

Independent Auditors' Report

To the Members of Purva Good Earth Properties Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Purva Good Earth Properties Private Limited ("the Company"), which comprises the balance sheet as at 31 March 2016, the statement of profit and loss, the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting standards and the 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.

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.



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 control 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.

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

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 loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure – A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 purposes 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 balance sheet, the statement of profit and loss, and the cash flow statement 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.
 - e) on the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.



- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- 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 financial position.
 - ii. the Company does not have any long-term contracts including derivate contracts for which there were any material foreseeable loss.
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for V D S R & Co.,
Chartered Accountants
FRN – 001626S



Venkatesh Kamath S V
Partner M No – 202626

Place: Bangalore
Date: 26.05.2016



Annexure – A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2016, we report that:

1. Company is not owned any fixed assets as on the reporting date. Accordingly, paragraph 3(i) of the Order not applicable
2. The Management has conducted physical verification of inventory at reasonable intervals and no material discrepancies were noticed.
3. According to information and explanations given to us, the Company has not granted any loan to companies or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act")
4. According to information and explanations given to us, the Company has not granted any loans, made any investments, extended any guarantees and provided any security to or on behalf of the parties referred in section 185 and 186 of the Companies Act, 2013.
5. The Company has not accepted any deposits from the public.
6. The Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act for any of the services rendered by the Company.
7.
 - a. According to information and explanations given to us and on the basis of our examinations of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including, income-tax, sales tax, value added tax, duty of customs, service tax, cess, and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance duty of excise and provident fund.

According to the information and explanations given to us, no disputed amounts payable in respect of provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess, and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us and based on the examination of the records of the Company, there are no dues in respect of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax, which have not been deposited with the appropriate authorities on account of any dispute.
8. The Company had issued debentures during the year and has not defaulted in repayment of said dues during the year under review.
9. The Company has raised money by way of debt instruments during the year and applied for the purpose for which those are raised.

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10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officer or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided any remuneration during the reporting period. Accordingly paragraph 3(xi) of the Order not applicable.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where ever applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected to him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for V D S R & Co.,
Chartered Accountants
FRN – 001626S



Venkatesh Kamath S V
Partner M No – 202626



Place: Bangalore
Date: 26.05.2016

Annexure – B – to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Purva Good Earth Properties Private Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 its 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

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 internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting 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 internal financial control over financial reporting 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

Because of the inherent limitations of internal financial controls over financial reporting, 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 internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for V D S R & Co.,

Chartered Accountants

Firm Registration No – 001626S



Venkatesh Kamath S V

Partner M No – 202626



Place: Bangalore

Date: 26.05.2016

Independent Auditors' Report

To the Board of Directors of Purva Good Earth Properties Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Purva Good Earth Properties Private Limited ("the Company"), which comprises the balance sheet as at 31 March 2016, the statement of profit and loss, the cash flow statement for the quarter then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting standards and the 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.

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.



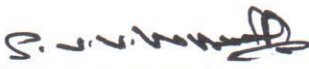
An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control 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.

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

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 loss and its cash flows for the quarter ended on that date.

for V D S R & Co.,
Chartered Accountants
FRN – 001626S


Venkatesh Kamath S V
Partner M No – 202626



Place: Bangalore
Date: 26.05.2016

Balance Sheet as at 31 March 2016

(All amounts in ₹, unless otherwise stated)

