

Provident Housing Limited

Registered Office: 130/1, Ulsoor Road, Bangalore – 560 042

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 4th Annual General Meeting of the Members of Provident Housing Ltd. will be held on **Friday, the 28th September, 2012 @ 11.30 A.M.** at the Registered Office of the Company to transact the following business:

ORDINARY BUSINESS:

Item No. 1 – Adoption of Accounts

To receive, consider and adopt the Profit and Loss Account for the year ended **31.03.2012** and the Balance Sheet as at **31.03.2012** and the reports of the Directors and the Auditors thereon.

Item No. 2 – Re-appointment of Mr. Nani R Choksey as a Director

To appoint a Director in place of Mr. Nani R Choksey who retires by rotation and being eligible offers himself for re-appointment.

Item No. 3 – Re-appointment of Mr. Ashish Puravankara as a Director

To appoint a Director in place of Mr. Ashish Puravankara who retires by rotation and being eligible offers himself for re-appointment.

Item No. 4 – Appointment of Statutory Auditors

To re-appoint M/s. Walker, Chandio & Co, Chartered Accountants, as the Statutory Auditors, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and authorize the Board of Directors to fix their remuneration.

By Order of the Board



Nani R Choksey
Director

Place : Bangalore

Date : 31.07.2012

NOTES:

1. A PERSON ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND ON A POLL, TO VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM, DULY COMPLETED AND SIGNED, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED COMMENCEMENT OF THE ANNUAL GENERAL MEETING. A BLANK PROXY FORM IS ENCLOSED WITH THIS NOTICE.

Provident Housing Limited

Registered Office: 130/1, Ulsoor Road, Bangalore – 560 042

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors present the 4th Annual Report together with the audited statement of accounts for the year ended on **31.03.2012**.

1. FINANCIAL RESULTS:

(Figures in Rs. Lakhs)

Particulars	Year	Year
	Ended	Ended
	31.03.2012	31.03.2011
<u>INCOME:</u>		
Revenue from Operations	25,376.37	18,311.85
Other Operating Revenues	55.94	25.63
<u>Total Income</u>	<u>25,432.31</u>	<u>18,337.48</u>
<u>EXPENSES:</u>		
Material & Contract Costs	19,209.21	11,037.44
Land Cost	207.75	
Decrease / (Increase) in Inventory of Properties under Development	(5,521.31)	(307.77)
Employee Benefit Expenses	589.12	329.57
Other Expenses	1390.13	958.69
Depreciation	6.38	2.64
Finance Expenses (net)	111.05	852.45
<u>Total Expenses</u>	<u>15,992.33</u>	<u>12,873.22</u>
<u>Profit / (Loss) Before Taxes</u>	<u>9,439.98</u>	<u>5,464.26</u>
Income Tax (Current and Deferred)	3,084.87	1,659.80
<u>Profit / (Loss) After Taxes</u>	<u>6,355.11</u>	<u>3,804.46</u>

2. FINANCIAL AND OPERATING PERFORMANCE:

State of Affairs

During the year your Company recorded a **Revenue** of 25,376.37 Lakhs [2011- Rs. 18,311.85 Lakhs], reflecting an increase of 38.58% over the previous year, which is attributed towards increase in business and activities of the company.

Material and Contract Costs amounted to 19,209.21 Lakhs [2011- 11,037.44 Lakhs] & **Employee Benefits Expenses** amounting to 589.12 Lakhs [2011- 329.57 Lakhs], denotes an increase of 74% & 79% respectively, on account of increase in Revenue from Operations.

Land Cost amounted of Rs. 207.75 Lakhs [2011- Nil] denotes Cost of acquisition of Land and Development rights.

Other Expenses amounted to Rs. 1,390.13 Lakhs [2011- Rs. 958.69 Lakhs], reflects an increase of 45% on account of increase in Revenue and operations.

Depreciation Expenses amounted to Rs.6.38 Lakhs [2011- Rs.2.64 Lakhs], reflects an increase on account of additions to Fixed Assets, due to increased construction activities.

Finance Expenses, amounted to Rs. 111.05 Lakhs [2011- Rs. 852.45 Lakhs], denotes a significant decrease by Rs. 741 Lakhs on account of Repayment of Term Loan as per the schedule of repayment.

The aforesaid increase in Revenues over the Expenses was reflected in the **PAT** amounting to Rs. 6,355.11 Lakhs [2011- Rs 3,804.46 Lakhs].

