	1,732.54
Total equity and liabilities		4,494.29	(40.84)	37.68	4,491.13	4,218.17	(31.48)	50.14	4,236.83

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

50 First time adoption of Ind AS *(contd.)*

(b) Reconciliation of Statement of Profit and loss as previously reported under IGAAP and Ind AS :

Particulars	Notes to first time adoption	Year ended 31 Mar 2016			
		IGAAP (refer note 1 below)	Refer note 10 below	Ind AS adjustments	Ind AS
Income					
Revenue From Operations	8	983.22	-	32.47	1,015.69
Other Income	8	56.92	-	2.26	59.18
Total		**1,040.14**	**-**	**34.73**	**1,074.87**
Expenses					
Material and contract cost		558.25	-	-	558.25
Land cost	5	206.58	-	(58.39)	148.19
(Increase) in inventory of properties held for development, properties under development and properties held for sale	4,5,8	(233.13)	-	71.49	(161.64)
Employee benefits expense	9	69.51	-	0.54	70.05
Finance costs	4	193.00	-	(7.48)	185.52
Depreciation and amortization expense		10.51	-	-	10.51
Other expenses	7	138.10	13.62	2.29	154.01
Total		**942.82**	**13.62**	**8.45**	**964.89**
Profit before tax		**97.32**	**(13.62)**	**26.28**	**109.98**
Tax expense					
Current tax		21.28	-	-	21.28
Deferred tax	11	(1.45)	(4.71)	8.75	2.59
Profit after tax		**77.49**	**(8.91)**	**17.53**	**86.11**
Other Comprehensive Income					
(a) Items that will not be reclassified to profit or loss					
(i) Re-measurement of gains/(losses) on defined benefit plans	12	-	-	0.54	0.54
(ii) Income tax relating to items that will not be reclassified to profit or loss	12	-	-	(0.18)	(0.18)
(b) Items that will be reclassified to profit or loss		-	-	-	-
Total Other Comprehensive Income for the year		**-**	**-**	**0.36**	**0.36**
Total comprehensive income for the year		**77.49**	**(8.91)**	**17.89**	**86.47**

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

50 First time adoption of Ind AS *(contd.)*

(c) Reconciliation of total equity as at 31 March 2016 and 01 April 2015

Particulars	Notes to first time adoption	31 Mar 2016	01 Apr 2015
Total equity (shareholder's funds) as per previous GAAP		1,795.12	1,732.42
Change in accounting estimate (refer note 10)	10	(58.53)	(44.91)
Deferred tax impact on above (refer note 10)	10	20.26	15.55
Total equity (shareholder's funds)		**1,756.85**	**1,703.06**
Adjustments:			
Application of Guidance Note on real estate revenue recognition retrospectively	8a,8b	(9.99)	(30.85)
Reversal of proposed dividend and tax on proposed dividend	6	22.26	44.24
Impact of financial assets and liabilities carried at amortised cost	3,4,5	6.20	1.00
Impact of reversal of lease straight lining	7	4.69	3.92
Reclassification of actuarial loss on employee benefit to other comprehensive income	9	(1.46)	(0.92)
Deferred tax impact on above adjustments	11	0.63	9.38
Other comprehensive income, net of deferred tax	12	0.96	0.60
Total adjustments		**23.29**	**27.37**
Total equity as per Ind AS		**1,780.14**	**1,730.43**

(d) Cash flow statement

Particulars	Notes to first time adoption	As per Previous GAAP	Other Ind AS Adjustments	Amount as per Ind AS
Net cash from operating activities	13	94.91	(59.10)	35.82
Net cash (used in) investing activities	13	(78.05)	59.09	(18.96)
Net cash from / (used in) financing activities		58.12	-	58.12
Net increase/(decrease) in cash and cash equivalents		74.98	-	74.98
Cash and cash equivalents at the beginning of the year		116.93	-	116.93
Cash and cash equivalents at the end of the year		191.91	-	191.91

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

50 First time adoption of Ind AS *(contd.)*

(f) Notes

1 To comply with the Companies (Accounting Standard) Rules, 2006, certain account balances have been regrouped as per the format prescribed under Division II of Schedule III to the Companies Act, 2013. Other significant reclassifications are given below:

Particulars	01 Apr 2016 (Reported)	Adjustment	01 Apr 2016 (Reclassified)	01 Apr 2015 (Reported)	Adjustment	01 Apr 2015 (Reclassified)
Trade receivables	219.69	0.25	219.94	313.05	-	313.05
Other current assets	155.73	(0.25)	155.48	191.55	-	191.55
Non-current borrowings	943.91	-	943.91	615.68	39.20	654.88
Other financial liabilities	382.91	-	382.91	566.35	(39.20)	527.15
Trade payables	203.82	1.54	205.36	210.44	-	210.44
Other financial liabilities	384.45	(1.54)	382.91	527.15	-	527.15

2 Investment properties

Under the previous GAAP, investment properties were presented as part of fixed assets or properties held for development. Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or profit as a result of this adjustment.

3 Financial guarantee

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified subsidiary fails to make a payment when due in accordance with the terms of a debt instrument. Under previous GAAP, there was no requirement to account for financial guarantees given by the Company. Under Ind AS, financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109, 'Financial Instruments' and the amount recognized less cumulative amortization.

4 Borrowings

Ind AS 109, 'Financial Instruments' requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in the profit or loss or inventorized as a part of project under development, as the case may be over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss or inventorized as a part of project under development as and when incurred. Accordingly, borrowings as at 01 April 2015 and 31 March 2016 have been reduced with a corresponding adjustment to retained earnings.

