

**Independent Auditors' Report**

**To the Members of Provident Cedar Private Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Provident Cedar Private Limited ("the Company"), which comprises the Balance sheet as at 31st March 2017, the Statement of Profit and Loss and 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 and presentation 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.

**Auditors' 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 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 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.

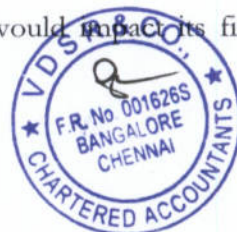
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## 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<sup>st</sup> March 2017 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 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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 Auditors' 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 did not have any long-term contracts including derivate contracts for which there were any material foreseeable losses.
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. During the year, there were no cash transactions carried out by the Company and cash balances held by the Company, accordingly, no disclosure had been provided in financial statements.

for **V D S R & Co.**

Chartered Accountants

Firm registration number: 001626



**Venkatesh Kamath S V**

Partner

Membership No. 202626



Place: Bangalore

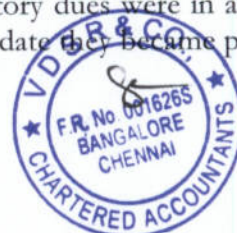
Date: 29-05-2017

## **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 2017, 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. No inventory held by the Company during the year under review. Accordingly, paragraph 3(ii) of the Order is not applicable
3. According to information and explanations given to us, the Company has not granted any loans to companies or other parties covered in the register maintained under section 189 of the Act.
4. According to information and explanations given to us, the Company has not granted any loans, made 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, generally, amounts deducted 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 statutory dues have been 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, employees' state insurance, excise duty and other statutory dues were in arrears as at 31 March 2017 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. According to the information and explanations given to us, the Company has not availed any credit facilities from banks, financial institutions, government and debentures holders. Accordingly, paragraph 3(viii) of the Order is not applicable.
  9. The Company has not raised capital through public offer including debt instruments.
  10. According to the information and explanation 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 audit.
  11. According to the information and explanations given to us and based on our examination of the records the Company, the Company has not paid/provided any remuneration during the reporting period. Accordingly, paragraph 3(xi) of the Order is 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.
  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 with 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

Firm registration number: 001626S



**Venkatesh Kamath S V**

Partner

Membership No. 202626



Place: Bangalore,

Date: 29-05-2017



## **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 Provident Cedar Private Limited ("the Company") as of 31<sup>st</sup> March 2017 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 unauthorized 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 2017, 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 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 number: 001626S



**Venkatesh Kamath S V**

Partner

Membership No. 202626



Place: Bangalore

Date: 29-05-2017



# PROVIDENT CEDAR PRIVATE LIMITED

Balance Sheet as at	Note	March 31, 2017
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and Equipments		-
Investment Property		-
Intangible assets		-
Financial Assets		-
Investments		-
Loans		-
Other financial assets		-
Deferred tax assets (net)		-
Other non- current assets		-
<b>Total non-current assets</b>		-
<b>Current assets</b>		
Inventories		-
Financial assets		-
Investments		-
Trade receivables		-
Cash and cash equivalents	2	98,511
Loans		-
Other financial assets		-
Other current assets		-
Current assets (net)		-
<b>Total current assets</b>		98,511
<b>Total Assets</b>		98,511
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share capital	3	100,000
Other equity	4	(23,489)
<b>Total equity</b>		76,511
<b>LIABILITIES</b>		
<b>Non-current Liabilities</b>		
Financial Liabilities		
Borrowings		-
Other financial liabilities		-
Provisions		-
Deferred Tax liability (net)		-
Other non- Current liabilities		-
<b>Total non-current liabilities</b>		-
<b>Current Liabilities</b>		
Financial Liabilities		
Borrowings		-
Trade Payables	5	-
a) total outstanding dues of micro enterprises and small enterprises; and		-
b) total outstanding dues of creditors other than micro enterprises and small enterprises		22,000
Other financial liabilities		-
Other current liabilities		-
Provisions		-
Current tax liabilities (Net)		-
<b>Total current liabilities</b>		22,000
<b>Total equity and liabilities</b>		98,511

The accompanying notes from an integral part of financial statements.