	Note	31 Mar 2016	31 Mar 2015
Equity and Liabilities			
Shareholders' Funds			
Share capital	2	100,000	100,000
Reserves and surplus	3	(521,196)	(125,245)
		<u>(421,196)</u>	<u>(25,245)</u>
Non-Current Liabilities			
Other long-term liabilities	4	1,545,000,000	-
		<u>1,545,000,000</u>	<u>-</u>
Current Liabilities			
Short-term borrowings	5	67,444	67,444
Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises; and			
(B) total outstanding dues of creditors other than micro enterprises and small enterprises."	6	2,290,491	29,978
Other current liabilities	7	114,773,269	-
		<u>117,131,204</u>	<u>97,422</u>
Total		<u>1,661,710,009</u>	<u>72,177</u>
Assets			
Non-Current Assets			
Long-term loans and advances	9	2,100,000	-
		<u>2,100,000</u>	<u>-</u>
Current Assets			
Inventories			
Properties under development		1,505,578,199	-
		<u>1,505,578,199</u>	<u>-</u>
Cash and cash equivalents	10	8,381,615	72,177
Short-term loans and advances	9	145,650,195	-
		<u>154,031,810</u>	<u>72,177</u>
Total		<u>1,661,710,009</u>	<u>72,177</u>
Significant accounting policies and other explanatory information			
The notes referred to above form an integral part of the financial statements	1		

This is the Balance Sheet referred to in our report of even date

For V D S R & Co
Chartered Accountants
FRN No.: 001626S



Venkatesh Kamath S V
Partner
M No: 202626

Bengaluru
26 May 2016

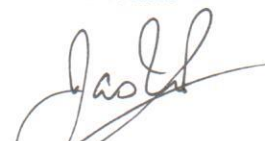


For and on behalf of the Board of Directors



Ashish Puravankara
Director
DIN 504524

Bengaluru
26 May 2016



Jasbir Ashish Puravankara
Director
DIN 1918184

Bengaluru
26 May 2016

Purva Good Earth Properties Private Limited

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

(All amounts in ₹, unless otherwise stated)	Note	31 Mar 2016	31 Mar 2015
Income			
Revenue from operations		-	-
Revenue from projects		-	-
Other operating revenues		-	-
Other income		-	-
Total		<u>-</u>	<u>-</u>
Expenses			
Material and contract cost	11	259,179,335	-
Land cost	12	1,115,459,345	-
Decrease/(increase) in inventory of properties under	13	(1,505,578,199)	-
Employee benefits expense		-	-
Finance expense, net	14	114,151,271	-
Depreciation and amortization		-	-
Other expenses	15	17,184,199	22,240
Total		<u>395,951</u>	<u>22,240</u>
Profit before tax		(395,951)	(22,240)
Tax expense			
Current tax		-	-
Deferred tax		-	-
Net profit for the year		<u>(395,951)</u>	<u>(22,240)</u>
Earnings per share (Nominal value ₹ 10 per share)			
Basic (₹.)	16	(5.00)	(2.22)
Diluted (₹)	16	11,385.54	(2.22)

Significant accounting policies and other explanatory information
The notes referred to above form an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For V D S R & Co
Chartered Accountants
FRN No.: 001626S

Venkatesh Kamath S V
Partner
M No: 202626

Bengaluru
26 May 2016



For and on behalf of the Board of Directors

(Signature)

Ashish Puravankara
Director
DIN 504524

Bengaluru
26 May 2016

(Signature)

Jasbir Ashish Puravankara
Director
DIN 1918184

Bengaluru
26 May 2016

Purva Good Earth Properties Private Limited

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

(All amounts in ₹, unless otherwise stated)		Quarter Ended 31 Mar 2016	Quarter Ended 31 Mar 2015
	Note		
Income			
Revenue from operations		-	-
Revenue from projects		-	-
Total		<u>-</u>	<u>-</u>
Expenses			
Material and contract cost	11	230,318,900	-
Land cost	12	-	-
Decrease/(increase) in inventory of properties under development and properties held for sale	13	(268,109,110)	-
Employee benefits expense		-	-
Finance expense, net	14	34,058,782	-
Depreciation and amortization		-	-
Other expenses	15	3,890,937	10,112
Total		<u>159,509</u>	<u>10,112</u>
Profit before tax		(159,509)	(10,112)
Tax expense			
Current tax		-	-
Deferred tax		-	-
Net profit for the quarter		<u>(159,509)</u>	<u>(10,112)</u>
Earnings per share (Nominal value ₹ 10 per share)			
Basic (₹.)	16	(15.95)	(1.01)
Diluted (₹.)	16	3,387.06	(1.01)