3. FUTURE OUTLOOK:

Your Company expects good performance in the years to come on account of increased order book position. The company is also planning to launch new projects in Bangalore, Mangalore and Coimbatore.

4. DIRECTORS:

In accordance with the provisions of the Companies Act, 1956, Mr. Nani R Choksey & Mr. Ashish Puravankara retires at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends the appointment of the Director in the ensuing Annual General Meeting.

5. AUDITORS:

The Statutory Auditors, M/s. Walker, Chandiook & Co, Chartered Accountants, retire at this Annual General Meeting and are eligible for re-appointment. The Company has received from M/s. Walker, Chandiook & Co. a consent letter to the effect that their appointment, if made would be within the prescribed limits under **Section 224(1B)** of the Companies Act, 1956.

6. REPLIES TO RESERVATION / QUALIFICATION / ADVERSE REMARKS IN THE AUDITORS' REPORT:

(a) Para 3 of the Auditors Report Dt. 31.07.2012 read together with Annexure to the Auditors' Report:

"(vii) – In our Opinion the Company did not have an Internal Audit System during the year."

Response:

Your Company has adequate internal control system commensurate with the size & nature of its business. Further the Company has Professionals to manage the affairs of the Company, who had evaluated the internal controls system of the Company at regular intervals & no major weaknesses were noticed by them. Further the said team had carried out the Internal Audit functions informally for the year under consideration.

However, with effect from 01.04.2012 onwards, your Company has appointed Professional Chartered Accountants as Internal Auditors of the Company, to carry out the Internal Audit Functions, which is in line with the requirements of CARO.

7. CONSERVATION OF ENERGY / TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT / FOREIGN EXCHANGE EARNING AND OUT GOINGS:

Information in accordance with the provisions of **Section 217(1)(e)** of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are not applicable to the Company for this financial year.

8. PARTICULARS OF EMPLOYEES:

As required under the provisions of **Section 217(2A)** of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, names and other particulars of the employees are set out in the Annexure to this report.

9. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to **Section 217 (2AA)** of the Companies Act, 1956, the Directors confirm that:

- I. The annual accounts have been prepared as per the accounting standards prescribed under **Section 211(3C)** of the Companies Act, 1956 and there were no material departures from the said accounting standards.
- II. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at **31.03.2012** and of the **Profit** of the Company for the year ended on that date.
- III. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. The annual accounts of the Company have been prepared on a 'going concern' basis.

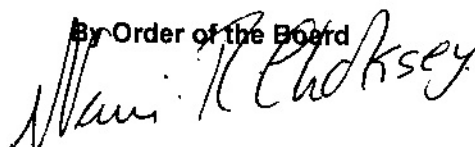
10. ACCEPTANCE OF FIXED DEPOSITS:

Your Company has not accepted any fixed deposits from the public during the year under review.

11. ACKNOWLEDGMENTS:

Your Directors express their grateful appreciation for the assistance and co-operation received from the financial institutions, banks, government authorities, customers, vendors and shareholders during the said financial year. Your Directors would also like to once again place on record their appreciation to the employees at all levels, who through their dedication, co-operation, support and smart work have enabled the Company to move towards achieving its Corporate Objectives.

Bangalore
31.07.2012

By Order of the Board

Nani R Choksey
Director

Provident Housing Limited

Financial Statements

For the year ended 31 March 2012

Provident Housing Limited

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Auditor's Report

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To,
The Members of Provident Housing Limited

1. We have audited the attached Balance Sheet of Provident Housing Limited, (the 'Company') as at 31 March 2012, and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, annexed thereto (collectively referred as the 'financial statements'). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (the 'Act'), we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that
 - a. We have 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 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. On the basis of written representations received from the directors, as on 31 March 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;



Walker, Chandiok & Co

- e. In our opinion and to the best of our information and according to the explanations given to us, the financial statements, read together with the notes thereon, comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act, 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, in the case of:
- i) the Balance Sheet, of the state of affairs of the Company as at 31 March 2012;
 - ii) the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii) the Cash Flow Statement, of the cash flows for the year ended on that date.

Walker, Chandiok & Co

For Walker, Chandiok & Co

Chartered Accountants

Firm Registration No. 001076N

Aashish Arjun Singh
per Aashish Arjun Singh
Partner
Membership No. 210122



Bangalore

31 July 2012

Annexure to the Auditors' Report of even date to the members of Provident Housing Limited, on the financial statements for the year ended 31 March 2012.