As per our report of event date attached

for VDSR & CO.,  
Chartered Accountants  
Firm's Registration Number: 001626S

Venkatesh Kamath S V  
Partner  
Membership No: 202626

Palce: Bangalore  
Date: 29 May 2017



For and on behalf of the Board of Directors of  
Provident Cedar Pvt Ltd

Jasbir Ashish Puravankara  
Director  
DIN 01918184

Palce: Bangalore  
Date: 29 May 2017

Hari Ramakrishnan  
Director  
DIN 06978443

Palce: Bangalore  
Date: 29 May 2017





# PROVIDENT CEDAR PRIVATE LIMITED

Statement of Profit and Loss for the year ended	Note	March 31, 2017
Revenue From Operations		-
Other Income		-
<b>Total Income</b>		<b>-</b>
<b>EXPENSES</b>		
Material and contract cost		-
Land cost		-
Changes in inventory of properties under development and properties held for sale		-
Employee benefits expense		-
Finance costs		-
Depreciation and amortization expense		-
Other expenses	6	23,489
<b>Total Expenses</b>		<b>23,489</b>
Profit before exceptional items and tax		(23,489)
Exceptional Items		-
Profit/(loss) before tax		(23,489)
<b>Tax expense:</b>		
Current tax		-
Deferred tax		-
Profit/(loss) for the period		(23,489)
<b>Other Comprehensive Income</b>		
<b>A (i) Items that will not be reclassified to profit or loss</b>		
(a) Changes in revaluation surplus		-
(b) Remeasurements of the defined benefit plans		-
(c) Equity Instruments through Other Comprehensive Income		-
(d) Others (specify nature)		-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-
<b>B (i) Items that will be reclassified to profit or loss</b>		
(a) Exchange differences in translating the financial statements of a foreign operation		-
(b) Debt Instruments through Other Comprehensive Income		-
(c) The effective portion of gains and loss on hedging instruments in a cash flow hedge		-
(d) Others (specify nature)		-
(ii) Income tax relating to items that will be reclassified to profit or loss		-
<b>Total Comprehensive Income for the period</b>		<b>(23,489)</b>
<b>Earnings per equity share ( ₹ )</b>		
(1) Basic		-
(2) Diluted		-

The accompanying notes from an integral part of financial statements.

As per our report of event date attached  
for VDSR & CO.,  
Chartered Accountants  
Firm's Registration Number: 001626S

Venkatesh Kamath S V  
Partner  
Membership No: 202626

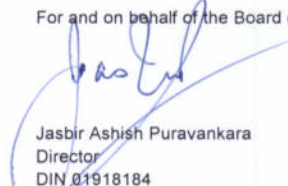
Palce: Bangalore  
Date: 29 May 2017



For and on behalf of the Board of Directors of Provident Cedar Pvt Ltd

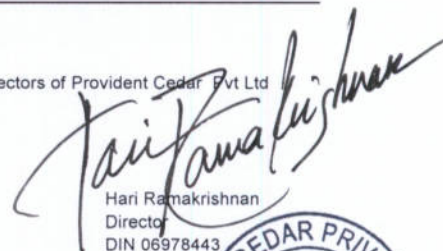
Jasbir Ashish Puravankara  
Director  
DIN 01918184

Palce: Bangalore  
Date: 29 May 2017



Hari Ramakrishnan  
Director  
DIN 06978443

Palce: Bangalore  
Date: 29 May 2017



# STATEMENT OF CHANGES IN EQUITY

## PROVIDENT CEDAR PRIVATE LIMITED

Statement of changes in Equity for the period ended March 31, 2017

Particulars	Equity share capital	Other Equity		Total
		Reserves and Surplus	Related Earnings	
Balance as of April 1, 2016				-
Changes equity for the year ended March 31, 2017				-
Restated balance at April 1, 2016				-
Total Comprehensive Income for the year				-
Dividends				-
Issued during the year	100,000			100,000
Transfer to related Earnings			(23,489)	(23,489)
Any other changes				-
Balance at the end of the year	100,000		(23,489)	76,511





