

Provident Housing Limited

Standalone Financial Statements

For the year ended 31 March 2016

Provident Housing Limited

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Walker Chandiook & Co LLP

Independent Auditor's Report

To the Members of Provident Housing Limited

Walker Chandiook & Co LLP
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Report on the Financial Statements

1. We have audited the accompanying financial statements of Provident Housing Limited, ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these 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 the 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 the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31 March 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. 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 a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. 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 financial statements dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. on the basis of the written representations received from the directors as on 31 March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 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 of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 27 May 2016 as per Annexure II expressed modified opinion



Walker Chandiok & Co LLP

- 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, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company does not have any pending litigations which would impact its standalone financial position
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sanjay Banthia
per Sanjay Banthia
Partner
Membership No.: 061068

Mumbai
27 May 2016



Walker Chandio & Co LLP

Annexure I to the Independent Auditor's Report of even date to the members of Provident Housing Limited, on the financial statements for the year ended 31 March 2016

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, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (ii) (a) 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/LLPs 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) 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.



Walker Chandiook & Co LLP

Annexure I to the Independent Auditor's Report of even date to the members of Provident Housing Limited, on the financial statements for the year ended 31 March 2016

- (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) The Company is regular in depositing 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, with the appropriate authorities. 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 become payable.
- (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute:
- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures 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) In our opinion, managerial remuneration has been paid 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, clause 3(xii) of the Order is 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 accounting standards.



Walker Chandiok & Co LLP

Annexure I to the Independent Auditor's Report of even date to the members of Provident Housing Limited, on the financial statements for the year ended 31 March 2016

- (xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sanjay Banthia
per Sanjay Banthia
Partner
Membership No.: 061068

Mumbai
27 May 2016



Annexure II to the Independent Auditor's Report of even date to the members of Provident Housing Limited, on the standalone financial statements for the year ended 31 March 2016

Annexure II

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 standalone financial statements of Provident Housing Limited ("the Company") as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of 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 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 (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 audit opinion on the Company's IFCoFR.



Walker Chandiok & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of Provident Housing Limited, on the standalone financial statements for the year ended 31 March 2016

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 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 2016, based on the framework.

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

Sanjay Banthia

per Sanjay Banthia
Partner
Membership No.: 061068

Mumbai
27 May 2016



Provident Housing Limited

Balance Sheet as at 31 March 2016

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(All amounts in ₹ Lakhs, unless otherwise stated)

	Note	31 Mar 2016	31 Mar 2015
Equity and Liabilities			
Shareholders' Funds			
Share capital	2	5.00	5.00
Reserves and surplus	3	28,745.66	27,800.07
		<u>28,750.66</u>	<u>27,805.07</u>
Non-current Liabilities			
Long-term borrowings	4	25,791.66	29,245.89
Long-term provisions	6	99.48	76.45
		<u>25,891.14</u>	<u>29,322.34</u>
Current Liabilities			
Short-term borrowings	7	4,819.35	0.73
Trade payables			
total outstanding dues of micro enterprises and small enterprises		0.35	1.12
total outstanding dues of creditors other than micro enterprises and small enterprises	8	8,077.96	8,845.07
Other current liabilities	9	23,901.55	10,632.97
Short-term provisions	6	1,586.42	48.56
		<u>38,385.63</u>	<u>19,528.45</u>
Total		<u>93,027.43</u>	<u>76,655.86</u>
Assets			
Non-current Assets			
Fixed assets			
Tangible assets	10	369.30	569.76
Intangible assets	11	6.07	14.88
Capital work-in-progress		0.00	11.96
		<u>375.37</u>	<u>596.60</u>
Non-current investments	12	3,863.50	0.00
Deferred tax assets (net)	5	83.39	56.49
Long-term loans and advances	13	11,062.68	9,855.18
Other non-current assets	14	490.10	107.21
		<u>15,875.04</u>	<u>10,615.48</u>
Current Assets			
Inventories			
Properties under development	15	42,438.01	41,264.70
Properties held for sale	16	10,375.50	1,162.02
		<u>52,813.51</u>	<u>42,426.72</u>
Trade receivables	17	7,332.41	6,797.92
Cash and bank balances	18	6,815.55	8,201.08
Short-term loans and advances	13	3,940.77	7,692.25
Other current assets	14	6,250.15	922.41
		<u>77,152.39</u>	<u>66,040.38</u>
Total		<u>93,027.43</u>	<u>76,655.86</u>

Significant accounting policies

The accompanying notes referred to above form an integral part of the financial statements

As per report of even date

Walker Chandio & Co. LLP

For Walker Chandio & Co LLP

Chartered Accountants

Sanjay Banthia

per Sanjay Banthia

Partner

Mumbai

27 May 2016



For and on behalf of the Board of Directors of Provident Housing Limited

Nani R. Choksey

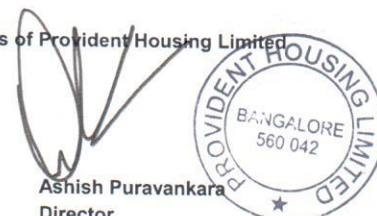
Nani R Choksey

Director

DIN 00504555

Mumbai

27 May 2016



Ashish Puravankara

Ashish Puravankara

Director

DIN 00504524

Statement of Profit and Loss for the year ended 31 March 2016

(All amounts in ₹ Lakhs, unless otherwise stated)

