

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 6th Annual General Meeting (AGM) of the Members of PROVIDENT HOUSING LIMITED will be held on Monday, the 29.09.2014 @ 12.30 P.M., # 130/1, Ulsoor Road, Bengaluru-560 042, to transact the following businesses:

ORDINARY BUSINESS:

ITEM NO. 1 – ADOPTION OF ACCOUNTS

To receive, consider and adopt the audited Balance Sheet as at 31.03.2014 and the Statement of Profit and Loss for the year ended on that date, the reports of the Directors and 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 (DIN: 00504555), who retires by rotation and being eligible, offers himself for re-appointment.

ITEM NO. 3 – RE-APPOINTMENT OF MR. ANUP S. SHAH AS A DIRECTOR

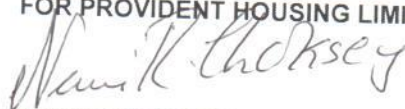
To appoint a Director in place of Mr. Anup S. Shah (DIN: 00317300), who retires by rotation and being eligible, offers himself for re-appointment.

ITEM NO. 4 – APPOINTMENT OF STATUTORY AUDITORS

To appoint Auditors and to fix their remuneration and in this regard to pass the following resolution with or without modification(s) as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and read with the Companies (Audit and Auditors) Rules, 2014 made thereunder, M/S. Walker, Chandiok & Co. LLP (formerly Walker, Chandiok & Co), Chartered Accountants (LLP Registration No. 001076N/N500013), the retiring Statutory Auditors of the Company, be and is hereby re- appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of next AGM of the Company and that the Board of Directors be and are hereby authorised to fix such remuneration in consultation with the Statutory Auditors."

BY ORDER OF THE BOARD OF DIRECTORS
FOR PROVIDENT HOUSING LIMITED



NANI R CHOKSEY
DIRECTOR
DIN: 504555

BENGALURU
09.06.2014

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY(IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

Provident Housing Ltd.

Email Id: info@providenthousing.com
CIN : U45200KA2008PLC048273

#39, Ulsoor Road, Bengaluru - 560 042. Phone: 080 43428901. Fax : 080 2559 9977.

Registered Office: #130/1, Ulsoor Road, Bengaluru - 560 042 Tel : 91-080-2559 9000/4343 9999 Fax : 91-080-2559 9350
CIN: U45200KA2008PLC048273 E-mail: info@providenthousing.com www.providenthousing.com

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors present the 6th Annual Report together with the audited statement of accounts for the year ended on 31.03.2014.

1. FINANCIAL RESULTS:

(Figures in Rs. Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
<u>INCOME:</u>		
Revenue from Operations	33,786.05	40,845.20
Other Operating Revenues	181.84	25.14
<u>Total Income</u>	<u>33,967.89</u>	<u>40,870.34</u>
<u>EXPENSES:</u>		
Material & Contract Costs	18,726.18	23,857.21
Land Cost	1,125.83	17,231.38
Decrease / (Increase) in Inventory of Properties under Development	(5,572.38)	(21,440.35)
Employee Benefit Expenses	1,198.97	940.71
Other Expenses	6,193.23	3,916.45
Depreciation	42.76	16.70
Finance Expenses (net)	2,764.90	1,180.52
<u>Total Expenses</u>	<u>24,479.49</u>	<u>25,702.62</u>
Profit / (Loss) Before Taxes	<u>9,488.40</u>	<u>15,167.72</u>
Income Tax (Current and Deferred)	3,188.68	4,937.30
Profit / (Loss) After Taxes	6,299.72	10,230.43

2. FINANCIAL AND OPERATING PERFORMANCE:

State of Affairs

During the year your Company recorded **Operating Revenues** of Rs. 33,786.05 Lakhs [2013- Rs. 40,845.20 Lakhs], reflecting a decrease of 17.28% over the previous year. This is mainly because, during the year, Phase I of Cosmocity and Phase I & II of Welworth City which were contributing to revenue in previous year, has been completed. Beside this, the Company has not recognised any revenue on Construction for Sunworth, Green Park and Skyworth Project in line with Guidance Note on Real Estate Accounting issued by Institute of Chartered Accountants of India for this purpose.