**PROVIDENT CEDAR PRIVATE LIMITED**

**Cash Flow Statement**

March 31, 2017

<b>A. Cash flow from operating activities</b>	
Profit before tax and prior period items	(23,489)
Adjustments	-
<b>Operating profit before working capital changes</b>	<b>(23,489)</b>
Movements in working capital :	
(Increase)/Decrease in trade receivables	-
(Increase)/Decrease in loans and advances and other current assets	-
(Increase)/Decrease in properties under development	-
Increase/(Decrease) in current liabilities and provisions	22,000
<b>Cash (used in)/received from operations</b>	<b>(1,489)</b>
Direct taxes paid	-
<b>Net cash from/(used in) operating activities</b>	<b>(1,489)</b>
<b>B. Cash flows from investing activities</b>	
Deposits and advances	-
Properties held for development	-
<b>Net cash from/(used in) investing activities</b>	<b>-</b>
<b>C. Cash flows from financing activities</b>	
Proceeds from/(repayments of) Share capital	100,000
<b>Net cash generated from/(used in) financing activities</b>	<b>100,000</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>98,511</b>
<b>Cash and cash equivalents at the beginning of the period/year</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the period/year</b>	<b>98,511</b>
<b>Components of cash and cash equivalents</b>	
Cash and bank balances (as per Note 1 to the financial statements)	98,511
Less: Bank deposits and margin monies considered separately	-
	<b>98,511</b>

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*

Venkatesh Kamath S V

Partner

M No: 202626

Palce: Bangalore

Date: 29 May 2017

**For and on behalf of the Board of Directors of Provident Meryta Pvt Ltd**

*Jasbir Ashish Puravankara*

Jasbir Ashish Puravankara

Director

DIN 01918184

Palce: Bangalore

Date: 29 May 2017

*Hari Ramakrishnan*

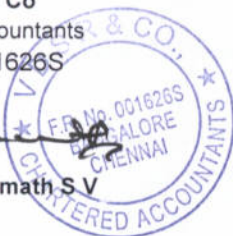
Hari Ramakrishnan

Director

DIN 06978443

Palce: Bangalore

Date: 29 May 2017



## PROVIDENT CEDAR PRIVATE LIMITED

Summary of significant accounting policies and other explanatory information

### 2 Cash and Cash Equivalents

Particulars	As at March 31, 2017
Balance with banks	98,511
In current account and other deposits	-
cash on hand	98,511



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## PROVIDENT CEDAR PRIVATE LIMITED

### Summary of significant accounting policies and other explanatory information

#### 3 Equity Share Capital

Particulars	As at	
	March 31, 2017	
<b>Authorized</b>		
Equity shares, ₹100/- par value		
5,000 equity shares		500,000
<b>Issued, Subscribed and Paid Up</b>		
Equity shares, ₹100/- par value		100,000
1000 equity shares fully paid up		100,000

The Company has only one class of equity shares having a par value of ₹ 100 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.

The details of shareholder holding more than 5% shares as at March 31, 2017 as set out below:

Name of the shareholder	As at March 31, 2017	
	Number of shares	% held
Provident Housing Limited	1,000	100

The reconciliation of number of shares outstanding and amount of share capital as at March 31, 2017 as set below:

Particulars	As at March 31, 2017	
	Number of shares	Amount
Number of shares at the beginning of the period	-	-
Add: Allotted during the period	1,000	100,000
Number of shares at the end of the period	1,000	100,000

#### 4 Other Equity

Particulars	As at	
	March 31, 2017	
Share application money pending allotment		
Reserves and surplus		(23,489)
Debtenture redemption reserve		
Opening balance		-
Transferred/adjustment during the year		
Closing balance		-
Securities premium reserve		
Opening balance		-
Transferred/adjustment during the year		
Closing balance		-
Retained Earnings		
Opening balance		-
Transferred/adjustment during the year		
Net profit and loss for the year		(23,489)
Closing balance		(23,489)
<b>Total Other Equity</b>		<b>(23,489)</b>



**5 Trade Payables**

Particulars	As at
	March 31, 2017
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	22,000
from related parties	-
from others	22,000
	<u>22,000</u>