	Note	31 Mar 2016	31 Mar 2015
Income			
Revenue from operations			
Revenue from projects	19	42,876.18	35,028.11
Other income	20	111.95	159.38
Total		42,988.13	35,187.49
Expenses			
Material and contract cost		35,967.33	23,217.51
Land cost		3,171.91	2,251.48
Increase in inventory of properties under development and properties held for sale	21	(10,386.81)	(3,586.23)
Employee benefits expense	22	1,754.40	1,749.34
Finance expense, net	23	3,314.98	3,548.38
Depreciation and amortization	24	89.91	102.13
Other expenses	25	5,355.52	5,396.78
Total		39,267.24	32,679.39
Profit before tax & prior period items		3,720.89	2,508.10
Tax expense			
Current tax	26	1,451.02	897.34
Tax of earlier year		(26.48)	13.24
Deferred tax		(26.89)	(26.59)
Profit after tax and before prior period items		2,323.24	1,624.11
Prior period income (net)	27	19.49	0.00
Net profit for the year		2,342.73	1,624.11
Earnings per share (Nominal value ₹ 10 per share)			
Basic (₹)	28	4,685.46	3,248.22
Diluted (₹)	28	4,685.46	3,248.22

Significant accounting policies

1

The accompanying notes referred to above form an integral part of the financial statements

As per report of even date

Walker Chandiok & Co. LLP

For Walker Chandiok & Co LLP

Chartered Accountants

Sanjay Banthia

per Sanjay Banthia

Partner

Mumbai

Mumbai



For and on behalf of the Board of Directors of Provident Housing Limited

Nani R Choksey

Nani R Choksey

Director

DIN 00504555

Mumbai

27 May 2016

Ashish Puravankara

Ashish Puravankara

Director

DIN 00504524



Cash Flow Statement

(All amounts in ₹ Lakhs, unless otherwise stated)

31 Mar 2016

31 Mar 2015

A. Cash flow from operating activities**Profit before tax and prior period items**

3720.89

2508.10

Adjustments for:

Depreciation and amortization

89.91

102.13

Profit on sale of fixed assets

(5.43)

-

Lease equalisation reserve

6.28

-

Finance expense, net

3314.98

3548.38

Operating profit before working capital changes

7126.63

6158.61

Movements in working capital :

(Increase) in trade receivables

(534.49)

(639.94)

(Increase) in loans and advances and other current assets

(2662.71)

(3217.78)

(Increase)/Decrease in properties under development

9791.17

(3722.78)

(Increase)/Decrease in properties held for sale

(22538.99)

161.20

Increase in current liabilities and provisions

3549.27

4310.72

Cash received from operations

(5269.12)

3050.03

Direct taxes paid (net)

(1079.52)

(870.25)

Net cash from/(used in) operating activities

(6348.64)

2179.78

B. Cash flows from investing activities

Purchase of fixed assets, including capital advances

(15.42)

(302.36)

Proceeds from sale of fixed assets

165.53

-

Investments made in equity shares of subsidiary

(3863.50)

-

Loans to subsidiaries/Related Parties

(179.40)

(18.90)

Deposits and advances

1578.75

(1294.42)

Net investment in bank deposits and margin monies

(366.41)

618.75

Interest received

604.89

417.21

Net cash from investing activities

(2075.56)

(579.72)

C. Cash flows from financing activities

Proceeds from term loans

10200.00

29745.89

Repayment of term loans

(3800.96)

(16668.90)

Repayment of Short term loans

-

(5000.00)

Loans repaid to related parties

(66.50)

(1744.59)

Loan taken from related parties

4885.12

1650.74

Dividends paid including taxes

(223.65)

-

Interest paid

(3955.34)

(4174.63)

Net cash generated from financing activities

7038.67

3808.51

Net increase/(decrease) in cash and cash equivalents (A + B + C)

(1385.53)

5408.57

Cash and cash equivalents at the beginning of the year

8201.08

2792.51

Cash and cash equivalents at the end of the year

6815.55

8201.08

Components of cash and cash equivalents

Cash and bank balances (as per note 18 to the financial statements)

6815.55

8201.08

Less: Bank deposits and margin monies considered separately

-

-

6815.55

8201.08

As per report of even date

Walker Chandiook & Co. LLP

For Walker Chandiook & Co LLP

Chartered Accountants

For and on behalf of the Board of Directors of Provident Housing Limited

Sanjay Banthia

per Sanjay Banthia

Partner

Mumbai

27 May 2016

Nani R. Choksey

Nani R Choksey

Director

DIN 00504555

Mumbai

27 May 2016

Ashish Puravankara

Ashish Puravankara

Director

DIN 00504524



Summary of significant accounting policies and other explanatory information

(All amounts in ₹ Lakhs, unless otherwise stated)

Background

Provident Housing Limited ("the Company") was incorporated in Bengaluru, India on 14th Nov 2008 under Companies Act, 1956 ("the Act"). The Company is a wholly owned subsidiary of Puravankara Projects Limited ("the holding company"). The company is engaged in the business of construction, development and sale of all or any part of housing project and other related activities.

