



Building  
on FUNDAMENTALS.

Delivering on  
PROMISE.

ANNUAL REPORT 2015-16  
PRESTIGE ESTATES PROJECTS LIMITED

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**28+**  
Years of legacy

**195**  
Projects completed  
since inception

**66.97 mn sqft**  
Area developed since inception

**70.45 mn sqft**  
Area covered with  
65 ongoing projects

**47.73 mn sqft**  
Area covered with  
36 upcoming projects

**200+**  
Awards received till date

**ICRA A+,  
ICRA A1+**  
Credit rating by ICRA


**CRISIL DA 1**  
Rated developer by CRISIL

Prestige White Meadows, Bengaluru (shot on site)

## Forward-Looking Statements

This Annual Report contains forward-looking information to enable investors to comprehend the Company's prospects and take investment decisions. This report and other periodical statements by the Company, whether written and/or oral, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.





Business models are tested to the limit, when low-hanging fruits are few, and strategies have to be constantly recalibrated to suit changing realities.

Seen through this lens, Prestige has been largely successful during FY 2015-16. In a year marked by subdued demand, we surpassed most of the guidance that we provided for the year. We forayed into unexplored markets and entered into the new business segment of warehousing to capitalise on opportunities that came our way.

We launched seven projects covering 8.35 million square feet of developable area and delivered nine projects with 4.71 million square feet of developable area. In addition we also added twelve new projects to the pipeline with over 13 million square feet of developable area. Besides, we concluded a strategic acquisition to enhance stability and visibility of our earnings.

Our pipeline has the potential to generate significant yields; and we are well positioned to drive substantial growth in earnings and cash flows, going forward.

As the Indian economy powers ahead, we are expanding our footprint across diverse segments and geographies and sharpening our capabilities to address evolving aspirations.

# This is the best way forward for us.

To continue building on our fundamentals, and delivering on the brand promise.



## A PROMINENT BRAND

*Our objective has always been to improve customer experiences through consistent innovation; and bring their aspirations to life.*

Started in 1986, Prestige Estates Projects Limited (Prestige/Prestige Group/Prestige Estates) has emerged as one of the most respected and distinguished brands in India's real estate industry.

With strong fundamentals and focus on sustained innovation, Prestige continues to fulfill evolving aspirations of customers across a diverse portfolio, comprising residential, commercial, retail, leisure, and hospitality segments. Ever since inception, we have focused on property development across multiple formats, largely in Southern India.

Despite industry volatilities and other macro challenges, Prestige has been successful in expanding presence in South India and new markets; bringing refreshing ideas in the residential, commercial, retail, leisure and hospitality sectors, and property management services. By building contemporary properties across Bengaluru, Chennai, Hyderabad, Mangalore, Kochi, Mysuru, Goa, Pune and Ahmedabad, we will continue to script a promising journey ahead.

### Shareholders Information\*

**₹172.35**

BSE (Closing Price)

**₹64,781 mn**

Market Capitalisation

**₹172.75**

NSE (Closing Price)

**12%**

Interim Dividend

\* As on 31st March 2016  
Face Value ₹ 10 Per Share

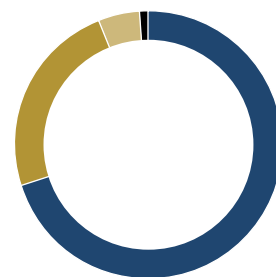
### Our Vision

To continuously exceed the expectations of our customers and employees and become a benchmark for quality in every field the Prestige Group ventures into.

### Our Mission

To improve customer experiences through constant innovation and understanding, with a focus on quality and transparency of processes so that when it comes to Prestige, customers come to expect nothing but the best from us. Every time.

### Shareholding Pattern %



Promoters	70
FIs	24
Mutual Funds	5
Retail	1

Prestige Valley Crest, Mangalore  
(artist's impression)



## Corporate Values



### Passion

Passion is our strongest motivator. We are alert to new ideas, eager to learn more and positive towards setbacks. We are driven to break barriers and set new benchmarks. Passion pushes us to explore possibilities so we can give our customers more than they expect.



### Transparency

With Prestige, there are no asterisks tucked away in our communication, no hidden clauses in our legal documents, and absolutely no shades of grey in our business processes.



### Towards greener pasture

As a group with the wisdom of years of experience, we understand how the skyline of a city can reflect on its economic well-being. We also understand that we have a responsibility to give back to the society that has helped shape us into what we are today. That's why we are committed to giving our best to the environment we operate in. Without compromise.