Material and Contract Costs amounted to Rs. 18,726.18 Lakhs [2013 - 23,857.21 Lakhs] & **Employee Benefits Expenses** amounting to Rs. 1,198.97 Lakhs [2013- Rs. 940.71 Lakhs], denotes a decrease of 21.51% & an increase of 27.45% respectively.

Land Cost amounted of Rs. 1,125.83 Lakhs [2013- 17,231.38 Lakhs] denotes Cost of acquisition of Land and Development rights.



Other Expenses amounted to Rs. 6,193.22 Lakhs [2013- Rs. 3,916.45 Lakhs], reflects an increase of 58.13%. This is because of increase in Sales & Marketing and other expenditure during the year.

Depreciation Expenses amounted to Rs.42.76 Lakhs [2013- Rs.16.70 Lakhs], reflects an increase on account of additions to Fixed Assets. There is an addition to Computers of Rs. 24.37 Lakhs, Furniture and Fixtures of Rs. 14.20 Lakhs, Plant and Machinery of Rs. 36.52 Lakhs, Office Equipments of Rs.4.77 Lakhs and Lease Hold Improvements of Rs. 8.03 Lakhs during the year.

Finance Expenses, amounted to Rs. 2,764.90 Lakhs [2013- Rs. 1,180.52 Lakhs], denotes a significant increase by Rs. 1,584.38 Lakhs on account of Term Loans availed.

The aforesaid decrease in Revenues over the Expenses was reflected in the **PAT** amounting to Rs. 6,299.72 Lakhs [2013- 10,230.43 Lakhs].

3. BRIEF PARTICULARS OF NEW PROJECT LAUNCHES DURING THE YEAR:

Provident Sunworth - Phase 2, Mysore Road, Bengaluru, was launched on 14.08.2013:

Total Number of units : 5,952

Number of units in Phase – 2 : 1,344

Number of units sold in Phase – 2 : 194

Provident Greenpark, Coimbatore, was launched on 17.08.2013:

Total Number of units : 392 (Developers' Share)

Number of units sold : 85

4. FUTURE OUTLOOK:

Your Company is continuously evaluating new development opportunities across various cities in India including Chennai, Bengaluru, Hyderabad, Coimbatore and also across key cities in Western and Northern part of India..

5. DIRECTORS:

Mr. V. Madhu ceased to be the Director of the Company with effect from 27.05.2014. Your directors placed on record their deep appreciation for the valuable services rendered by him during his tenure with the Company.

In accordance with the provisions of the Companies Act, 2013, **Mr. Nani R. Choksey** and **Mr. Anup S. Shah** retires at the ensuing Annual General Meeting and being eligible, offers themselves for reappointment. The Board recommends the appointment of the Director in the ensuing Annual General Meeting.

6. AUDITORS:

M/S. Walker, Chandiok & Co. LLP (formerly Walker, Chandiok & Co), Chartered Accountants (LLP Registration No. 001076N/N500013), statutory auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received from **M/S. Walker, Chandiok & Co. LLP**, a consent letter to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3) (g) of the Companies Act, 2013.

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, the 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 **31.03.2014** 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 would like to take this opportunity to thank the Company's bankers and shareholders for their consistent support to the Company.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF
PROVIDENT HOUSING LIMITED**



NANI R CHOKSEY
DIRECTOR
DIN: 00504555

Bengaluru
30.04.2014



Provident Housing Limited

Financial Statements

For the year ended 31 March 2014

Provident Housing Limited

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Walker Chandiook & Co LLP

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Independent Auditors' Report

To the Members of Provident Housing Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Provident Housing Limited, ("the Company"), which comprise the Balance Sheet as at 31 March 2014, the Statement of Profit and Loss for the year then ended, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.