1 Significant accounting policies

a. Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (as amended). The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

The Central Government in consultation with National Advisory Committee on Accounting Standards has amended Companies (Accounting Standards) Rules, 2006 ('principal rules'), vide notification issued by Ministry of Corporate Affairs dated 30 March 2016. The Companies (Accounting Standards) Rules, 2016 is effective on the date of its publication in the official gazette, i.e., 30 March 2016. The Company believes that the Rule 3(2) of the principal rules has not been withdrawn or replaced and accordingly, the Companies (Accounting Standards) Rule, 2016 will apply for the accounting periods commencing on or after 30 March 2016. Accordingly, the changes thereof have not given effect to while preparing these financial statements.

b. 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. Significant estimates used by management in the preparation of these financial statements include the percentage completion for projects in progress, estimates of the economic useful lives of the fixed assets, provisions for bad and doubtful debts and accruals for employee benefits.

c. Revenue recognition

Revenue from projects

Revenue from the sale of properties is recognized when significant risks and rewards of ownership have been transferred to the customer, which coincides with entering into a legally binding agreement.

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.

Effective 01 April 2012, in accordance with the "Guidance Note on Accounting for Real Estate Transactions (Revised 2012)" (Guidance note) all projects commencing on or after the said date or projects where revenue is recognized for the first time on or after the above date, construction revenue on such projects have been recognized on percentage of completion method provided the following thresholds have been met:

- all critical approvals necessary for the commencement have been obtained;
- the expenditure incurred on construction and development costs is not less than 25 percent of the total estimated construction and development costs;
- at least 25 percent of the saleable project area is secured by agreements with buyers; and
- 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 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.

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 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 accounts for such transactions on net basis and does 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.

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 ₹ Lakhs, unless otherwise stated)

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 advance received from customers 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.

d. 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.

e. Properties held for sale

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, borrowing cost, where applicable and other costs incurred to get the properties ready for their intended use.

f. Fixed assets

Fixed assets are stated at cost less accumulated depreciation/amortization and impairment losses. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use. Fixed assets purchased in foreign currency are recorded at the actual rupee cost incurred.

Expenditure directly relating to expansion is capitalized only if it increases the life or functionality of an asset beyond its original standard of performance.

g. Depreciation/amortization

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. The management believes that depreciation rates currently used fairly reflect its estimate of useful lives and residual value of fixed assets.

h. Borrowing cost

Borrowing costs that are attributable to the acquisition and/or construction of qualifying assets are capitalized as part of the cost of such assets, in accordance with Accounting Standard (AS) 16 – "Borrowing Costs". A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

i. Advertisement and promotional expense

Advertisement and promotional expense in respect of projects currently being developed and for general corporate purposes are expensed to the Statement of Profit and Loss as incurred.

j. Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

k. Investments

Investments that are readily realizable and intended to be held for not more than one year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the long-term investments.

l. Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short term highly liquid investments with original maturity of three months or less.



Summary of significant accounting policies and other explanatory information

(All amounts in ₹ Lakhs, unless otherwise stated)

m. Foreign currency transactions

(a) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the respective transaction.

(b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on a monetary item that, in substance, form part of Company's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognized as income or as expenses.

n. 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 unless other systematic basis is more representative of the time pattern of the benefit.

o. Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15- "Employee Benefits".

Provident fund

The Company contributes to the statutory provident fund of the Regional Provident Fund Commissioner, in accordance with Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which the employee renders service.

Gratuity

Gratuity is a post employment benefit and is a defined benefit plan. The liability recognized in the Balance Sheet represents the present value of the defined benefit obligation at the Balance Sheet date less the fair value of plan assets (if any), together with adjustments for unrecognized past service costs. Independent actuaries use the projected unit credit method to calculate the defined benefit obligation.

Actuarial gain or loss arising from experience adjustments and changes in actuarial assumptions are credited or charged to the Statement of Profit and Loss in the year in which such gain or loss arise.

Vacation pay

Liability in respect of vacation pay becoming due or expected to be availed within one year from the Balance Sheet date is recognized on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of earned leave becoming due or expected to be availed more than one year after the Balance Sheet date is estimated on the basis of actuarial valuation in a manner similar to gratuity liability.

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

Expense in respect of other short-term benefits including performance bonus is recognized on the basis of amount paid or payable for the period during which the employees render service.



Summary of significant accounting policies and other explanatory information

(All amounts in ₹ Lakhs, unless otherwise stated)

p. Tax expense

Tax expense comprises both current and deferred taxes. The current charge for income taxes is calculated in accordance with the relevant tax regulations. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted as at the Balance Sheet date.

Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits.

Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

q. Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

r. Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.