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) In our opinion, a substantial part of fixed assets has not been disposed off during the year.
- (ii) (a) The inventory representing properties under development has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has granted unsecured loans to one party covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year is ₹ 167,638,696 and the year-end balance is ₹ 167,638,696.
- (b) In our opinion, the rate of interest and other terms and conditions of such loans are not, *prima facie*, prejudicial to the interest of the Company.
- (c) In respect of loans given, the interest and principal amounts are repayable on demand and since the repayment of such amounts have not been demanded, in our opinion, repayment of the principal amount and interest is regular.
- (d) There is no overdue amount in respect of loans granted to such parties.
- (e) The Company had taken an interest free loan from one party covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year was ₹ 223,024,919 and the year-end balance of loan taken from such party was ₹ 139,101,994.
- (f) In our opinion, the interest-free nature and other terms and conditions for such loans are not, *prima facie*, prejudicial to the interest of the Company.



- (g) In respect of interest free loans taken, the principal amounts are repayable on demand and since the repayment of such amounts have not been demanded, in our opinion, repayment of the principal amount and interest is regular.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act have been so entered.
- (b) Owing to the unique and specialized nature of the items involved and in the absence of any comparable prices, we are unable to comment as to whether the transactions made in pursuance of such contracts or arrangements have been made at prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.
- (vii) *In our opinion, the Company did not have an internal audit system during the year.*
- (viii) According to the information and explanations given to us, the Companies (Cost Accounting Records) Rules, 2011 have become applicable to the Company for its real estate operations during the current year, however, no specific formats for the maintenance of the cost records in respect of the real estate projects have been prescribed under the said rules. In terms of the clarification from the MCA vide F. No. 52/1/CAB/-2012, the Company believes that the current records available with the company provide the information required under the rules. 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 209 of the Act in respect of real estate operation, 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.
- (ix)(a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. 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 became payable.
- (b) There are no dues in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute.
- (x) The Company has been registered for a period of less than five years. Accordingly, the provisions of clause 4(x) of the Order are not applicable.



Walker, Chandio & Co

- (xi) The Company has not defaulted in repayment of dues to any bank or financial institution during the year. The Company did not have any outstanding debentures during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable.
- (xvi) In our opinion, the Company has applied the term loans for the purpose for which the loans were obtained.
- (xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.
- (xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.
- (xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

Walker, Chandio & Co

For Walker, Chandio & Co
Chartered Accountants
Firm Registration No. 001076N

Aashish Arjun Singh
per Aashish Arjun Singh
Partner
Membership No. 210122

Bangalore
31 July 2012



Provident Housing Limited

Balance Sheet as at 31 March 2012

2

(All amounts in ₹lakhs, unless otherwise stated)

Equity and Liabilities

Shareholders' Funds

Share capital	2	5.00	5.00
Reserves and surplus	3	9,652.69	3,297.58
		<u>9,657.69</u>	<u>3,302.58</u>

Non-Current Liabilities

Long-term borrowings	4	-	-
Long-term provisions	5	45.43	28.00
		<u>45.43</u>	<u>28.00</u>

Current Liabilities

Short-term borrowings	6	2,616.02	2,230.25
Trade payables	7	4,182.24	2,952.03
Other current liabilities	8	11,287.84	17,010.18
Short-term provisions	5	157.18	2.23

Total

	<u>18,243.28</u>	<u>22,194.69</u>
	<u>27,946.40</u>	<u>25,525.27</u>

Assets

Non-Current Assets

Fixed assets

Tangible assets	9	100.53	35.65
		<u>100.53</u>	<u>35.65</u>
Deferred tax assets / (net)	10	22.51	12.48
Long-term loans and advances	11	8,788.05	8,041.39
		<u>8,911.09</u>	<u>8,089.52</u>

Current Assets

Inventories

Properties under development	12	11,827.77	6,306.46
		<u>11,827.77</u>	<u>6,306.46</u>
Trade receivables	13	3,913.13	4,027.71
Cash and bank balances	14	1,611.66	4,201.77
Short-term loans and advances	11	1,629.36	2,881.26
Other current assets	15	53.39	18.55