Independent Auditors' Report (Cont'd)

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the 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:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
 - ii. in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, 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 purpose of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) the financial statements dealt with by this report are in agreement with the books of account,
 - (d) in our opinion, the financial statements comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 ; and



Independent Auditors' Report (Cont'd)

- (e) on the basis of written representations received from the directors, as on 31 March 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

Walker Chandiok & Co LLP

For **Walker Chandiok & Co LLP**

(formerly Walker, Chandiok & Co)

Chartered Accountants

Firm Registration No.: 001076N

[Signature]
per **Aasheesh Arjun Singh**
Partner
Membership No.: 210122

Bengaluru

9 June 2014



Walker Chandio & Co LLP

Annexure to the Independent Auditors' Report of even date to the members of Provident Housing Limited, on the financial statements for the year ended 31 March 2014.

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 management has conducted physical verification of inventory at reasonable intervals during the year.
- (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 between physical inventory and book records were noticed on physical verification.
- (iii) (a) The Company has granted an unsecured loan to one party covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year is ₹ 232,995,998 and the year-end balance is ₹ 232,995,998.
- (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, receipt of the principal amount and interest is regular.
- (d) There is no overdue amount in respect of loans granted to such companies, firms or other parties.
- (e) The Company has 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 is ₹ 179,401,944 and the year-end balance is ₹ 9,458,391.
- (f) In our opinion, the interest-free nature and other terms and conditions of the loan taken by the Company are not, prima facie, prejudicial to the interest of the Company.
- (g) In respect of the interest free loan taken, the principal amount is repayable on demand and since the repayment of this loan has not been demanded, in our opinion, payment of the principal amount 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.



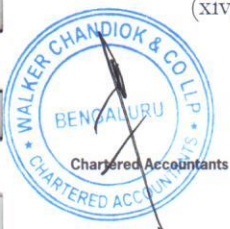
Walker ChandioK & Co LLP

Annexure to the Independent Auditors' Report of even date to the members of Provident Housing Limited, on the financial statements for the year ended 31 March 2014. (Cont'd).

- (v)(a) 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 the 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 has an internal audit system commensurate with its size and the nature of its business.
- (viii) 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 Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (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. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Amount Paid Under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
The Karnataka Value Added Tax Act, 2003	Value Added Tax (including interest & penalty on an approximate basis)	386,472	Nil	April 2009 - March 2010	Joint Commissioner - Commercial Taxes Appeals

- (x) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to any bank. The Company does not have any dues payable to financial institution or debenture holders 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, provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.



Walker Chandiok & Co LLP

Annexure to the Independent Auditors' Report of even date to the members of Provident Housing Limited, on the financial statements for the year ended 31 March 2014. (Cont'd).

- (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 these loans were obtained.
- (xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment by the Company.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties and 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 Chandiok & Co LLP
For Walker Chandiok & Co LLP

(formerly Walker, Chandiok & Co)

Chartered Accountants

Firm Registration No.: 001076N

Aasheesh Arjun Singh
per Aasheesh Arjun Singh

Partner

Membership No.: 210122

Bengaluru

9 June 2014



Provident Housing Limited
Balance Sheet as at 31 March 2014

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	Note	31 March 2014	31 March 2013
(All amounts in ₹ lakh, unless otherwise stated)			
Equity and Liabilities			
Shareholders' Funds			
Share capital	2	5.00	5.00
Reserves and surplus	3	26,182.84	19,883.12
		26,187.84	19,888.12
Non-Current Liabilities			
Long-term borrowings	4	11,741.67	17,550.80
Long-term provisions	5	48.37	50.08
		11,790.04	17,600.88
Current Liabilities			
Short-term borrowings	6	5,094.58	1,319.25
Trade payables	7	6,949.13	6,724.37
Other current liabilities	8	12,837.24	9,198.06
Short-term provisions	5	4.50	815.48
		24,885.45	18,057.16
Total		62,863.33	55,546.16
Assets			
Non-Current Assets			
Fixed assets			
Tangible assets	9	389.02	341.76
Intangible assets	10	14.98	1.06
		404.00	342.82
Deferred tax assets (net)	11	29.90	18.72
Long-term loans and advances	12	9,569.28	6,856.54
Other non-current assets	17	795.69	737.99
		10,394.87	7,613.25
Current Assets			
Inventories			
Properties under development	13	37,517.27	32,937.70
Properties held for sale	14	1,323.22	330.42
		38,840.49	33,268.12
Trade receivables	15	6,157.99	8,288.15
Cash and bank balances	16	2,792.51	2,432.85
Short-term loans and advances	12	3,317.48	1,538.31
Other current assets	17	955.99	2,062.66
		13,223.97	14,321.97
Total		62,863.33	55,546.16