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Summary of significant accounting policies and other explanatory information

(All amounts in ₹ Lakhs, unless otherwise stated)

	31 Mar 2016	31 Mar 2015
2 Share capital		
Authorized shares		
50,000 (31 Mar 2015 50,000) equity shares of ₹ 10 each	5.00	5.00
Issued, subscribed and fully paid-up shares		
50,000 (31 Mar 2015 50,000) equity shares of ₹ 10 each	5.00	5.00
	<u>5.00</u>	<u>5.00</u>

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year
Equity shares

	31 Mar 2016		31 Mar 2015	
	No. in Lakhs	₹ Lakhs	No. in Lakhs	₹ Lakhs
Balance at the beginning of the year	0.50	5.00	0.50	5.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>0.50</u>	<u>5.00</u>	<u>0.50</u>	<u>5.00</u>

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 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 2016		31 Mar 2015	
	No. in Lakhs	% holding in the class	No. in Lakhs	% holding in the class
Equity shares of ₹ 10 each fully paid up				
Puravankara Projects Limited - Holding Company	0.50	100.00%	0.50	100.00%

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 neither issued any bonus shares nor there has been any buy back of shares during five years immediately preceding 31 Mar 2016.



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Summary of significant accounting policies and other explanatory information

(All amounts in ₹ Lakhs, unless otherwise stated)

3 Reserves and surplus
Surplus in the Statement of Profit and Loss

	31 Mar 2016	31 Mar 2015
Balance at the beginning of the year	27,800.07	26,182.84
Add: Net profit for the year	2,342.73	1,624.11
Less: Depreciation on fully used assets due to adoption of schedule II of Companies Act, 2013	-	(6.88)
	30,142.80	27,800.07

Appropriations
Less: Dividend

- Interim	185.82	-
- Proposed	975.00	-

Less: Tax on distribution of dividend

- Interim	37.83	-
- Proposed	198.49	-

Balance at the end of the year

28,745.66	27,800.07
------------------	------------------

4 Long-term borrowings
Secured
Term loans

	Non-current		Current	
	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
From banks	3,191.66	-	6,616.18	-
From others	22,600.00	29,245.89	3,737.09	500.00
	25,791.66	29,245.89	10,353.27	500.00
Amount disclosed under "Other current liabilities" * (refer note 9)	-	-	(10,353.27)	(500.00)
	25,791.66	29,245.89	-	-

* Repayable within 12 months



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Summary of significant accounting policies and other explanatory information

(All amounts in ₹ Lakhs, unless otherwise stated)

Sl.No	Particulars	Nature of security	Repayment details	31 Mar 2016	31 Mar 2015
Term Loans from banks (Secured)					
i.	Term loan facility from ICICI - ₹ 15,000	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, Corporate guarantee of Puravankara Projects Limited. 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.	Repayable in 30 monthly installments commencing from August 2017	9,807.84	-
The Interest on above term loan is linked to the respective benchmark which is floating in nature. As on the balance sheet date the interest rate per annum is				12.20%	-
Term Loans from others (Secured)					
i.	Term loan facility from HDFC Ltd - ₹ 30,000	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, Corporate guarantee of Puravankara Project Limited and personal guarantee of Mr. Ravi Puravankara, Chairman and Mr. Ashish Puravankara, Managing Director of the Company.	Repayable in 45 monthly installments commencing from Mar 2016.	26,337.09	29,745.89
The interest on the above Term Loan from banks are linked to the respective banks base rates which are floating in nature. As on the Balance sheet date the Rate of Interest rate per annum is				12.15%	12.75%



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Summary of significant accounting policies and other explanatory information

(All amounts in ₹ Lakhs, unless otherwise stated)

5 Deferred tax assets, net

	Current	
	31 Mar 2016	31 Mar 2015
Deferred tax asset arising on account of:		
Expenses allowable on payment basis		
Gratuity	34.92	26.72
Vacation pay	11.46	8.56
Bonus	19.40	14.23
Expenses	29.47	26.48
Less : Deferred tax liability arising on account of depreciation	(11.86)	(19.50)
	83.39	56.49

6 Provisions

	Non-current		Current	
	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
Provision for employee benefits				
Gratuity	99.48	76.45	1.41	0.77
Vacation pay	-	-	33.11	24.72
Provision for tax [net of advance tax ₹ 1,056.45 (31 Mar 2015 - ₹ 874.28)]	-	-	378.41	23.07
Other provisions				
Proposed dividend	-	-	975.00	-
Tax on proposed dividend	-	-	198.49	-
	99.48	76.45	1,586.42	48.56

7 Short-term borrowings

	Current	
	31 Mar 2016	31 Mar 2015
Unsecured		
Interest free loan from related parties repayable on demand	4,819.35	0.73
	4,819.35	0.73

8 Trade payables

	Current	
	31 Mar 2016	31 Mar 2015
Total outstanding dues of creditors other than micro enterprises and small enterprises(refer note no. 33)		
Trade payables	7,452.24	7,983.90
Due to related parties	625.72	861.17
	8,077.96	8,845.07

9 Other current liabilities

Current maturities of long term borrowings (refer note 4)	10,353.27	500.00
Advances received from customers	8,184.41	6,335.94
Interest accrued but not due on borrowings	30.50	-
Duties and Taxes Payable	119.40	635.53
Dues to employees	0.40	0.58
Bonus Payable	56.06	48.83
Other payables *	5,137.61	3,098.47
Lease equalisation reserve	19.90	13.62
	23,901.55	10,632.97
	31,979.51	19,478.04