Significant accounting policies and other explanatory informa 1

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

This is the Statement of Profit and Loss referred to in our report of even date

For V D S R & Co
Chartered Accountants
FRN No.: 001626S



Venkatesh Kamath S V
Partner
M No: 202626
Bengaluru
26 May 2016





Ashish Puravankara
Director
DIN 504524

Bengaluru
26 May 2016



Jasbir Ashish Puravankara
Director
DIN 1918184

Bengaluru
26 May 2016

Purva Good Earth Properties Private Limited
PURVA GOOD EARTH PROPERTIES PRIVATE LIMITED
Cash Flow Statement

	31 Mar 2016	31 Mar 2015
A. Cash flow from operating activities		
Profit before tax and prior period items	(395,951)	(22,240)
Adjustments	-	-
Operating profit before working capital changes	(395,951)	(22,240)
Movements in working capital :		
(Increase)/Decrease in trade receivables	-	-
(Increase)/Decrease in loans and advances and other current assets	(147,750,195)	-
(Increase)/Decrease in properties under development	(1,505,578,199)	-
Increase/(Decrease) in current liabilities and provisions	117,033,782	(1,236)
Cash (used in)/received from operations	(1,536,690,563)	(23,476)
Direct taxes paid	-	-
Net cash from/(used in) operating activities	(1,536,690,563)	(23,476)
B. Cash flows from investing activities		
Net cash from/(used in) investing activities	-	-
C. Cash flows from financing activities		
Proceeds from/(repayments of) Long term borrowings	1,545,000,000	-
Net cash generated from/(used in) financing activities	1,545,000,000	-
Net increase/(decrease) in cash and cash equivalents (A + B + C)	8,309,438	(23,476)
Cash and cash equivalents at the beginning of the period/year	72,177	95,653
Cash and cash equivalents at the end of the period/year	8,381,615	72,177
Components of cash and cash equivalents		
Cash and bank balances (as per Note 8 to the financial statements)	8,381,615	72,177
Less: Bank deposits and margin monies considered separately	-	-
	8,381,615	72,177

This is the Cash Flow Statement referred to in our report of even date

For V D S R & Co
Chartered Accountants
FRN No.: 001626S

Venkatesh Kamath S V
Partner
M No: 202626

Bengaluru
26 May 2016



For and on behalf of the Board of Directors

Ashish Puravankara
Director
DIN 504524

Bengaluru
26 May 2016

Jasbir Ashish Puravankara
Director
DIN 1918184

Bengaluru
26 May 2016

Notes to the Financial Statements

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) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention method. The financial statements are presented in Indian rupees.

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 estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from those estimates. 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 1 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:

- (a) all critical approvals necessary for the commencement have been obtained;
- (b) the expenditure incurred on construction and development costs is not less than 25 percent of the total estimated construction and development costs;
- (c) at least 25 percent of the saleable project area is secured by agreements with buyers; and
- (d) at least 10 percent of the agreements are realized at the reporting date in respect of such contracts.

Contract revenues represent the aggregate amounts of 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, 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 in accordance with the Guidance Note whereby 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.

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

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

f. Properties held for development

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

g. 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.

h. 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. Assets individually costing less than ₹ 5,000 are fully depreciated in the period of purchase.

i. 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 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.

j. 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.

k. 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.