Significant accounting policies and other explanatory information

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 LLP
(formerly Walker, Chandio & Co)
 Chartered Accountants

per **Aashesh Arjun Singh**
 Partner

Bengaluru
 9 June 2014



For and on behalf of the Board of Directors

Ashish Puravankara

Ashish Puravankara
 Director

Bengaluru
 9 June 2014

Nani R Choksey

Nani R Choksey
 Director



Provident Housing Limited

Statement of Profit and Loss for the year ended 31 March 2014

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(All amounts in ₹ lakh, unless otherwise stated)	Note	31 March 2014	31 March 2013
Income			
Revenue from operations			
Revenue from projects	18	33,786.05	40,845.20
Other operating revenues	18	181.84	25.14
Total		33,967.89	40,870.34
Expenses			
Material and contract costs		18,726.18	23,857.21
Land cost		1,125.83	17,231.38
Decrease / (increase) in inventory of properties under development and properties held for sale	19	(5,572.38)	(21,440.35)
Employee benefit expense	20	1,198.97	940.71
Finance expense, net	21	2,764.90	1,180.52
Depreciation	22	42.76	16.70
Other expenses	23	6,193.23	3,916.45
Total		24,479.49	25,702.62
Profit before tax		9,488.40	15,167.72
Tax expense			
Current tax		3,199.87	4,941.09
Deferred tax		(11.19)	(3.80)
Net profit for the year		6,299.72	10,230.43
Earnings per share (Nominal value ₹ 10 per share)			
Basic and Diluted (₹)	24	12,599.44	20,460.86

Significant accounting policies and other explanatory information 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 LLP

(formerly Walker, Chandio & Co)

Chartered Accountants

Aasheesh Arjun Singh
per Aasheesh Arjun Singh
Partner

Bengaluru
9 June 2014



Ashish Puravankara

Ashish Puravankara
Director

Bengaluru
9 June 2014

Nani R Choksey

Nani R Choksey
Director



Provident Housing Limited

Notes to the Financial Statements

1. Significant accounting policies

a. Basis of preparation

The financial statements have been prepared on accrual basis under the historical cost convention and in accordance with the applicable accounting standards prescribed by Companies (Accounting Standards), Rules 2006, the provisions of the Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 (to the extent applicable). The accounting policies have been consistently applied unless otherwise stated.

b. Use of estimates

The preparation of financial statements is in conformity with generally accepted accounting principles which require the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from those estimates. Significant estimates used by management in the preparation of these financial statements include the percentage completion for projects in progress, estimates of the economic useful lives of the fixed assets, provisions for bad and doubtful debts and accruals for employee benefits.

c. Revenue recognition

Revenue from projects

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

Revenue from sale of undivided share of land (UDS) in qualifying projects where the risks and rewards on the sale of the UDS are separable from the risks and rewards on the construction contract is recognized upon the transfer of all significant risks and rewards of ownership of such real estate, as per the terms of the contracts entered into with the buyers, which coincides with the firming of the sales contracts/agreements and a minimum level of collection of dues from the customer.

Revenue from the sale of UDS on other projects where the risk and rewards on the sale of the UDS are not separable from the construction contracts and therefore do not qualify above are recognized on the percentage of completion method.