* Includes obligations payable to land owners under the joint development arrangements



Summary of significant accounting policies and other explanatory information

(All amounts in ₹ Lakhs, unless otherwise stated)

10 Tangible assets

	Plant and machinery	Office equipments	Computer equipment	Furniture and fixtures	Vehicles	Leasehold improvements	Total
Cost							
At 01 April 2014	36.66	70.20	89.70	107.57	9.63	142.03	455.79
Additions	-	51.01	33.39	4.98	-	192.39	281.77
Disposals	-	-	(0.47)	-	-	-	(0.47)
At 31 Mar 2015	36.66	121.21	122.62	112.55	9.63	334.42	737.09
Additions	1.25	4.48	2.30	12.89	-	19.83	40.75
Disposals	-	(28.42)	-	(34.63)	-	(139.30)	(202.35)
At 31 Mar 2016	37.91	97.27	124.92	90.81	9.63	214.95	575.49
Depreciation							
At 01 April 2014	1.65	5.72	26.08	11.15	4.02	18.15	66.77
Charged for the year	3.00	22.20	39.87	11.21	1.42	16.45	94.15
Adjusted to the opening reserves and surplus	-	-	6.88	-	-	-	6.88
Disposals	-	-	(0.47)	-	-	-	(0.47)
At 31 Mar 2015	4.65	27.92	72.36	22.36	5.44	34.60	167.33
Charge for the year	3.10	22.02	26.27	8.32	1.42	19.97	81.10
Disposals	-	(6.67)	-	(5.40)	-	(30.17)	(42.24)
At 31 Mar 2016	7.75	43.27	98.63	25.28	6.86	24.40	206.20
Net block							
At 31 Mar 2015	32.01	93.29	50.26	90.19	4.19	299.82	569.76
At 31 Mar 2016	30.16	54.00	26.29	65.53	2.77	190.55	369.30

During the previous year ended 31 Mar 2015, the company had reassessed the useful life of the fixed assets internally which coincide with the indicative useful life given in Schedule II of the Companies Act 2013. The aforesaid change did not have a material impact on statement of Profit and Loss for the year ended 31 Mar 2015. However, in accordance with the transitional provision, unamortised depreciation amounting to ₹ 6.88 lakh towards tangible assets that should have been fully depreciated based on the revised useful life given in Schedule II of the Companies Act 2013, had been adjusted to the opening reserves and surplus

11 Intangible assets

	Computer software	Total
Cost		
At 01 April 2014	17.13	17.13
Additions	7.88	7.88
Disposals	-	-
At 31 Mar 2015	25.01	25.01
Additions	-	-
Disposals	-	-
At 31 Mar 2016	25.01	25.01
Amortization		
At 01 April 2014	2.15	2.15
Charge for the year	7.98	7.98
At 31 Mar 2015	10.13	10.13
Charge for the year	8.81	8.81
At 31 Mar 2016	18.94	18.94
Net block		
At 31 Mar 2015	14.88	14.88
At 31 Mar 2016	6.07	6.07



Summary of significant accounting policies and other explanatory information

(All amounts in ₹ Lakhs, unless otherwise stated)

	Current	
	31 Mar 2016	31 Mar 2015
12 Investments		
Non-current investments - valued at cost unless stated otherwise		
Trade investments (unquoted)		
Investment in equity instruments :		
Investment in subsidiary (fully paid up)		
Purva Good Earth Properties Pvt. Ltd	1.00	-
10,000 equity shares at ₹ 10 each fully paid up		
Investment in debenture;		
Debentures		
Investment in Subsidiary		
Purva Good Earth Properties Pvt. Ltd	3,862.50	-
3,862,500 optionally convertible debentures at ₹ 100 each		
	3,863.50	-

13 Loans and advances

	Non-current		Current	
	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
Security deposits				
Unsecured, considered good	4,307.05	3,420.75	-	-
	4,307.05	3,420.75	-	-
Loans and advances to related parties				
(Unsecured, considered good)				
Loans to related parties	2,725.33	2,549.53	3.60	-
	2,725.33	2,549.53	3.60	-
Other loans and advances				
(Unsecured, considered good)				
Advances to suppliers *	-	-	2,308.81	5,157.79
Advances for land contracts *	3,586.21	3,220.49	-	1,346.51
Advance income tax [net of provision for taxation ₹14,015.01 (31 Mar 2015- ₹13,117.67)]	129.42	133.89	121.19	116.72
Prepaid expenses	-	-	1,034.91	1,032.60
Taxes and duties recoverable	314.67	517.16	467.41	26.59
Capital advance	-	13.36	-	-
Other advances	-	-	4.85	12.04
	4,030.30	3,884.90	3,937.17	7,692.25
Total loans and advances	11,062.68	9,855.18	3,940.77	7,692.25
* Advances recoverable in cash or kind or for value to be received.				