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.

m. Inventory

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

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs required to make the sale.

n. 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.

o. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all potential equity shares.

p. 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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e. Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period

The Company has not issued any bonus shares nor there has been any buy back of shares during five years immediately preceding 31 March 2016.

f. Shares reserved for issue under options

As on reporting date, Shares reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment, including terms and amount: Nil

(Company has not reserved any shares for issue under options or otherwise and contracts/ commitments for sale / disinvestment as on reporting date).

g Shares information related to immediately preceding five years from reporting date:

- Share allotted as fully paid up pursuant to contract(s) without payment being received in cash- Nil(31 March 2015- Nil)
- Share allotted as fully paid up bonus shares -Nil(31 March 2015- Nil)

h Shares bought back - Aggregate number and amount- Nil (31 March 2015- Nil)

i Calls unpaid by directors and officers as at reporting date Nil (31 March 2015- Nil)



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	As at 31 Mar 2016	As at 31 Mar 2015
3 Reserves and surplus		
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the period/year	(125,245)	(103,005)
Add: Net profit for the period/year	(395,951)	(22,240)
Profit available for appropriation	(521,196)	(125,245)
Appropriations		
Less: Transfer to general reserve		
Balance at the end of the period/year	(521,196)	(125,245)

	As at Non-current 31 Mar 2016	As at 31 Mar 2015	As at Current 31 Mar 2016	As at 31 Mar 2015
4 Long Term Borrowings				
Debentures				
Secured				
10% OCD Class A	386,250,000	-	-	-
10% OCD Class B	1,158,750,000	-	-	-
(154.50 Lakhs debentures of Rs. 100/- each)	1,545,000,000	-	-	-

i) The company has issued 10% optionally convertible debentures of Rs.100 each which are secured on the lands and any developments thereon with a tenor of 10 years.

ii) The debentures shall be redeemed from time to time in a manner that each class B Debenture receives at least an IRR of 25% save and except upon the occurrence of an Event of default when it would be redeemed at such time as the holders thereof direct the Company to, and in such event it shall be redeemed prior to the redemption of the Class A Debenture and at such time the Debentures shall be paid all accrued interest/coupon including the IRR payable on the Class B Debenture in accordance with the investment agreement.

	Non-current 31 Mar 2016	31 Mar 2015	Current 31 Mar 2016	31 Mar 2015
5 Short-term borrowings				
Unsecured				
Interest free loan from Puravankara Projects Limited repayable on demand*				
			67,444	67,444
* Unsecured loan from Holding Company classified as short term as the same is repayable on demand.			67,444	67,444
on demand.				

6 Trade payables		
Trade payables	2,290,491	29,978
	2,290,491	29,978

7. Other current liabilities		
Interest accrued and due on borrowings	111,540,692.00	
Duties and taxes payable	3,232,577	-
	114,773,269	-



	Non-current		Current	
	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
8 Properties Under development				
Land Cost			1,115,459,345	-
Material cost			390,118,854	-
Less: Transferred to Properties Under Development	-	-	-	-
	<u>-</u>	<u>-</u>	<u>1,505,578,199.00</u>	<u>-</u>
9 Loans and advances				
Security deposits				
Unsecured, considered good	-		2,100,000.00	
	<u>-</u>	<u>-</u>	<u>2,100,000.00</u>	<u>-</u>
Other loans and advances				
(Unsecured, considered good)				
Advances to suppliers *	-		100,075,000	
Advance income tax (net of provision for taxation)	-		-	
Taxes and duties recoverable	-		45,503,040	
Prepaid Expenses	-		49,655	
Other advances	-		22,500	
	<u>-</u>	<u>-</u>	<u>145,650,195</u>	<u>-</u>
Total loans and advances	<u>-</u>	<u>-</u>	<u>147,750,195</u>	<u>-</u>
* Advances recoverable in cash or kind or for value to be received.				
10 Cash and cash equivalents				
Cash on hand			-	
Balances with banks:				
On current accounts		72,177.00	8,381,615	
	<u>-</u>	<u>72,177.00</u>	<u>8,381,615</u>	<u>-</u>



