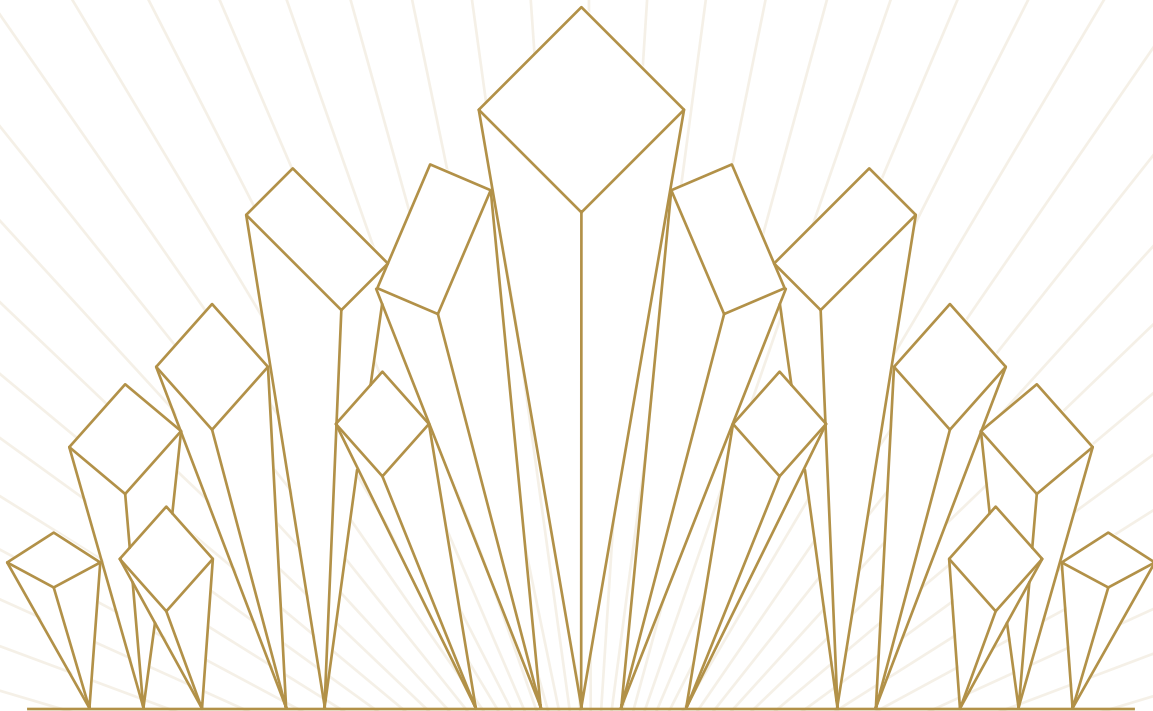
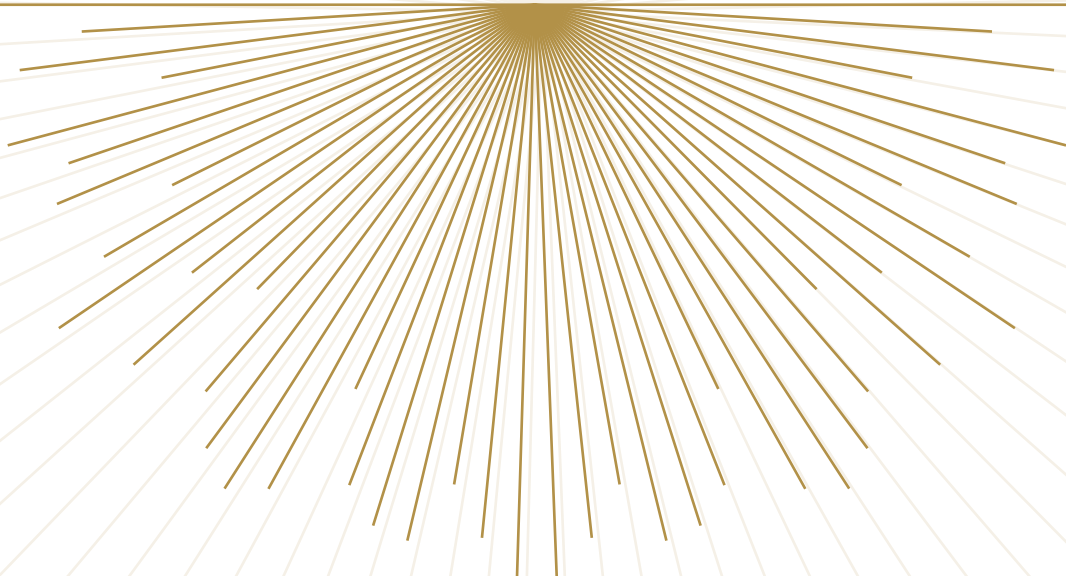




PRESTIGE ESTATES PROJECTS LIMITED
ANNUAL REPORT 2018-19



SCALING NEW HEIGHTS
GROWING DEEPER AND WIDER



MAKING DEEPER INROADS

24.09 mn sq. ft.