Effective 1 April 2012, in accordance with the "Guidance Note on Accounting for Real Estate Transactions (Revised 2012)" (Guidance note) all projects commencing on or after the said date or projects where revenue is recognised for the first time on or after the above date, construction revenue on such projects have been recognized on percentage of completion method provided the following thresholds have been met:

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

Contract revenues represent the aggregate amounts of sale price for agreements entered into and are accrued based on the percentage that the actual construction costs incurred until the reporting date bears to the total estimated construction costs to completion. Land costs are not included for the purpose of computing the percentage of completion.

Contract costs include the estimated construction, development, proportionate land cost and other directly attributable costs of the projects under construction. Losses expected to be incurred on projects in progress, are charged to the Statement of Profit and Loss in the period in which these losses are known.

For projects executed through joint development arrangements prior to 1 April 2012, which represent barter transactions, whereby the company gives up a defined percentage of constructed area in lieu of payment for its share in the land, the company accounts for such transactions on net basis and does not ascribe any value to the share of land acquired on such basis. Effective 1 April 2012, in accordance with the Guidance Note, developmental rights acquired through joint development arrangement are recorded on a gross basis on the estimated amount to be spent on development or construction of built up area to be surrendered in lieu of the above rights.

The estimates for saleable area and contract costs are reviewed by the management periodically and the cumulative effect of the changes in these estimates, if any, are recognised in the period in which these changes may be reliably measured.



Provident Housing Limited
Notes to the Financial Statements (cont'd)

10

1. Significant accounting policies (cont'd)

Unbilled revenue disclosed under other assets represents revenue recognised over and above the amount due as per payment plans agreed with the customers. Progress billings which exceed the costs and recognised profits to date on projects under construction are disclosed as advance received from customers under other current liabilities. Any billed amount that has not been collected is disclosed under trade receivables and is net of any provisions for amounts doubtful of recovery.

d. Properties under development

Properties under development represents construction work in progress which are stated at the lower of cost and net realisable value. This comprises of cost of land, construction related overhead expenditure, borrowing cost and other costs incurred during the period of development.

e. Properties held for sale

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

f. Fixed assets

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

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

g. Depreciation / amortisation

Depreciation/amortization on fixed assets is provided on the straight-line method, using the rates specified in Schedule XIV to the Companies Act, 1956, except in the case of shuttering and scaffolding items where the estimated useful life has been determined as seven years. Assets individually costing less than ₹ 5,000 are fully depreciated in the period of purchase.

h. Borrowing cost

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

i. Advertisement and promotional expense

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

j. Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the 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 of depreciated historical cost.

k. Cash and cash equivalents

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

l. 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.



Provident Housing Limited

Notes to the Financial Statements (cont'd)

11

1. Significant accounting policies (cont'd)

l. Foreign currency transactions (contd.)

(b) Conversion

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

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

m. 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 capitalised 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 capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalised 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 recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term unless the other systematic basis is more representative of the time pattern of the benefit.

n. Employee benefits

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

Provident fund

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

Gratuity

Gratuity is a post employment benefit and is a defined benefit plan. The liability recognised 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 unrecognised past service costs. Independent actuaries use the projected unit credit method to calculate the defined benefit obligation.

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

Compensated Absences

Liability in respect of vacation pay becoming due or expected to be availed within one year from the Balance Sheet date is recognised 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 recognised on the basis of amount paid or payable for the period during which the employees render service.



Provident Housing Limited
Notes to the Financial Statements (cont'd)

12

1. Significant accounting policies (cont'd)

o. Tax expense

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

Deferred tax assets are recognised 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 realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits.