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	Quarter Ended	
	31 Mar 2016	31-Mar-15
11 Material and construction cost		
Preliminary Expenses	121,800	
Electrical Item & Works	-	
Labour Charges (PUD)	230,197,100	
Supply, Erection, Testing & Commissioning of STP	-	
	<u>230,318,900</u>	<u>-</u>
12 Land Cost		
Land Cost	-	
	<u>-</u>	<u>-</u>
13 Decrease / (increase) in inventory		
Inventory at the beginning of the period/year		
Properties under development		
Properties held for sale	1,237,469,089	
Inventory at the end of the period/year		
Properties under development	1,505,578,199	
Properties held for sale	-	
	<u>(268,109,110)</u>	<u>-</u>
14 Finance expense, net		
Finance expense:		
Interest		
- Term loans	-	
- Cash credits	-	
- Debentures	34,030,132	
Discount on issue of debentures	-	
Loan and other processing charges	-	
Interest on Related Party advances	-	
Other Interest	28,650	
	<u>34,058,782</u>	<u>-</u>
Finance income:		
Bank deposits	-	
Interest on loan to associates	-	
Interest received from customers	-	
Income from units of mutual funds	-	
	<u>-</u>	<u>-</u>
Finance expense, net	<u>34,058,782</u>	<u>-</u>

90



15 Other expenses

Travel and conveyance	48,454	
Repairs and maintenance- others	-	
Legal and professional charges	184,447	10,000
Rent	1,225,000	
Rates and taxes	2,275,956	
Security charges	123,665	
Communication costs	-	
Audit Fee	25,000	
Printing and stationery	-	
Advertising and sales promotion	-	
Brokerage and referral charges	-	
Miscellaneous expenses	8,415	112
Donation	-	
	<u>3,890,937</u>	<u>10,112</u>

16 Earnings per share (EPS)

Weighted average number of shares outstanding during the quarter	10,000	10,000
Add: Dilutive effect of stock options	15,450,000	
Weighted average number of shares used to compute diluted EPS	<u>15,460,000</u>	<u>10,000</u>
Net profit after tax attributable to equity shareholders	(159,508.50)	(10,112)
Earnings per share (₹) :		
Basic	(15.95)	(1.01)
Diluted	(0.01)	(1.01)

Nominal value - Rupees per equity share



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	Year Ended	
	31-Mar-16	31 Mar 2015
11 Material and construction cost		
Preliminary Expenses	137,635	
Electrical Item & Works	3,640,000	
Labour Charges (PUD)	253,581,700	
Supply, Erection, Testing & Commissioning of STP	1,820,000	
	<u>259,179,335</u>	<u>-</u>
12 Land Cost		
Land Cost	1,115,459,345	
	<u>1,115,459,345</u>	<u>-</u>
13 Decrease / (increase) in inventory		
Inventory at the beginning of the period/year		
Properties under development		
Properties held for sale	-	
Inventory at the end of the period/year		
Properties under development	1,505,578,199	
Properties held for sale	-	
	<u>(1,505,578,199)</u>	<u>-</u>
14 Finance expense, net		
Finance expense:		
Interest		
- Term loans	-	
- Cash credits	-	
- Debentures	114,251,366	
Discount on issue of debentures	-	
Loan and other processing charges	-	
Interest on Related Party advances	-	
Other Interest	37,011	
	<u>114,288,377</u>	<u>-</u>
Finance income:		
Bank deposits	(137,106)	
Interest on loan to associates	-	
Interest received from customers	-	
Income from units of mutual funds	-	
	<u>(137,106)</u>	<u>-</u>
Finance expense, net	<u>114,151,271</u>	<u>-</u>



15 Other expenses

Travel and conveyance	144,716	-
Repairs and maintenance- others	-	-
Legal and professional charges	11,176,236	12,500
Rent	1,225,000	-
Rates and taxes	3,807,245	9,600
Security charges	719,794	-
Communication costs	255	-
Audit Fee	100,000	-
Printing and stationery	5,054	-
Advertising and sales promotion	-	-
Brokerage and referral charges	-	-
Miscellaneous expenses	5,899	140
Donation	-	-
	<u>17,184,199</u>	<u>22,240</u>