203% y-o-y growth
RECORD COMPLETION

₹45,571 mn

38% y-o-y growth
PRE-SALES

7.09 mn sq. ft.

46% y-o-y growth
NEW SALES VOLUME

₹44,085 mn

3% y-o-y growth
STRONG COLLECTIONS

₹7,487 mn

21% y-o-y growth
RENTAL INCOME

₹52,841 mn

REVENUE

₹15,660 mn

EBITDA

₹4,408 mn

PAT

30%

EBITDA MARGIN

8%

PAT MARGIN

Outlook

PURSuing WIDER GROWTH

135.96 mn sq. ft.

IN PIPELINE

₹100 bn

REVENUE POTENTIAL
FROM HDFC RESIDENTIAL
PLATFORM

2x

ANNUITY INCOME IN
THE NEAR TERM

Retail
17

MALLS IN THE
NEAR TERM

FY 2019-20 GUIDANCE

50,000 - 60,000

NEW SALES VALUE*

50,000 - 55,000

TURNOVER*

45,000 - 50,000

COLLECTIONS*

10 - 12

LAUNCH VOLUME**

10 - 12

PROJECTS
COMPLETED**

2 - 2.5

LEASING VOLUME**

9,500 - 10,000

EXIT RENTAL INCOME*

1.40x

CONSOLIDATED
DEBT EQUITY RATIO

* Value in ₹mn

** Volume in mn sq. ft.



At Prestige, we are on a path of constant transformation while staying true to our roots. Carrying forward a rich legacy of delighting our customers, we are scaling newer heights while growing our presence. We are breaking ground in newer geographies while furthering our leadership in the existing cities. With our undivided passion, we are performing today and promising a stronger tomorrow.



WHAT'S INSIDE

CORPORATE OVERVIEW

PRESTIGE AT A GLANCE	02
KEY BUSINESSES	03
MARQUEE PROJECTS	04
SCALE OF OPERATIONS	05
INVESTMENT CASE	06
MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR	08
MESSAGE FROM THE CHIEF EXECUTIVE OFFICER	10
KEY PERFORMANCE INDICATORS	12
STRATEGIC FOCUS AREAS	14
OPERATIONAL OVERVIEW	
• RESIDENTIAL	16
• COMMERCIAL/OFFICE	20
• RETAIL	24
• HOSPITALITY	28
• PROPERTY MANAGEMENT	32
BOARD OF DIRECTORS	34
LEADERSHIP TEAM	38
PEOPLE AND CSR	42
AWARDS AND RECOGNITIONS	46

STATUTORY REPORTS

MANAGEMENT DISCUSSIONS AND ANALYSIS	50
BOARD'S REPORT	56
CORPORATE GOVERNANCE REPORT	85
BUSINESS RESPONSIBILITY REPORT	102

FINANCIAL STATEMENTS

STANDALONE FINANCIAL STATEMENTS	
INDEPENDENT AUDITOR'S REPORT	108
BALANCE SHEET	118
STATEMENT OF PROFIT AND LOSS	119
STATEMENT OF CHANGES IN EQUITY	120
STATEMENT OF CASH FLOWS	121
NOTES	123
CONSOLIDATED FINANCIAL STATEMENTS	
INDEPENDENT AUDITOR'S REPORT	195
BALANCE SHEET	202
STATEMENT OF PROFIT AND LOSS	203
STATEMENT OF CHANGES IN EQUITY	204
STATEMENT OF CASH FLOWS	205
NOTES	207

Prestige at a glance

DELIVERING DELIGHT WITH EVERY DEVELOPMENT

DELIVERY IN FY 2018-19

24.09 mn sq. ft. area

17 projects

10,000+ homes



(Shot at location)



Prestige Estates Projects Limited (Prestige/PEPL) is one of India's largest real estate developers with well-established presence in India's high-growth locations.

For 32 years, Prestige has been adding value for its stakeholders by focussing on premium design, unmatched quality and prompt delivery. Till date, the Company has delivered 231 benchmark projects with a cumulative area of 112.67 mn sq. ft., a feat achieved with visionary leadership, prudent strategy and unwavering customer-centricity.