5 Security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) were recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly, the Company has recognized these security deposits at fair value and subsequently measured them at amortized cost. Difference between the fair value and transaction value of the security deposit has been recognized as prepaid rent which would be amortized over a straight line basis over the period of the deposit.

Under the previous GAAP, interest free security deposits towards joint development (that are refundable in cash on completion of the construction) were recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value and subsequently measured them at amortized cost. Accordingly, the Company has measured these security deposits at fair value. Difference between the fair value and transaction value of the security deposit has been recognized as land cost.

6 Other payable

Under previous GAAP, dividends proposed by the board of directors after balance sheet date but before the approval of the financial statements were considered as adjusting events. However, under Ind AS, such dividends are recognized when the same is approved by the shareholders in the general meeting.

Accordingly, the liability for proposed dividend recognized as on transition date has been reversed with corresponding adjustment to

Summary of significant accounting policies and other explanatory information

50 First time adoption of Ind AS *(contd.)*

opening retained earnings and dividend in the subsequent period has been recognized in the year of approval in the general meeting.

7 Operating leases

Under the previous GAAP, operating lease payments were recognized as an expense in the statement of profit and loss on a straight-line basis. Under Ind AS, operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs. Accordingly the lease equalization reserve has been written back with a corresponding adjustment to retained earnings.

8 Revenue

a. Under the previous GAAP, in accordance with the "Guidance Note on Accounting for Real Estate Transactions (Revised 2012)", construction revenue for projects commenced on or after 01 April 2012 or where revenue was recognized for the first time after the aforesaid date, was recognized on percentage of completion method provided the following thresholds have been met:

(a) all critical approvals necessary for the commencement have been obtained;

(b) the expenditure incurred on construction and development costs is not less than 25 percent of the total estimated construction and development costs;

(c) at least 25 percent of the saleable project area is secured by agreements with buyers; and

(d) at least 10 percent of the agreements are realized at the reporting date in respect of such contracts

Under Ind AS, in accordance with the "Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable)", construction revenue is recognized for all the projects whether commenced before or after 01 April 2012, provided the thresholds mentioned above have been met. Accordingly, revenue and properties under development for the period ended 31 March 2016 have been adjusted with a corresponding adjustment to retained earnings.

b. Joint development arrangements

Under the previous GAAP, for projects executed through joint development arrangements prior to 01 April 2012, which represent barter transactions, whereby the Company gives up a defined percentage of constructed area in lieu of payment for its share in the land, the Company accounted for such transactions on net basis and did not ascribe any value to the share of land acquired on such basis. Effective 01 April 2012, in accordance with the Guidance Note, developmental rights acquired through joint development arrangement are recorded on a gross basis on the estimated amount to be spent on development or construction of built-up area to be surrendered in lieu of the above rights.

Under Ind AS, the Company accounts for such developmental rights on gross basis for all the projects retrospectively. Accordingly, land cost has been recognized with a corresponding impact to other current liabilities, revenue and properties under development for the period ended 31 March 2016 has been adjusted with a corresponding adjustment to other current liabilities.

c. Borrowing costs

The Company has capitalized its borrowing cost including its processing fees in accordance with the previous GAAP, the adjustment to the same as per note 4 has resulted in a change of percentage of completion and accordingly, revenue for the period ended 31 March 2016 has been adjusted with corresponding adjustments to properties under development and retained earnings.

d. Security deposits

The Company has capitalized the interest income arising from security deposits as mentioned in note 5, which has resulted in a change of percentage of completion and accordingly, revenue for the period ended 31 March 2016 has been adjusted with corresponding adjustments to properties under development and retained earnings.

9 Defined benefit liabilities

Both under Previous GAAP and Ind AS, the Group recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, re-measurements comprising of actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced by such amount with a corresponding adjustment on defined benefit plans has been recognized in the OCI net of tax.

Summary of significant accounting policies and other explanatory information

50 First time adoption of Ind AS *(contd.)*

10 Change in accounting estimate

Until the year ended 31 March 2016, the Company was recording the lease expenses in respect of an operating lease of an aircraft based on actual consumption/ usage of hours committed under the take or pay lease agreement. During the year ended 31 March 2017, the lease expense in respect of the aforesaid take-or-pay agreement have been accounted on a straight-lined basis over the lease term in accordance with the Ind-AS 17, 'Leases'.

11 Deferred tax

Under previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period. Under IND AS, deferred tax is recognized following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments has also lead to recognition of deferred taxes on new temporary differences.

12 Other comprehensive income

Under Ind AS, all items of income and expense recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

13 Property held for development (PHD)

Under the previous GAAP, PHD which represents land acquired for future development and construction was shown as a separate head under non-current assets. Under Ind AS, PHD to the extent which is not an investment property is included as inventory as it will be used for development and sale of residential and commercial units.

14 Retained earnings

Retained earnings as at 01 April 2015 and 31 March 2016 has been adjusted consequent to the above Ind AS transition adjustments.

For Walker Chandiok & Co LLP
Chartered Accountants

per Sanjay Banthia
Partner

Bengaluru
29 May 2017

For and on behalf of the Board of Directors of Puravankara Limited
(formerly Puravankara Projects Limited)

Ashish Puravankara
Managing Director
DIN 00504524

Nani R Choksey
Joint Managing Director
DIN 00504555

Kuldeep Chawla
Chief Financial Officer

Bindu D
Company Secretary
M No. 23290

Bengaluru
29 May 2017

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