Total

	<u>19,035.31</u>	<u>17,435.75</u>
	<u>27,946.40</u>	<u>25,525.27</u>

Significant accounting policies

1

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

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

Walker Chandio & Co
For Walker, Chandio & Co

Chartered Accountants

per *Aashish Arjun Singh*
Partner

Bangalore
31 July 2012



For and on behalf of the Board of Directors

V Madhu
V Madhu
Managing Director

Nani R Choksey
Nani R Choksey
Director

Bangalore
31 July 2012

Provident Housing Limited

Statement of Profit and Loss for the year ended 31 March 2012

	Note	31 March 2012	31 March 2011
(All amounts in ₹lakhs, unless otherwise stated)			
Income			
Revenue from operations			
Revenue from projects	16	25,376.37	18,311.85
Other operating revenues	16	55.94	25.63
Total-I		25,432.31	18,337.48
Expenses			
Material and contract costs		19,209.21	11,037.44
Land cost		207.75	-
Decrease / (increase) in inventory of properties under development	17	(5,521.31)	(307.77)
Employee benefit expenses	18	589.12	329.57
Other expenses	19	1,390.13	958.89
Depreciation	20	6.38	2.64
Finance expenses, net	21	111.05	852.45
Total-II		15,992.33	12,873.22
Profit before tax		9,439.98	5,464.26
Tax expense			
Current tax	22	3,094.90	1,672.28
Deferred tax		(10.03)	(12.48)
Profit after tax		6,355.11	3,804.46
Net profit for the year		6,355.11	3,804.46
Earnings per share			
Basic and Diluted (₹)	23	12,710.22	7,608.92

Significant accounting policies

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

Walker, Chandio & Co
For Walker, Chandio & Co
Chartered Accountants

per Aashish Arjun Singh
Partner

Bangalore
31 July 2012



For and on behalf of the Board of Directors

V Madhu
V Madhu
Managing Director

Bangalore
31 July 2012

Nani R Choksey
Nani R Choksey
Director

h. Advertisement and promotional expenses

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

i. 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 condensed Statement of Profit and Loss. If at the balance sheet date there is an indication that if 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

j. 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 three months or less.

k. 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 condensed financial statements until the disposal of the net investment, at which time they are recognized as income or as expenses.

l. 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-

m. Employee benefits

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

Provident fund

The Company contributes to the statutory provident fund of the Regional Provident Fund Commissioner, in accordance with Employees Provident Fund 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 services.

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 using the projected unit credit method calculate the

Actuarial gains or losses 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 gains or losses arises.

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.



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 services.

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 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 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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	31 March 2012	31 March 2011
2 Share capital		
Authorized shares		
50,000 (31 Mar 2011- 50,000) equity shares of ₹10 each	5.00	5.00
Issued, subscribed and fully paid up shares		
50,000 (31 Mar 2011- 50,000) equity shares of ₹10 each	5.00	5.00
	5.00	5.00

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

Equity shares

	31 Mar 2012		31 Mar 2012	
	No. lakhs	₹lakhs	No. 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	0.50	5.00	0.50	5.00

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.

During the year ended 31 March 2012, the amount of dividend per share recognized as distributions to equity shareholders was nil (31 March 2011 : Nil)

c. Details of shareholders holding more than 5% shares in the company

	31 Mar 2012		31 Mar 2012	
	No. lakhs	% holding in the class	No. 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%

31 March 2012 31 March 2011

d. Shares in the Company held by holding company

50,000 (31 Mar 2011- 50,000) equity shares of ₹10 each	5.00	5.00
--	------	------

e. Aggregate number of shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date :

The Company has neither issued any shares for consideration other than cash nor has there been any buy back of shares during five years immediately preceding 31 March 2012.

3 Reserves and surplus

Surplus in the Statement of Profit and Loss

	31 March 2012	31 March 2011
Balance at the beginning of the year	3,297.58	(506.88)
Add: Net profit for the year	6,355.11	3,804.46
Balance at the end of the year	9,652.69	3,297.58



4 Borrowings

	Non-current		Current	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
Term loans				
From banks	-	-	-	4,800.00
Amount disclosed under "Other current liabilities" note 8	-	-	-	(4,800.00)
	-	-	-	-

5 Provisions

	Non-current		Current	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
Provision for employee benefits				
Gratuity	23.29	14.86	2.06	1.30
Vacation pay	22.14	13.14	1.41	0.93
Provision for tax (net of advance tax)	-	-	153.71	-
	<u>45.43</u>	<u>28.00</u>	<u>157.18</u>	<u>2.23</u>