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

p. 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.

q. 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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Provident Housing Limited
Notes to the Financial Statements (Cont'd)

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	31 March 2014	31 March 2013
2 Share capital		
Authorized shares		
50,000 (31 March 2013- 50,000) equity shares of ₹ 10 each	5.00	5.00
Issued, subscribed and fully paid up shares		
50,000 (31 March 2013- 50,000) equity shares of ₹ 10 each	5.00	5.00
	<u>5.00</u>	<u>5.00</u>

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

Equity shares

	31 March 2014		31 March 2013	
	No. in lakh	No. in lakh	No. in lakh	No. in lakh
Balance at the beginning of the year	0.50	5.00	0.50	5.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>0.50</u>	<u>5.00</u>	<u>0.50</u>	<u>5.00</u>

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	31 March 2014		31 March 2013	
	No. in lakh	% holding in the class	No. in lakh	% holding in the class
Equity shares of ₹ 10 each fully paid up				
Puravankara Projects Limited - Holding Company (including nominee shareholders)	0.50	100.00%	0.50	100.00%

d. Shares in the Company held by holding company

50,000 (31 March 2013- 50,000) equity shares of ₹10 each	5.00	5.00
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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 2014.

	31 March 2014	31 March 2013
3 Reserves and surplus		
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	19,883.12	9,652.69
Add: Net profit for the year	6,299.72	10,230.43
Balance at the end of the year	<u>26,182.84</u>	<u>19,883.12</u>



Provident Housing Limited
Notes to the Financial Statements (Cont'd)

14

4 Long-term borrowings

	Non-current		Current	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Secured				
Term loans				
From a bank	9,175.00	10,000.00	825.00	-
From others	2,566.67	7,550.80	4,102.23	2,449.20
	11,741.67	17,550.80	4,927.23	2,449.20
Amount disclosed under "Other current liabilities" (note 8)	-	-	(4,927.23)	(2,449.20)
	11,741.67	17,550.80	-	-

Particulars	Nature of Security	Repayment details	As at 31 March 2014	As at 31 March 2013
Term Loan from a bank (Secured)				
Term loan facility of ₹ 13,000 from ICICI Bank Limited	This facility is secured by pari passu charge by way of equitable Mortgage of unsold area admeasuring about 2,024,605 sqft in Welworth City Project together with underlying land, Sunworth Project, hypothecation of receivables of these projects and personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director (Puravankara Group) and Mr. Ashish Puravankara, Director of the Company.	Repayable in 30 monthly installments commencing from Jan 2015.	10,000.00	10,000.00

The interest on above term loan is linked to the base rate of bank which is floating in nature. As on 31 March 2014, the interest rate per annum is 14.75 %

Term loan from others (Secured)

Credit Facility of ₹ 12,000 from ICICI Home Finance Limited	This facility is secured by pari passu charge by way of equitable Mortgage of unsold area admeasuring about 2,024,605 sqft in Welworth City Project together with underlying land, Sunworth Project, hypothecation of receivables of these projects and personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director (Puravankara Group) and Mr. Ashish Puravankara, Director of the Company.	Repayable in 27 monthly installments commencing from Oct 2013.	6,668.90	10,000.00
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The interest on above term loan is linked to the respective benchmark which is floating in nature. As on 31 March 2014, the interest rate per annum is 14.50 %

5 Provisions

	Non-current		Current	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Provision for employee benefits				
Gratuity	35.78	40.97	2.84	3.43
Compensated Absences	12.59	9.11	1.66	0.66
Provision for tax (net of advance tax)				
	48.37	50.08	4.50	815.48



Provident Housing Limited
Notes to the Financial Statements (Cont'd)

15

	31 March 2014	31 March 2013
6 Short-term borrowings		
Secured		
Term loan from a bank*	5,000.00	-
Unsecured		
Interest free loan from related parties repayable on demand	94.58	1,319.25
	<u>5,094.58</u>	<u>1,319.25</u>

* Classified based on the operating cycle of the Company.