16 Earnings per share (EPS)

Weighted average number of shares outstanding during the quarter

10,000 10,000

Add: Dilutive effect of stock options

15,450,000

Weighted average number of shares used to compute diluted EPS

15,460,000

Net profit after tax attributable to equity shareholders

(395,951)

(22,240)

Earnings per share (₹) :

Basic

(39.60)

(2.22)

Diluted

(0.03)

(2.22)

Nominal value - Rupees per equity share

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17 Related party transactions

- (i) **Holding Company**
Provident Housing Limited
- (ii) **Key management personnel**
Mr. Ashish Puravankara
Mrs. Jasbir Ashish Puravankara
Mr. Gopal Channe Gowda
Mr. Bhavinkumar Nagraj Jain
- (iii) **Entities controlled by key management personnel (other related parties)**
Puravankara Projects Limited
Handiman Services Limited

(iv) The transactions with related parties for the quarter are as follows

Nature of transaction	Holding Company		Key management personnel		Other related parties	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Loans taken from						
Provident Housing Limited	65,000,000	-	-	-	-	-
Interest on Loan						
Provident Housing Limited	8,510,010	-	-	-	-	-
Security Charges						
Handimen Services Ltd.	277,601	-	-	-	-	-

(v) The transactions with related parties for the Year ended are as follows

Nature of transaction	Holding Company		Key management personnel		Other related parties	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Loans taken from						
Provident Housing Limited	386,250,000	-	-	-	-	-
Interest on Loan						
Provident Housing Limited	28,596,654	-	-	-	-	-
Security Charges						
Handimen Services Ltd.	719,794	-	-	-	-	-

(vi) Balances with related parties at the period end are as follows

Nature of transaction	Holding Company		Key management personnel		Other related parties	
	31-Mar-16	31 Mar 2015	31-Mar-16	31 Mar 2015	31-Mar-16	31 Mar 2015
Loans taken from						
Long Term Borrowings						
Provident Housing Limited	386,250,000	-	-	-	-	-
Other Current liabilities						
Puravankara Projects Limited	67,444	67,444	-	-	-	-
Provident Housing Limited	26,097,263	-	-	-	-	-
Trade Payables						
Handimen Services Ltd.	94,277	-	-	-	-	-



17 Supplementary statutory information

- i. Earnings in foreign currency (on receipt basis)
- ii. Expenditure in foreign currency (on accrual basis)
- iii. Value of imports at CIF basis
- iv. Contingent liabilities
- v. Capital commitment

31 March 2016

31 Mar 2015

Nil	Nil
Nil	Nil
Nil	Nil
Nil	Nil
Nil	Nil

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the Balance Sheet.

18 Disclosures of dues to micro, small and medium enterprises

(a) the principal amount and the interest due thereon (to be shown separately)

Nil	Nil
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remaining unpaid to any supplier at the end of each accounting year;

(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;

Nil	Nil
-----	-----

(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;

Nil	Nil
-----	-----

(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and

Nil	Nil
-----	-----

(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

Nil	Nil
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19 Prior period comparatives

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

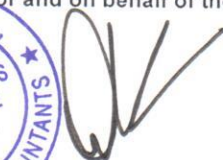
For VDSR & Co
Chartered Accountants
FRN No.: 001626S



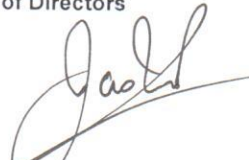
Venkatesh Kamath S V
Partner
M No: 202626
Bengaluru
26 May 2016



For and on behalf of the Board of Directors



Ashish Puravankara
Director
DIN 504524
Bengaluru
26 May 2016



Jasbir Ashish Puravankara
Director
DIN 1918184
Bengaluru
26 May 2016