6 Short-term borrowings

Secured		
Overdraft and term loan from banks	1,225.00	-
Unsecured		
Interest free loan from related parties repayable on demand	1,391.02	2,230.25
	<u>2,616.02</u>	<u>2,230.25</u>

On 30 May 2011, the Company was sanctioned a loan facility of ₹4,000, representing of term loan of ₹3,000 at the rate of interest 13.60% per annum and overdraft of ₹1,000 at the rate of interest 14.10% per annum, from Standard Chartered Bank. This facility is secured by mortgage of property at Pudupakkam, Chennai, corporate guarantee of Puravankara Projects Limited and personal guarantees of Mr. Ravi Puravankara and Mr. Ashish Puravankara, Directors of the Company. The loan is repayable in 5 instalments starting from 30 June 2011 and ending on 31 May 2012. The company has repaid term loan of ₹2,775. The outstanding Term Loan as on 31 Mar 2012 is ₹225 and Overdraft outstanding is Nil.

Company has also obtained a temporary overdraft of ₹1000 at the rate of interest 12.10% per annum against the security of fixed deposit from Dhanlaxmi Bank Limited.

7 Trade payables

	31 March 2012	31 March 2011
Trade payables	4,174.97	2,952.03
Dues to related parties	7.27	-
	<u>4,182.24</u>	<u>2,952.03</u>

8 Other current liabilities

Current maturities of long term borrowings	-	4,800.00
Advances received from customers	11,094.36	11,955.33
Duties and taxes payable	149.93	232.47
Other payables	43.55	22.38
	<u>11,287.84</u>	<u>17,010.18</u>



9 Tangible assets

	Office equipments	Computers	Furniture and fixtures	Vehicles	Plant and machinery	Total
Cost						
At 01 April 2010	1.57	-	9.48	9.63	-	20.68
Additions	-	17.39	0.66	-	-	18.05
Disposals	-	-	-	-	-	-
At 31 March 2011	1.57	17.39	10.14	9.63	-	38.73
Additions	24.32	20.64	26.16	-	0.14	71.26
Disposals	-	-	-	-	-	-
At 31 March 2012	25.89	38.03	36.30	9.63	0.14	109.99
Depreciation						
At 01 April 2010	-	-	0.07	0.37	-	0.44
Charge for the year	0.10	1.17	0.46	0.91	-	2.64
Disposals	-	-	-	-	-	-
At 31 March 2011	0.10	1.17	0.53	1.28	-	3.08
Charge for the year	0.58	4.02	0.86	0.92	-	6.38
Disposals	-	-	-	-	-	-
At 31 March 2012	0.68	5.19	1.39	2.20	-	9.46
Net block						
At 31 March 2011	1.47	16.22	9.61	8.35	-	35.65
At 31 March 2012	25.21	32.84	34.91	7.43	0.14	100.53

10 Deferred tax asset (net)

Deferred tax liability arising on account of depreciation
Less: Deferred tax asset arising on account of:
Expenses allowable on payment basis
Gratuity
Vacation pay
Bonus

31 March 2012	31 March 2011
(7.11)	(2.56)
8.22	5.24
7.64	4.57
13.76	5.23
22.51	12.48

11 Loans and advances

Security deposits

(Unsecured, considered good)

Non-current		Current	
31 March 2012	31 March 2011	31 March 2012	31 March 2011
1,138.31	1,114.50	-	-
1,138.31	1,114.50	-	-

Loans and advances to related parties

(Unsecured, considered good)

Loans to related parties

1,676.39	1,261.00	-	-
1,676.39	1,261.00	-	-

Other loans and advances

(Unsecured, considered good)

Advances to suppliers*
Advances for land contracts*
Taxes and duties recoverable
Advance tax (net off provision)

-	-	1,611.48	2,881.11
5,856.63	5,549.17	-	-
-	-	17.88	0.15
116.72	116.72	-	-
5,973.35	5,665.89	1,629.36	2,881.26
8,788.05	8,041.39	1,629.36	2,881.26

* Advances recoverable in cash or kind or for value to be received.



