

customer-centricity

P U R A V A N K A R A L I M I T E D
(FORMERLY PURAVANKARA PROJECTS LIMITED)

ANNUAL REPORT 2016-17

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CAUTION REGARDING FORWARD-LOOKING STATEMENTS. THIS DOCUMENT CONTAINS STATEMENTS ABOUT EXPECTED FUTURE EVENTS AND FINANCIAL AND OPERATING RESULTS OF PURAVANKARA LIMITED, WHICH ARE FORWARD-LOOKING. BY THEIR NATURE, FORWARD-LOOKING STATEMENTS REQUIRE THE COMPANY TO MAKE ASSUMPTIONS AND ARE SUBJECT TO INHERENT RISKS AND UNCERTAINTIES. THERE IS SIGNIFICANT RISK THAT THE ASSUMPTIONS, PREDICTIONS AND OTHER FORWARD-LOOKING STATEMENTS WILL NOT PROVE TO BE ACCURATE. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON FORWARD-LOOKING STATEMENTS AS A NUMBER OF FACTORS COULD CAUSE ASSUMPTIONS, ACTUAL FUTURE RESULTS AND EVENTS TO DIFFER MATERIALLY FROM THOSE EXPRESSED IN THE FORWARD-LOOKING STATEMENTS. ACCORDINGLY, THIS DOCUMENT IS SUBJECT TO THE DISCLAIMER AND QUALIFIED IN ITS ENTIRETY BY THE ASSUMPTIONS, QUALIFICATIONS AND RISK FACTORS REFERRED TO IN THE MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE PURAVANKARA LIMITED ANNUAL REPORT, 2016-17.

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.

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'.

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.

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customer- centricity



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

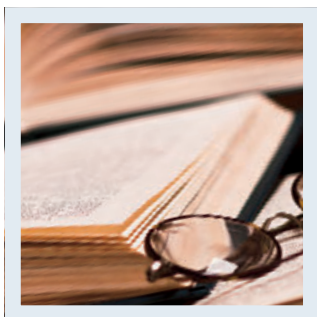
Puravankara is engaged in creating premium residential realty across India, with a large footprint in Southern India and a growing presence in West India.

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.

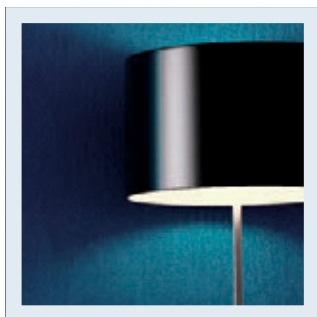
the second promoter generation in the business is represented by Mr. Ashish R. Puravankara (Managing Director).

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

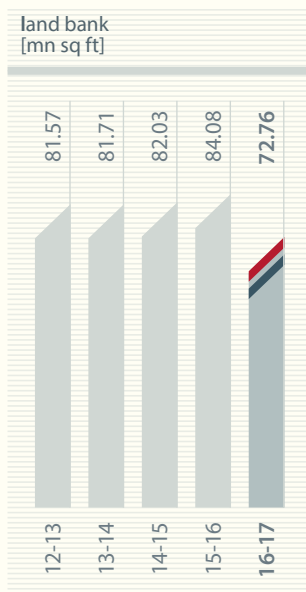
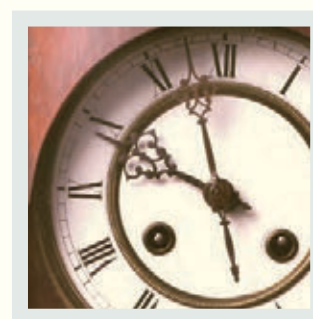
income from operations