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## PROVIDENT CEDAR PRIVATE LIMITED

### Financial Instruments

#### Financial Instruments by category

The carrying value and fair value of financial instruments by categories of March 31, 2017 as follows:

Particulars	Amortised cost	FVTPL	FVTOCI	Total carrying value	Total fair value
<b>Financial assets</b>					
Cash and cash equivalents	98,511			98,511	98,511
	98,511	-	-	98,511	98,511
<b>Financial Liability</b>					
Trade payables	22,000			22,000	22,000
	22,000	-	-	22,000	22,000



**PROVIDENT CEDAR PRIVATE LIMITED**  
Supplementary statutory information

March 31, 2017

- 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

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.

**Specified bank notes during the period 08.11.2016 to 30.12.2016\***

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand on 08.11.2016	-	-	-
Add: Permitted Receipts	-	-	-
Less: Permitted Payments	-	-	-
Less: Amounts deposited in Banks	-	-	-
Closing cash in hand on 30.12.2016	-	-	-

\* Company is not maintaining any cash in hand during the year.

**Disclosures of dues to micro, small and medium enterprises**

- (a) the principal amount and the interest due thereon (to be shown separately) 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;
- (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;
- (d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and
- (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  
Nil Nil  
Nil Nil  
Nil Nil  
Nil Nil

**Prior period comparatives**

The Company was incorporated on 03 November 2016 and the financial statements have been prepared from the aforesaid date till 31, March 2017, accordingly there are no comparative figures of previous year.

For V D S R & Co

Chartered Accountants

FRN No.: 001626S

Venkatesh Kamath S

Partner

M No: 202626

Place: Bangalore

Date: 29 May 2017



For and on behalf of the Board of Directors

Jasbir Ashish Puravankara

Director

DIN 01918184

Place: Bangalore

Date: 29 May 2017

Hari Ramakrishnan

Director

DIN 06978443

Place: Bangalore

Date: 29 May 2017





## PROVIDENT CEDAR PRIVATE LIMITED

### Summary of significant accounting policies and other explanatory information

Particulars	As at 31-Mar-2017
	-
6 Other expenses	
Rates and taxes	17,000
Printing and stationery	1,489
Audit fees	5,000
	<u>23,489</u>



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# PROVIDENT CEDAR PRIVATE LIMITED

## 7 Related party transactions

- (i) Holding Company  
Provident Housing Limited
- (ii) Key management personnel  
Mr. Jasbir Ashish Puravankara  
Mr. Hari Ramakrishnan

- (iii) Entities controlled by key management personnel (other related parties)  
Puravankara Projects Limited

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

Nature of transaction	Holding Company	Key management personnel	Other related parties
	March 31, 2017	March 31, 2017	March 31, 2017
Issue of shares Provident Housing Limited	100,000	-	-

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

Nature of transaction	Holding Company	Key management personnel	Other related parties
	March 31, 2017	March 31, 2017	March 31, 2017
Share Capital Provident Housing Limited	100,000		



# PROVIDENT CEDAR PRIVATE LIMITED

## Summary of significant accounting policies and other explanatory information

### 1 Company overview

Provident Cedar Private Limited ("the Company") was incorporated in Bengaluru, India on 03 November 2016 under Companies Act, 2013 ("the Act"). The Company is a wholly owned subsidiary of Provident Housing Limited ("the holding company"). The company is engaged in the business of construction, development and sale of all or any part of housing project and other related activities.

### 2 Basis of preparation

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (IndAs) as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ('MCA')). The Company has uniformly applied the accounting policies during the periods presented. For year ended 31 March 2017, the Company had prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). These financial statements for the year ended 31 March 2017 are the first which the Company has prepared in accordance with Ind AS. The financial statements have been prepared on going concern basis under the historical cost basis except for certain financial assets and liabilities which are measured at fair value. The Company has presented separate financials as the Company is exempt from presenting the consolidated financial statements as per the paragraph 4 of IndAs 10. The financial statements for the year ended 31 March 2017 were authorized and approved for issue by the Board of Directors on 29 May 2017. Amendments to the financial statements are permitted after approval.