Provident Housing Limited

10

31 March 2012

31 March 2011

12 Inventories

Properties under development

Land cost

2,472.48

3,368.76

Material and construction cost

9,355.29

2,937.70

11,827.77

6,306.46

13 Trade receivables

(Unsecured, considered good)

Outstanding for a period exceeding six months

917.56

564.63

Other receivables

2,995.57

3,463.08

3,913.13

4,027.71

14 Cash and cash equivalents

Cash on hand

0.60

0.35

Balances with banks:

On current accounts

556.68

1,701.42

Deposits with original maturity of less than three months

1,054.38

2,500.00

1,611.66

4,201.77

15 Other current assets

Interest accrued but not due on fixed deposits

15.19

18.55

Unbilled revenue

38.20

-

53.39

18.55



(This space is intentionally left blank)

	Year ended	
	31 March 2012	31 March 2011
16 Revenue from operations		
Revenue from projects		
Sale of properties	25,376.37	18,311.85
Other operating revenue		
Flat cancellation charges	55.94	25.63
	25,432.31	18,337.48

As disclosed in note 1 (c) to the financial statements, effective 1 April 2011, the Company has adopted an accounting policy for revenue recognition for the sale of undivided share of land (UDS) for new housing projects. The revenue from these qualifying projects where the risks and rewards on the sale of the UDS are separable from the risks and rewards on the construction contract are recognized upon transfer of all significant risks and rewards of ownership of such real estate, in accordance with 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. Consequently, the Company has recorded Revenue and receivables of ₹1477.89 and ₹64.47 respectively on the sale of such UDS for the Year ended 31 March 2012. Revenue from the sale of UDS on other housing projects where the risks and rewards on the sale of the UDS are not separable from the construction contracts and therefore do not qualify above, continue to be recognised on the percentage of completion method.

17 Decrease / (increase) in inventory of properties under development

At the beginning of the year	6,306.46	5,998.69
At the end of the year	11,827.77	6,306.46
	(5,521.31)	(307.77)

18 Employee benefit expenses

Salaries, wages and bonus	564.84	310.84
Contribution to provident fund and other funds	8.30	3.30
Gratuity expenses	9.19	8.44
Staff welfare	6.79	6.99
	589.12	329.57

19 Other expenses

Travel and conveyance	45.50	16.82
Repairs and maintenance	14.69	13.52
Legal and professional charges	189.35	139.89
Rent, rates and taxes	61.18	23.49
Security charges	35.42	16.05
Communication costs	8.63	6.65
Audit fees	14.50	4.00
Printing and stationery	21.35	15.80
Advertising and sales promotion	756.72	511.43
Sales incentives and commission	53.11	38.41
Brokerage and referral charges	187.29	172.01
Miscellaneous	2.39	0.82
	1,390.13	958.89

Payment to auditor
As auditor:

Audit fee	14.50	4.00
	14.50	4.00

20 Depreciation

Depreciation of tangible assets	6.38	2.64
	6.38	2.64



	31 Mar 2012	31 Mar 2011
21 Finance expense, net *		
Finance expense:		
Interest		
- Term loans	310.13	815.53
- Overdraft	1.90	-
- Others	37.06	28.72
Loan and other processing charges	80.00	300.00
Bank charges	1.35	1.69
	430.44	1,145.94
Less:		
Capitalized and included in advance for land contracts	-	(150.00)
	430.44	995.94
Finance Income:		
Bank deposits	135.93	89.17
Interest on loan to related parties	150.87	41.27
Interest received from customers	32.59	13.05
	319.39	143.49
Finance expenses, net	111.05	852.45

* Includes finance expense capitalized and included in properties under development ₹41.29 for the year ended 31 March 2012 and ₹650.98 for the year ended 31 March 2011.

22 Current tax		
Tax for the year	3,094.90	1,672.28
	3,094.90	1,672.28
23 Earnings per share (EPS)		
Weighted average number of shares outstanding during the year (lakhs)	0.50	0.50
Net profit after tax attributable to equity shareholders	6,355.11	3,804.46
Earnings per share (₹) :		
Basic and Diluted	12,710.22	7,608.92
Nominal value - ₹ per equity share	10.00	10.00

24 Leases

The Company has entered into a non-cancellable operating lease arrangement for its office premises for a period of 24 months from August 2011. The lease arrangements are renewable at the mutual consent of both the lessor and lessee. The lease expense for cancellable and non-cancellable operating leases amounted to ₹47.24 for the year ended 31 March 2012 (31 March 2011 - ₹22.49)