### Out-of-the-box thinking

We are about finding innovative ways of doing things and setting higher benchmarks. We approach every task ahead of us with an attitude of never say never.



### Quality

Our focus on quality borders on the obsessive. At Prestige, it's not just a catchphrase, but a way of life. And so we dedicate every minute in the pursuit of it, stopping short of nothing to ensure it reflects in all we do.



### Firm commitment

Prestige is known for its commitments:

- Providing a broad spectrum of integrated solutions
- Meeting and exceeding customer needs and expectations
- Adopting the latest technologies to deliver state-of-the-art developments with great care and detailing
- Ensuring conservation and eco-friendly developments
- Making continuous improvement in all areas of activity based on customer inputs in order to improve customer satisfaction
- Contributing to the welfare of society

1	2
3	4
5	6

- 1 Prestige Royale Gardens, Bengaluru (artist's impression)
- 2 Prestige Valley Crest, Mangalore - (artist's impression)
- 3 Prestige Golfshire, Bengaluru (shot on site)
- 4 Prestige Ivy League, Hyderabad (artist's impression)
- 5 Prestige Valley Crest, Mangalore (artist's impression)
- 6 Prestige High Fields, Hyderabad (artist's impression)



## WELL-DIVERSIFIED BUSINESS MODEL

### Residential

Apartments, Villas, Integrated Townships and Plotted Developments



### Commercial

Office Space, Built-to-Suit Campuses, SEZs and IT Parks



### Retail

Malls, Logistics and Warehousing



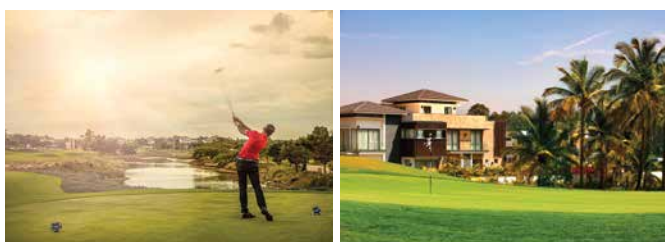
### Hospitality

Resorts, Serviced Apartments, Hotels and Food Courts



### Services

Fit-out services, Interior Design & Execution, Facilities & Property Management, and Project & Construction Management Services



All images shown on this page are shot on site except image 2 which is artist's impression

1	2	5	6
3	4	7	8
9	10	13	14
11	12	15	16
17	18		

- 1 Prestige Silver Springs, Chennai
- 2 Prestige High Fields, Hyderabad
- 3 Prestige Golfshire, Bengaluru
- 4 Prestige Park View, Bengaluru
- 5 Prestige Khoday Tower, Bengaluru
- 6 Prestige Technopolis, Bengaluru
- 7 Prestige Dynasty, Bengaluru
- 8 Prestige Velocity, Bengaluru
- 9 UB City, Bengaluru
- 10 Forum Neighbourhood Mall, Bengaluru
- 11 Forum Fiza Mall, Mangalore
- 12 Forum Mall, Bengaluru
- 13 Angsana Resort, Bengaluru
- 14 Angsana Resort, Bengaluru
- 15 Angsana Resort, Bengaluru
- 16 Angsana Resort, Bengaluru
- 17 Prestige Golfshire, Bengaluru
- 18 Prestige Golfshire, Bengaluru

	Segments	Number of Projects	Developable Area (million square feet)
<b>Completed Projects</b>			
<b>a. Segment-wise</b>	Residential	75	24.22
	Commercial	100	29.15
	Retail	6	4.81
	Hospitality	6	1.37
	Plotted Development	8	7.42
	<b>Total</b>	<b>195</b>	<b>66.97</b>
<b>Ongoing Projects</b>			
<b>a. Segment-wise</b>	Residential	50	60.37
	Commercial	6	4.97
	Retail	6	3.04
	Hospitality	3	2.07
	<b>Total</b>	<b>65</b>	<b>70.45</b>
<b>b. Geography-wise</b>	Bengaluru	52	57.31
	Chennai	3	5.80
	Kochi	5	3.50
	Hyderabad	3	3.15
	Mysuru	2	0.69
	<b>Total</b>	<b>65</b>	<b>70.45</b>
<b>Upcoming Projects</b>			
<b>a. Segment-wise</b>	Residential	24	32.29
	Commercial	10	13.66
	Retail	2	1.78
	<b>Total</b>	<b>36</b>	<b>47.73</b>
<b>b. Geography-wise</b>	Bengaluru	22	32.93
	Chennai	4	4.94
	Kochi	2	1.98
	Mangalore	4	1.73
	Hyderabad	1	4.26
	Ooty	1	0.07
	Pune	1	1.40
	Ahmedabad	1	0.42
	<b>Total</b>	<b>36</b>	<b>47.73</b>