14 Other assets

	Non-current		Current	
	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
Non-current bank balances (refer note 18)	466.41	100.00	-	-
Unbilled revenue	-	-	5,807.72	730.98
Interest accrued but not due on fixed deposits	23.69	7.21	-	6.37
Due from land owner-Harmony	-	-	185.06	185.06
Other receivables	-	-	257.37	-
	490.10	107.21	6,250.15	922.41

15 Properties Under development

	Current	
	31 Mar 2016	31 Mar 2015
Land Cost	16,744.40	15,714.21
Material and construction cost	25,693.61	25,550.49
	42,438.01	41,264.70



Summary of significant accounting policies and other explanatory information

(All amounts in ₹ Lakhs, unless otherwise stated)

16 Properties held for Sale

At the beginning of the year
Add: Additions during the year
Less: Sales during the year

Current	
31 Mar 2016	31 Mar 2015
1,162.02	1,323.22
13,931.62	-
(4,718.14)	(161.20)
10,375.50	1,162.02

17 Trade receivables

(Unsecured, considered good)
Outstanding for a period exceeding six months
Other receivables

Current	
31 Mar 2016	31 Mar 2015
1,399.80	695.59
5,932.61	6,102.33
7,332.41	6,797.92

18 Cash and bank balances

Cash and cash equivalents
Cash on hand
Balances with banks:
On current accounts
Deposits with original maturity of more than 3 months but less than 12 months
Deposits with original maturity of less than three months

Non-current		Current	
31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
-	-	2.78	3.03
-	-	6,812.77	2,045.41
-	-	-	2.64
-	-	-	6,150.00
-	-	6,815.55	8,201.08
Other bank balances			
466.41	100.00	-	-
-	-	-	-
466.41	100.00	-	-
Amount disclosed under non-current assets (refer note 14)			
(466.41)	(100.00)	-	-
-	-	6,815.55	8,201.08

* Represents amounts restricted for use



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Summary of significant accounting policies and other explanatory information

(All amounts in ₹ Lakhs, unless otherwise stated)

19 Revenue from operations	Year ended	Year ended
	31 Mar 2016	31 Mar 2015
Revenue from projects		
Sale of properties	42,876.18	35,028.11
	42,876.18	35,028.11
20 Other Income		
Other Income	111.95	159.38
	111.95	159.38
21 (Increase) in inventory of properties under development and properties held for sale	Year ended	Year ended
	31 Mar 2016	31 Mar 2015
Inventory at the beginning of the year		
Properties under development	41,264.68	37,517.27
Properties held for sale	1,162.02	1,323.21
Inventory at the end of the year		
Properties under development	42,438.01	41,264.68
Properties held for sale	10,375.50	1,162.02
	(10,386.81)	(3,586.23)
22 Employee benefits expense	Year ended	Year ended
	31 Mar 2016	31 Mar 2015
Salaries, wages and bonus	1,618.53	1,603.73
Contribution to provident fund and other funds (refer note 31 B)	44.48	35.62
Gratuity expenses (refer note 31A)	30.64	40.54
Vacation pay (refer note 31A)	16.64	22.20
Staff welfare	44.11	47.25
	1,754.40	1,749.34
23 Finance expense, net *	Year ended	Year ended
	31 Mar 2016	31 Mar 2015
Finance expense:		
Interest		
- Term loans	3,784.62	3,391.83
- Debenture	-	1.10
Loan and other processing charges	114.14	680.63
Bank charges	3.83	4.34
Others	2.21	-
Interest on Income Tax	25.18	-
	3,929.98	4,077.90
Finance income:		
Bank deposits	64.82	162.71
Interest on loan to related parties	481.30	195.19
Interest received from customers	68.88	171.62
	615.00	529.52
Finance expense, net	3,314.98	3,548.38

* Includes finance expense capitalized amounting to ₹ 3,833.94 for the year ended 31 Mar 2016 (31 Mar 2015 - ₹ 3,918.88).



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Summary of significant accounting policies and other explanatory information

(All amounts in ₹ Lakhs, unless otherwise stated)

24 Depreciation and amortization

Depreciation of tangible assets (refer note 10)
Amortization of intangible assets (refer note 11)

Year ended	Year ended
31 Mar 2016	31 Mar 2015
81.10	94.15
8.81	7.98
89.91	102.13

25 Other expenses

Travel and conveyance
Repairs and maintenance
Legal and professional
Rent (refer note 29)
Rates and taxes
Security
Communication costs
Printing and stationery
Advertising and sales promotion
Brokerage and referral
Donations
Corporate social responsibility (CSR) (refer note 32)
Miscellaneous

Year ended	Year ended
31 Mar 2016	31 Mar 2015
169.79	195.26
331.25	227.26
1,010.83	874.03
208.72	290.56
1,786.63	337.66
166.04	171.99
40.88	54.59
8.79	41.11
1,307.82	2,927.35
145.68	257.07
-	6.14
2.78	-
176.31	13.76
5,355.52	5,396.78

Payment to auditor (on accrual basis, excluding service tax)

As auditor:

Audit fee

26.00 26.00

In other capacity:

Certification

- -

Reimbursement of expenses

- -

26.00 26.00

26 Current tax

Domestic tax
Excess/(short) of earlier years
Deferred tax

Year ended	Year ended
31 Mar 2016	31 Mar 2015
1,451.02	897.34
(26.48)	13.24
(26.89)	(26.59)
1,397.65	883.99