The details of minimum lease payments within the non-cancellable period are as follows:

Particulars	31 Mar 2012	31 Mar 2011
a) Within one year	35.80	-
b) Within one to three years	48.56	-
Total	84.36	-

25 Related party transactions
(i) Parties where control exists

Puravankara Projects Limited - Holding Company

(ii) Key Management Personnel:

Mr. Ravi Puravankara

Mr. Madhu V

(iii) Relatives of Key Management Personnel:

Mr. Ashish Puravankara

(iv) Entities controlled by Key Management Personnel (Other Related Parties):

Handiman Services Limited

Propmart Technologies Limited



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

Nature of Transaction	Holding Company		Key Management Personnel		Other Related Parties	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011
Unsecured loan received from						
Puravankara Projects Limited	1,066.52	3,538.88	-	-	-	-
Unsecured loan repaid to						
Puravankara Projects Limited	1,905.75	3,138.86	-	-	-	-
Purchase of land development rights from						
Puravankara Projects Limited	-	2,800.00	-	-	-	-
Rental expenses to						
Puravankara Projects Limited	4.98	4.98	-	-	-	-
Loans given to						
Propmart Technologies Limited	-	-	-	-	346.00	1,261.00
Security and maintenance charges						
Handiman Services Limited	-	-	-	-	46.72	17.27
Brokerage Expenses paid to						
Propmart Technologies Limited	-	-	-	-	66.78	62.03
Interest earned from loans						
Propmart Technologies Limited	-	-	-	-	150.87	41.27
Remuneration						
Mr.Madhu.V	-	-	76.77	3.89	-	-
vi. Balances as at the end of the year						
Unsecured loans						
Puravankara Projects Limited	1,391.02	2,230.25	-	-	-	-
Loans outstanding from						
Propmart Technologies Limited	-	-	-	-	1,691.48	1,261.00
Dues to						
Handiman Services Limited	-	-	-	-	7.27	-
Advance for land contractors						
Puravankara Projects Limited	2,800.00	2,800.00	-	-	-	-

26 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 March 2012 and 31 March 2011 are as under:

1 The amounts recognized in the Balance Sheet are as follows:

Present value of the obligation as at the end of the year

Fair value of plan assets as at the end of the year

Net liability/(asset) recognized in the Balance Sheet

2 The amounts recognized in the Statement of Profit and Loss are as follows:

Service cost

Interest cost

Past service cost

Net actuarial (gain)/loss recognized in the year

Benefits paid

Expense recognized in the Statement of Profit and Loss of the year

3 Changes in the present value of defined benefit obligation

Defined benefit obligation as at beginning of the year

Service cost

Interest cost

Past service cost

Actuarial losses/(gains)

Benefits paid

Defined benefit obligation as at the end of the year

Non-current

Current

Assumptions used in the above valuations are as under:

Interest rate

Discount rate

Expected return on plan assets

Future salary increase

Attrition rate

Retirement age

	31 March 2012		31 March 2011	
	Gratuity	Vacation Pay	Gratuity	Vacation Pay
Present value of the obligation as at the end of the year	25.35	23.55	16.16	14.07
Fair value of plan assets as at the end of the year	-	-	-	-
Net liability/(asset) recognized in the Balance Sheet	25.35	23.55	16.16	14.07
Service cost	8.37	13.58	9.04	10.65
Interest cost	1.37	0.87	0.62	0.31
Past service cost	-	-	-	-
Net actuarial (gain)/loss recognized in the year	(0.55)	2.77	(1.22)	(0.28)
Benefits paid	-	(7.74)	-	(1.09)
Expense recognized in the Statement of Profit and Loss of the year	9.19	9.48	8.44	9.59
Defined benefit obligation as at beginning of the year	16.16	14.07	7.72	4.48
Service cost	8.37	13.58	9.04	10.65
Interest cost	1.37	0.87	0.62	0.31
Past service cost	-	-	-	-
Actuarial losses/(gains)	(0.55)	2.77	(1.22)	(0.28)
Benefits paid	-	(7.74)	-	(1.09)
Defined benefit obligation as at the end of the year	25.35	23.55	16.16	14.07
Non-current	23.29	22.14	14.86	13.14
Current	2.06	1.41	1.30	0.93
Interest rate	8%	8%	8%	8%
Discount rate	8%	8%	8%	8%
Expected return on plan assets	8%	-	8%	-
Future salary increase	6%	6%	6%	6%
Attrition rate	2%	2%	2%	2%
Retirement age	60 years	60 years	60 years	60 years



B. Defined contribution plan

The Company makes contribution to the statutory provident fund as per the Employees' Provident Funds and Miscellaneous Provision Act, 1952. Contribution made during the year ended 31 March 2012 ₹ 7.04 (31 March 2011 is ₹2.71). Contribution made towards Employee State Insurance Scheme as per the Employees State Insurance Act, 1948 for the year ended 31 March 2012 ₹1.26 (31 March 2011 is ₹0.58).