## OUR COMPETITIVE ADVANTAGES

# Strong fundamentals

### Diversified cash flows from various business segments

A diversified business model spread across residential, commercial, retail, hospitality constructions and real estate services, safeguards our revenue stream against sectoral downturns. Besides, Prestige is among the few in the industry to focus on site development, project designing, construction, interior designing and post completion project management; all under one roof.

### High-quality annuity base

Our commercial and retail portfolio are strategically located; and have high occupancy rate with premium rentals, thanks to our longstanding relationship with a diversified and wide base of financially sound and distinguished tenants.

### High revenue visibility, coupled with deep development pipeline

Unrecognised revenue stood at ₹ 73,726 million as on 31st March 2016, which gives a robust revenue visibility for the next couple of years. In addition, a deep development pipeline will further strengthen our cash flow, going forward.

### Strong associations with various banks & financial institutions

Strong investment grade balance sheet (credit rating of ICRA A+ and ICRA A1+) and association with various banks have led to superior access to low-cost funding.

### Excellence across sectors

With superior execution and unparalleled portfolio, Prestige is one of the most respected and highly regarded brands in the Indian real estate industry. We have been recognised and awarded for excellence across residential, commercial, retail and hospitality sectors, with over 200 awards since inception.

### Trusted by land owners and customers

Fair dealing and reputation of integrity have made Prestige a preferred industry participant. In addition, CRISIL DA1 rating translate into enhanced trust.





Prestige Silver Springs - street night view  
(artist's impression)

### **Stable cash flows by way of growing annuity base**

Prestige's rental income continues to be a bright spot of the business, with growth at 37% year-on-year. The exit rental income during FY 2015-16 was at ₹ 5.1 billion. We leased around 1.32 million square feet of space in FY 2015-16. Based on ongoing projects and new developments, the Company is on track to almost double its existing rental income in a 3-4 years period. Rentals/Annuity income also securitise nearly 50% of our debt.

### **Robust partnership strategy**

Prestige creates strong alliances with partners, who are leaders in their respective areas. These include CRIDF (associate of Capita Malls Asia – one of Asia's largest pure-play shopping mall owners, developers and managers) for our retail projects, and Marriott, Hilton, Starwood, Sheraton, and Banyan Tree Hotel & Resorts for hospitality projects. In addition, we have superior access to land bank through capital light joint development model.

### **Array of iconic developments in portfolio**

With superior execution and unparalleled portfolio, Prestige has pioneered many landmark developments and introduced many firsts to South India. Forum Mall, Prestige Shantiniketan, UB City, Prestige Golfshire and Prestige Technopolis are some of the many iconic developments that form a part of our portfolio.

### **Quality compliance**

Prestige is known for its Quality Management System hierarchy that is strictly complied with across all properties. This system includes departmental guidelines and work instructions as well as essential directions for the quality management system from the top management, covering all requirements of ISO 9001:2008. To this effect, quality records are maintained methodically and carefully. We are consistently upping our green quotient in every aspect of operations. We address environmental safeguards and improvements in all our developments for the conservation and development of a greener and safer environment.

**OPERATIONAL HIGHLIGHTS FY 2015-16****₹31,498mn**

New Sales Value

**5.01mn sqft**

New Sales Volume

**1.32mn sqft**

Leasing Volume

**₹6,286mn**

Average Realisation/Sqft

**₹39,513mn**

Collections at all-time high

**₹4,468mn**

Annuity Income up by 37%



Prestige Valley Crest, Mangalore (artist's impression)

**Pune & Ahmedabad**

Entry into new markets

**30+**

Awards bagged during FY 2015-16

**7**

Projects launched with developed area of 8.35 mn sqft

**Logistics & Warehousing**

Entry into new business segments

**9**

Projects delivered with developed area of 4.71 mn sqft

**12**

New projects added with over 13 mn sqft of developable area