27 Prior period income (net)

Other income
Less: Income tax

Year ended	Year ended
31 Mar 2016	31 Mar 2015
29.80	-
10.31	-
19.49	-

28 Earnings per share (EPS)

Weighted average number of shares outstanding during the year (Lakhs)
Add: Dilutive effect of stock options (Lakhs)
Weighted average number of shares used to compute diluted EPS (Lakhs)

Year ended	Year ended
31 Mar 2016	31 Mar 2015
0.50	0.50
-	-
0.50	0.50

Net profit after tax attributable to equity shareholders

2,342.73 1,624.11

Earnings per share (₹):

Basic

4,685.46 3,248.22

Diluted

4,685.46 3,248.22

Nominal value - ₹ per equity share

10.00 10.00



Summary of significant accounting policies and other explanatory information

(All amounts in ₹ Lakhs, unless otherwise stated)

29 Leases**Operating lease**

The lease expense for cancellable and non-cancellable operating leases was ₹ 208.72 for the year ended 31 Mar 2016 (31 Mar 2015 - ₹ 290.56). Lease commitments under non-cancellable operating leases as at the balance sheet date were as follows:

	Particulars	31 Mar 2016	31 Mar 2015
a)	Within one year	169.95	140.21
b)	One to five years	466.69	603.87
c)	More than five years	-	-
	Total	636.64	744.08

30 Related party transactions**(i) Party which has control**

Puravankara Projects Limited - Holding Company

(ii) Key Management Personnel:

Mr. Ravi Puravankara - Director

Mr. Ashish Puravankara- Director

Mr. Nani R Choksey-Director

(iii) Entities controlled/significantly influenced by Key Management Personnel (Other Related Parties):

Handiman Services Limited

Propmart Technologies Limited

Starworth Infrastructure and Construction Limited

Melmont Constructions Limited

Puravankara Investments

Purva Good Earth Properties Private Limited



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Summary of significant accounting policies and other explanatory information

(All amounts in ₹ Lakhs, unless otherwise stated)

iv) The transactions with related parties during the year are as follows:

Nature of Transaction	Holding Company		Key Management Personnel		Other Related Parties	
	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
Loans received from Puravankara Projects Limited	4,885.12	1,650.74	-	-	-	-
Loans repaid to Puravankara Projects Limited	66.50	1,744.59	-	-	-	-
Interest income on loans Propmart Technologies Limited	-	-	-	-	195.33	195.19
Purva Good Earth Properties Private Limited	-	-	-	-	260.97	-
Loans given to Propmart Technologies Limited	-	-	-	-	3,862.50	18.90
Purva Good Earth Properties Private Limited (debentures)	-	-	-	-	-	-
Loans repaid by Propmart Technologies Limited	-	-	-	-	19.53	-
Advance paid to Starworth Infrastructure and Construction Limited	-	-	-	-	4.49	200.00
Advance adjusted Starworth Infrastructure and Construction Limited	-	-	-	-	-	616.33
Dividend paid Puravankara Projects Limited	185.82	-	-	-	-	-
Purchase of fixed asset Puravankara Projects Limited	-	201.39	-	-	-	-
Sale of fixed asset Puravankara Projects Limited	189.53	-	-	-	-	-
Purchase of material and services Starworth Infrastructure and Construction Limited	-	-	-	-	802.94	2,929.17
Security and maintenance Handiman Services Limited	-	-	-	-	634.39	147.37
Rental expenses Puravankara Project Limited	36.33	75.20	-	-	-	-
Reimbursement of Expenses from Puravankara Project Limited	101.43	-	-	-	-	-
Rental deposit Puravankara Project Limited	-	84.45	-	-	-	-
Selling and marketing Puravankara Projects Limited	235.64	223.43	-	-	0.27	0.67
Propmart Technologies Limited	-	-	-	-	-	-
Professional Puravankara Projects Limited	-	33.82	-	-	-	-
Legal Puravankara Projects Limited	-	0.13	-	-	-	-
Other expenses Puravankara Projects Limited	-	-	-	-	-	-
Remuneration Mr. Madhu. V	16.09	-	-	24.00	-	-



Summary of significant accounting policies and other explanatory information
(All amounts in ₹ Lakhs, unless otherwise stated)

(v) The balances with related parties at the year end are as follows

Nature of transaction	Holding Company		Subsidiary Company		Key management personnel		Other related parties	
	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
Loans taken from								
Purvankara Projects Limited	4,819.35	0.73	-	-	-	-	-	-
Loans outstanding from								
Promart Technologies Limited	-	-	-	-	-	-	2,700.33	2,524.53
Melmont Construction Limited	-	-	-	-	-	-	25.00	25.00
Advances paid to								
Starworth Infrastructure and Construction Limited	-	-	-	-	-	-	4.49	-
Due to related parties								
Starworth Infrastructure and Construction Limited	-	-	-	-	-	-	463.27	588.83
Handiman Services Limited	-	-	-	-	-	-	134.11	101.70
Purvankara Projects Limited	25.23	167.53	-	-	-	-	-	-
Purvankara Investments	-	-	-	-	-	-	3.11	3.11
Due from related parties								
Purva Good Earth Properties Private Limited	-	-	260.97	-	-	-	-	-
Guarantees given by								
Purvankara Projects Limited	30,000.00	30,000.00	-	-	30,000.00	30,000.00	-	-
Ravi Puravankara	-	-	-	-	30,000.00	30,000.00	-	-
Ashish Puravankara	-	-	-	-	-	-	-	-
Advances for land contracts								
Purvankara Projects Limited	2,800.00	2,800.00	-	-	-	-	-	-
Unbilled expenses								
Starworth Infrastructure and Construction Limited	-	-	-	-	-	-	330.67	646.63