₹1429
crore

land bank

72.76
mn sq. ft

this is how our



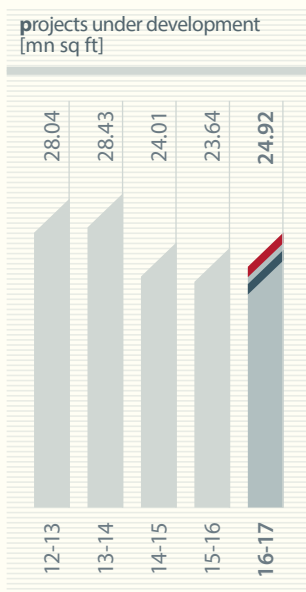
drivers

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

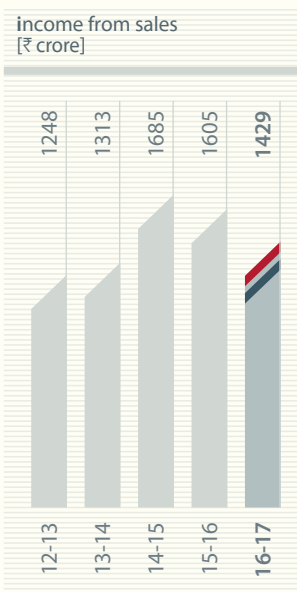


drivers

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

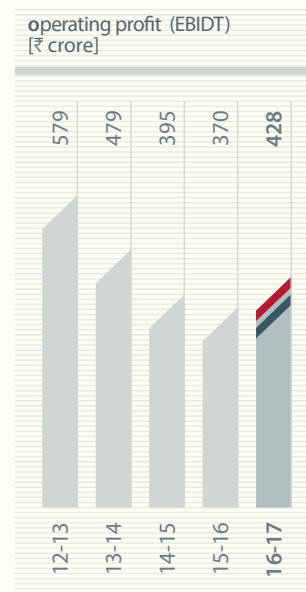


drivers

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

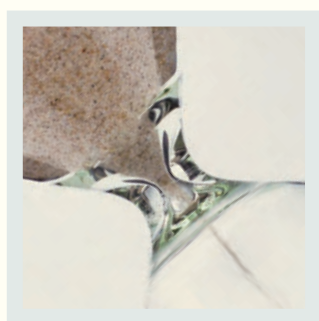


drivers

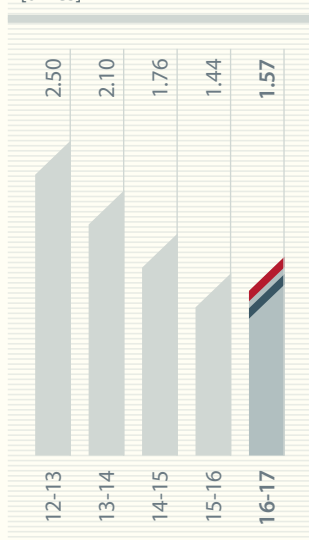
high compliance with phase-wise construction – in line with RERA guidelines

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

numbers stack up



interest cover
[times]



drivers

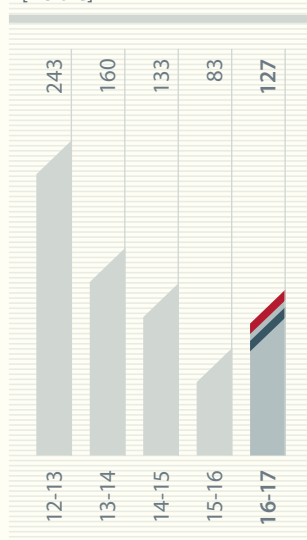
focus on consistent debt moderation – lowered absolute debt in FY 2016-17 with 0.84 debt-equity ratio as of March 31, 2017

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]



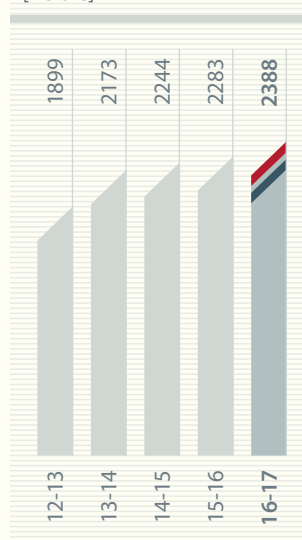
drivers

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]



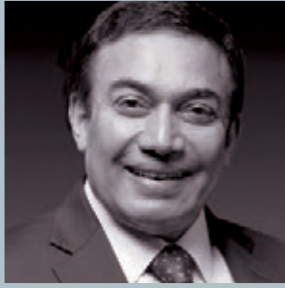
drivers

consistent focus on plough-back of surpluses

strong net worth ensures operational sustainability

OVERVIEW

RAVI PURAVANKARA, CHAIRMAN, PURAVANKARA LIMITED



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.