5

BUSINESS
SEGMENTS

2,00,000+

RESIDENTS AT PRESTIGE
PROPERTIES

10

FORUM
SHOPPING
MALLS

300+

AWARDS WON

CRISIL DA1

HIGHEST
DEVELOPER
GRADING

ICRA A+ (Long-term)/
ICRA A1+ (Short-term)

CREDIT RATING

Key businesses

OUR CORE BUSINESS SEGMENTS

RESIDENTIAL

Our residential properties cater to premium and mid-segment customers. Spread across multiple cities, we design and develop contemporary living spaces. Our residential projects span townships, apartments, luxury villas, mansions, row houses, town homes, golf developments and plots.

 [Read more on Page 16](#)

99
COMPLETED PROJECTS WITH
64.11 MN SQ. FT.

34
ONGOING PROJECTS
WITH 37.36 MN SQ. FT.

23
UPCOMING PROJECTS WITH
40.11 MN SQ. FT.

156
TOTAL PROJECTS
WITH 141.58 MN SQ. FT.

COMMERCIAL/OFFICE

Over the years, Prestige has developed several state-of-the-art, Grade A office spaces that are located in prime locations within cityscapes. Our office portfolio offers world-class design and space economy. This has led to Prestige housing a large proportion of urban youth, by partnering with large corporates as our clientele.

 [Read more on Page 20](#)

106
COMPLETED PROJECTS WITH
31.47 MN SQ. FT.

11
ONGOING PROJECTS
WITH 7.84 MN SQ. FT.

10
UPCOMING PROJECTS WITH
14.95 MN SQ. FT.

127
TOTAL PROJECTS WITH
54.26 MN SQ. FT.

RETAIL

Our retail spaces comprise malls that garner thousands of footfalls every day. The malls built and operated by Prestige have become landmarks of major Indian cities, housing several international and domestic brands.

 [Read more on Page 24](#)

10
COMPLETED PROJECTS WITH
7.12 MN SQ. FT.

3
ONGOING PROJECTS WITH
2.42 MN SQ. FT.

4
UPCOMING PROJECTS WITH
3.17 MN SQ. FT.

17
TOTAL PROJECTS WITH
12.71 MN SQ. FT.

HOSPITALITY

In association with global players such as Hilton, Sheraton, Marriott, and Oakwood, we build and operate modern hotels, located at prime locations.

 [Read more on Page 28](#)

8
COMPLETED PROJECTS WITH
2.55 MN SQ. FT.

1
ONGOING PROJECTS WITH
1.11 MN SQ. FT.

9
TOTAL PROJECTS WITH
3.66 MN SQ. FT.

PROPERTY MANAGEMENT

The Group's Property Management Services (PMS) segment was instituted to provide world class support and maintenance services for all Prestige Properties. We have been credited as the first property developer in the country to have a dedicated PMS platform, and it has a revenue potential of ₹12,100 mn.

 [Read more on Page 32](#)

PLOTTED DEVELOPMENT

In line with the demand for housing plots, Prestige has included plotted development as a diversified offering in the portfolio. This is expected to further overall sales and garner faster cash flows.

8
COMPLETED PROJECTS WITH
7.42 MN SQ. FT. AREA

OUR EXECUTION TRACK RECORD AND DEVELOPMENT PIPELINE

231
COMPLETED
PROJECTS WITH
112.67 MN SQ. FT.

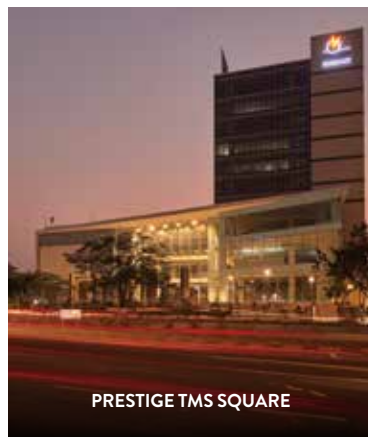
49
ONGOING
PROJECTS WITH
48.73 MN SQ. FT.

37
UPCOMING
PROJECTS WITH
58.23 MN SQ. FT.

29 mn sq. ft.
LAND BANK/DEAL
PIPELINE

317
TOTAL
PROJECTS WITH
248.63 MN SQ. FT.

Marquee projects



(All pictures shot at location)



Scale of operations

SCALING NEW HEIGHTS DELIVERING COMMITMENTS

Prestige has a large portfolio of completed, ongoing and upcoming projects across its five core verticals. While the completed projects testify to the Company's prowess in building landmark structures, ongoing and upcoming projects reflect Prestige's contemporary design flavour and customer serviceability.