27 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 Accounting Standard 17 on Segment Reporting. The Company operates primarily in India and there is no other significant geographical segment.

28 Disclosures of dues to micro, small and medium enterprises

Based on the information available with the company, ₹ 56.26 (31 Mar 2011 - nil) is the amount payable to micro, small and medium enterprises as at the Balance Sheet date. These include retention money amounting to ₹17.62 which are only due on completion of retention period and are contractually not due as on 31 March 2012 as per the contract with the said parties. The balance amount being ₹38.64 is not overdue for a period exceeding 45 days. Consequently, the management believes that the interest liability under "The Micro, Small and Medium Enterprises Development Act, 2006" does not arise and hence no further disclosure is required under the said law.

The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company which has been relied upon by the auditors.

29 Supplementary statutory information

a) Particulars relating to foreign

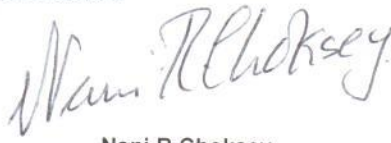
	31 Mar 2012	31 Mar 2011
i. Earnings in foreign currency		
Revenue from projects	4.79	-
ii. Expenditure in foreign currency		
Travel	0.14	-

30 Prior year comparatives

The financial statements for the year ended 31 March 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 31 March 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

For and on behalf of the Board of Directors


V Madhu
Managing Director


Nani R Choksey
Director

Bangalore
31 July 2012



Provident Housing Limited

Cash Flow Statement

	Year ended 31 Mar 2012	Year ended 31 Mar 2011
(All amounts in ₹lakhs, unless otherwise stated)		
A. Cash flow from operating activities		
Profit before tax	9,439.98	5,464.26
Adjustments for:		
Depreciation	6.38	2.64
Finance (income) / charges, net	111.05	852.45
Operating profit before working capital changes	9,557.41	6,319.35
Movements in working capital :		
(Increase) / Decrease in trade receivables	114.58	(2,848.44)
(Increase) / Decrease in loans and advances & other assets	1,251.90	(147.61)
(Increase) / Decrease in properties under development	(5,521.31)	(307.77)
Increase / (Decrease) in liabilities and provisions	325.88	6,937.26
Cash (used in) / received from operations	5,728.46	9,952.79
Direct taxes paid	(2,824.47)	(1,762.72)
Net cash from / (used in) operating activities	2,903.99	8,190.07
B. Cash flows from investing activities		
Purchase of fixed assets	(71.26)	(18.05)
Loans to related parties	(346.00)	(1,261.00)
Deposits and advances	(447.99)	(4,145.21)
Properties held for development	-	3.17
Interest received	215.16	124.94
Net cash from / (used in) investing activities	(650.09)	(5,296.15)
C. Cash flows from financing activities		
Receipts from short term borrowings	4,000.00	-
Repayment of short term borrowings	(2,775.00)	-
Repayment of term loans	(4,800.00)	(1,198.25)
Loans from related parties	1,066.52	3,538.88
Loans repaid to related parties	(1,905.75)	(3,138.86)
Interest paid	(429.78)	(967.22)
Net cash generated from / (used in) financing activities	(4,844.01)	(1,765.45)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(2,590.11)	1,128.47
Cash and cash equivalents at the beginning of the period	4,201.77	3,073.31
Cash and cash equivalents at the end of the period	1,611.66	4,201.78
Components of cash and cash equivalents		
Cash and bank balances (as per note 14 to the financial statements)	1,611.66	4,201.77
	1,611.66	4,201.77

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

For Walker, Chandio & Co
Chartered Accountants

per Aashish Arjun Singh
Partner

Bangalore
31 July 2012



For and on behalf of the Board of Directors

V Madhu
Managing Director

Nani R Choksey
Director

Bangalore
31 July 2012