Summary of significant accounting policies and other explanatory information

(All amounts in ₹ Lakhs, unless otherwise stated)

31 Employee benefits

A. Defined benefit plan

The Company has gratuity and vacation pay as defined benefit retirement plans for its employees. Disclosures as required by AS 15 for the year ended 31 Mar 2016 and 31 Mar 2015 are as under:

	31 Mar 2016		31 Mar 2015	
	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	100.89	33.11	77.22	24.72
Fair value of plan assets as at the end of the year	-	-	-	-
Net liability recognized in the Balance Sheet	100.89	33.11	77.22	24.72
2 Changes in the present value of defined benefit obligation				
Defined benefit obligation as at beginning of the year	77.22	24.72	38.62	14.25
Service cost	44.87	12.87	27.06	13.50
Interest cost	6.04	1.98	2.78	1.23
Past service cost	-	-	-	-
Net actuarial (gain)/loss recognized in the year	(20.27)	1.79	10.70	7.47
Benefits paid	(6.97)	(8.25)	(1.94)	(11.73)
Others	-	-	-	-
Defined benefit obligation as at the end of the year	100.89	33.11	77.22	24.72
Non-current	99.48	-	76.45	23.68
Current	1.41	33.11	0.77	1.04
Assumptions used in the above valuations are as under:				
Discount rate	8.00%	8.00%	7.80%	7.80%

4 Net gratuity and vacation pay cost for the year ended 31 Mar 2016 and 31 Mar 2015 comprises of following components.

	31 Mar 2016		31 Mar 2015	
	Gratuity	Vacation pay	Gratuity	Vacation pay
Service cost	44.87	12.87	27.06	13.50
Interest cost	6.04	1.98	2.78	1.23
Actuarial losses/(gains)	(20.27)	1.79	10.70	7.47
Expected return on plan assets	-	-	-	-
Net cost	30.64	16.64	40.54	22.20

	31 Mar 2016	31 Mar 2015	31 Mar 2014	31 Mar 2013	31 Mar 2012
5 Experience adjustments					
Defined benefit obligation as at the end of the year	100.90	77.23	38.62	44.40	25.35
Experience adjustments on plan liabilities	(17.59)	(2.23)	(14.13)	(0.19)	(0.55)

B. Defined contribution plan

The Company makes contribution of statutory provident fund as per the Employees' Provident Funds and Miscellaneous Provision Act, 1952. This is a defined contribution plan as per AS-15. Contribution made during the year ended 31 Mar 2016 ₹ 43.79 and 31 Mar 2015 is ₹ 34.24. Contribution made towards Employee State Insurance Scheme as per the Employees State Insurance Act, 1948 for the year ended 31 Mar 2016 ₹ 0.69 and 31 Mar 2015 is ₹ 1.38.



Summary of significant accounting policies and other explanatory information

(All amounts in ₹ Lakhs, unless otherwise stated)

32 Corporate social responsibility (CSR)

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 ₹ 2.78 against ₹ 181.09 towards CSR activities.

33 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 AS 17 on Segment Reporting. The Company operates primarily in India and there is no other significant geographical segment.

34 Supplementary statutory information**a) Particulars relating to foreign currency**

	31 Mar 2016	31 Mar 2015
Expenditure in foreign currency (on accrual basis)		
Travel and conveyance	23.13	34.96
Advertisement and sales promotion	110.68	41.58
	<u>133.81</u>	<u>76.54</u>

35 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 2016	31 Mar 2015
i. The Principal amount remaining unpaid	0.35	1.12
ii. Interest due thereon remaining unpaid.		
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 amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iv. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
v. The amount of interest accrued during the year and remaining unpaid	-	-
vi. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues has above or actually paid to the small enterprises, for the purpose of disallowance as deductible expenditure under the Section 23 of Micro, Small and Medium Enterprises Development Act, 2006	-	-

36 Prior period comparatives

Prior period comparatives have been regrouped/reclassified wherever necessary to conform to the presentation in the current period.

As per report of even date

Walker Chandiook & Co. LLP
For Walker Chandiook & Co LLP
Chartered Accountants

Sanjay Banthia

per Sanjay Banthia
Partner
Mumbai
27 May 2016



For and on behalf of the Board of Directors of
Provident Housing Limited

Nani R Choksey

Nani R Choksey
Director
DIN 00504555

Mumbai
27 May 2016

Ashish Puravankara

Ashish Puravankara
Director
DIN 00504524