### 3 Use of estimates

The preparation of financial statements is in conformity with generally accepted accounting principles which require the management of the Company to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Application of accounting policies that require significant accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 6.

### 4 Standards, not yet effective and have not been adopted early by the Company

Information on new standards, amendments and interpretations that are expected to be relevant to the financial statements is provided below.

Ind AS 115 'Revenue from Contracts with Customers' (Ind AS 115)

MCA has notified a new standard (not yet effective) for revenue recognition which overhauls the existing revenue recognition standards including Ind AS 18 – Revenue and Ind AS 11 – Construction contracts. The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

- i. Identification of the contracts with the customer
- ii. Identification of the performance obligations in the contract
- iii. Determination of the transaction price
- iv. Allocation of transaction price to the performance obligations in the contract (as identified in step ii)
- v. Recognition of revenue when the Company satisfies a performance obligation.

The effective date of the new standard has not yet been notified by the MCA. The management is yet to assess the impact of this new standard on the Company's financial statements.





## 5 Summary of significant accounting policies

The financial statements have been prepared using the accounting policies and measurement basis summarized below.

### a. Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases that are in effect at 31 March 2017, as summarised below.

### b. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### c. Foreign currency

Functional and presentation currency

The financial statements are presented in Indian Rupee (' ₹ ') which is also the functional and presentation currency of the Company and are rounded to the nearest digits.

Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction. Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined. Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.



**d. Revenue recognition**

**Revenue from projects**

Revenue is recognised when it is probable that the economic benefits will flow to the Company and it can be reliably measured, which coincides with entering into a legally binding agreement. Revenue is measured at the fair value of the consideration received/receivable net of rebate and taxes.

In accordance with the "Guidance Note on Accounting for Real Estate Transactions" (Guidance note), construction revenue on 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 and land costs incurred until the reporting date bears to the total estimated construction and land costs to completion. Land costs are not included for the purpose of computing the percentage of completion for the projects where the risk and rewards on the sale of the UDS are separable from the construction contracts

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.

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.

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.

**e. Inventories**

**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.

**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 and borrowing costs and other costs incurred during the period of development.

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

**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 and other costs incurred to get the properties ready for their intended use.





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#### f. Property, plant and equipment (PPE)

##### Recognition and initial measurement

Properties plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred.

##### Depreciation and Useful lives

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

##### De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

##### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1 April 2015 measured as per the provisions of Previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

#### g. Intangible assets

##### Recognition and initial measurement

Intangible assets (softwares) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

##### Subsequent measurement (amortisation)

The cost of capitalized software is amortized over a period of 3 years from the date of its acquisition on a straight line basis.

##### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognised as at 1 April 2015 measured as per the provisions of Previous GAAP and use that carrying value as the deemed cost of intangible assets.

#### h. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

#### i. Leases

##### Finance leases

Assets acquired on lease which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the assets, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

##### Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.





j. **Impairment of non-financial assets**

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or 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 reporting 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. Impairment losses previously recognized are accordingly reversed in the Statement of Profit and Loss.

k. **Financial instruments**

**Financial assets**

*Initial recognition and measurement*

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

*Subsequent measurement*

**Debt instruments at amortised cost** – A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

**De-recognition of financial assets**

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.



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### Summary of significant accounting policies and other explanatory information

#### Financial liabilities

##### Initial recognition and measurement

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted.

##### Subsequent measurement

These liabilities include borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method

##### De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

#### l. Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company considers:

- all contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

##### Trade receivables

The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

##### Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

#### m. Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled

#### n. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, other short-term highly liquid investments (original maturity of 3 months or less) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.



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### Summary of significant accounting policies and other explanatory information

#### **o. Provisions, contingent liabilities and contingent assets**

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- a. Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
  - b. Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

#### **p. Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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 dilutive potential equity shares.

#### **6 Significant management judgements in applying accounting policies**

The following are significant management judgements in applying the accounting policies of the Company that have a significant effect on the financial statements:

- a. **Provisions** – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However the actual future outcome may be different from this judgement.