77 mn sq. ft.

—
RESIDENTIAL PROJECTS
UNDER CONSTRUCTION/
PLANNING

₹26,632 mn

—
RENTAL PER ANNUM
ANNUITY PORTFOLIO
(NEAR TERM)

17 shopping malls

—
PORTFOLIO IN NEAR TERM
(10 MALLS OPERATIONAL)

1,559+ keys

—
HOSPITALITY PORTFOLIO
IN NEAR TERM
(1,262 KEYS OPERATING)

29 mn sq. ft.

—
LAND BANK
DEVELOPMENT
POTENTIAL

100 bn

—
POTENTIAL TOPLINE
FROM JV WITH HDFC
CAPITAL AFFORDABLE REAL
ESTATE FUND

PRESENCE ACROSS
12 key cities of India

CREATING CONSISTENT VALUE



1. IMPECCABLE EXECUTION TRACK RECORD OF OVER THREE DECADES

In business since 1986 and listed since 2010, Prestige has delivered 231 projects spanning different segments to become one of the largest real estate developers. Over the years, these projects have won numerous awards for their design and development. Today, the Prestige brand has become synonymous with high-quality real estate. This has led to the Company receiving the highest developer grading of DA1 by CRISIL.

2. WELL-DIVERSIFIED BUSINESS WITHIN REAL ESTATE SPACE

Prestige's well-diversified business straddles the residential, commercial, retail, hospitality and property management verticals. Leased properties managed by the Company are consistent sources of cash flows while sales of newly developed properties should lead the way forward. The Company is also venturing into newer locations to diversify its geographical presence. Currently, the Company has presence in 12 geographies.

3. SET TO BENEFIT MOST FROM CHANGING INDUSTRY LANDSCAPE

The real estate industry has witnessed wide-ranging reforms in the recent past with the government implementing the Real Estate (Regulation and Development) Act (RERA, 2016) and rolling out the Goods and Services Tax (GST). These much-needed reforms have not only improved transparency in the sector, but have also triggered an industry-wide consolidation. Prestige, with its impeccable execution track record of more than three decades and high level of governance and compliance standards, stands to be one of the biggest beneficiaries of this changing industry landscape.



Since listing, Prestige has consistently grown, delivering returns and multiplying the value of all key performance parameters.

ONGOING/PLANNING PROJECTS

52.9 mn sq. ft.

106.96 mn sq. ft.

TURNOVER

₹10,865 mn

₹52,841 mn

EBITDA

₹3,308 mn

₹15,660 mn

BALANCE SHEET SIZE

₹59,389 mn

₹2,86,982 mn



(Shot at location)

4. STRONG MACRO AND STRUCTURAL TAILWINDS TO DRIVE GROWTH

In India, rising income levels, rapid urbanisation and strong consumption-led economic growth are driving realty demand. Real estate in India is projected to reach a market size of US\$1 trillion by 2030 from US\$120 billion in 2017 and contribute 13% to the country's GDP by 2025 (Source: NAREDCO and APREA report). The government's continued infrastructure push bodes well for the sector in general, and retail, hospitality and commercial real estate in particular. Prestige, being an established player across all verticals, is well positioned to capitalise on these opportunities.

5. ROBUST FINANCIAL PERFORMANCE

Over the years, Prestige has consistently delivered on its shareholder metrics, as much as it has on its customer focus. This track record is expected to continue.

The Company's execution track record is unparalleled with new milestones being achieved every year, across all parameters.

6. VISIONARY LEADERSHIP AND MANAGEMENT

Led by Mr. Irfan Razack, a doyen in the Indian real estate development space, and his brothers Mr. Rezwan Razack and Mr. Noaman Razack, Prestige has come a long way. Under their able leadership, Prestige has proactively responded to industry trends and have fostered value-led growth.

Message from the Chairman and Managing Director

DELIVERING ON COMMITMENTS. CONSISTENTLY.



IRFAN RAZACK
CHAIRMAN & MANAGING DIRECTOR



“We, at Prestige, are excited to enter this new era which gives us significant headroom to grow and explore.”

Dear Stakeholders,

I'm pleased to present your Company's Annual Report for FY 2018-19. Throughout the year, we continued to deliver on our commitments and invest in our future.

We are in an opportune time when our country is setting new benchmarks. At over 7% growth rate, India remains the world's fastest growing major economy. A robust consumption economy, strong government expenditure and rising domestic and foreign investments characterise India's growth story. The past year also saw India jumping up the World Bank's Ease of Doing Business Index, a testimonial to the country's attractiveness as an investment destination.