The amount repayable within 12 months:

Term loan from banks

1,000.00	-
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Particulars	Nature of Security	Repayment details	As at 31 March 2014	As at 31 March 2013
Term Loan from a bank (Secured)				
Term Loan facility of ₹ 5,000 from Standard Chartered Bank	Exclusive mortgage over the land & building of the projects Cosmo City & Harmony (to the extent of unsold units of PHL'S share), exclusive Charge & Escrow of operating cash flows from the Projects Cosmo City & Harmony during the tender of the loan and Corporate Guarantee from its holding Company M/S.Puravankara Projects Limited	Repayable in 27 monthly installments commencing from Feb 2015.	5,000.00	

The interest on above term loan is linked to the base rate of bank which is floating in nature. As on 31 March 2014, the interest rate per annum is 13.50 %

	31 March 2014	31 March 2013
7 Trade payables (Refer Note 29)		
Trade payables	6,199.43	6,480.83
Due to related parties	749.70	243.54
	<u>6,949.13</u>	<u>6,724.37</u>

8 Other current liabilities		
Current maturities of long term borrowings (note 4)	4,927.23	2,449.20
Advances received from customers	6,516.34	6,169.61
Duties and taxes payable	291.02	391.82
Interest accrued but not due on borrowings	96.73	128.35
Other payables	1,005.92	59.08
	<u>12,837.24</u>	<u>9,198.06</u>



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Provident Housing Limited
Notes to the Financial Statements (Cont'd)

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9 Tangible assets

	Office equipments	Computers	Furniture and fixtures	Lease Hold Improvements	Vehicles	Plant and machinery	Total
Cost							
At 01 April 2012	25.89	38.03	36.30	-	9.63	0.14	109.99
Additions	39.54	27.30	57.07	134.00	-	-	257.91
Disposals	-	-	-	-	-	-	-
At 31 March 2013	<u>65.43</u>	<u>65.33</u>	<u>93.37</u>	<u>134.00</u>	<u>9.63</u>	<u>0.14</u>	<u>367.90</u>
Additions	4.77	24.37	14.20	8.03	-	36.52	87.89
Disposals	-	-	-	-	-	-	-
At 31 March 2014	<u>70.20</u>	<u>89.70</u>	<u>107.57</u>	<u>142.03</u>	<u>9.63</u>	<u>36.66</u>	<u>455.79</u>
Depreciation							
At 01 April 2012	0.68	5.19	1.39	-	2.20	-	9.46
Charge for the year	1.81	8.12	3.36	2.47	0.91	0.01	16.68
Disposals	-	-	-	-	-	-	-
At 31 March 2013	<u>2.49</u>	<u>13.31</u>	<u>4.75</u>	<u>2.47</u>	<u>3.11</u>	<u>0.01</u>	<u>26.14</u>
Charge for the year	3.23	12.77	6.40	15.68	0.91	1.64	40.63
Disposals	-	-	-	-	-	-	-
At 31 March 2014	<u>5.72</u>	<u>26.08</u>	<u>11.15</u>	<u>18.15</u>	<u>4.02</u>	<u>1.65</u>	<u>66.77</u>
Net block							
At 31 March 2013	<u>62.94</u>	<u>52.02</u>	<u>88.62</u>	<u>131.53</u>	<u>6.52</u>	<u>0.13</u>	<u>341.76</u>
At 31 March 2014	<u>64.48</u>	<u>63.62</u>	<u>96.42</u>	<u>123.88</u>	<u>5.61</u>	<u>35.01</u>	<u>389.02</u>

10 Intangible assets

	Computer Software	Total
Cost		
At 01 April 2012	-	-
Additions	1.08	1.08
Disposals	-	-
At 31 March 2013	<u>1.08</u>	<u>1.08</u>
Additions	16.05	16.05
Disposals	-	-
At 31 March 2014	<u>17.13</u>	<u>17.13</u>
Amortisation		
At 01 April 2012	-	-
Charge for the year	0.02	0.02
Disposals	-	-
At 31 March 2013	<u>0.02</u>	<u>0.02</u>
Charge for the year	2.13	2.13
Disposals	-	-
At 31 March 2014	<u>2.15</u>	<u>2.15</u>
Net block		
At 31 March 2013	<u>1.06</u>	<u>1.06</u>
At 31 March 2014	<u>14.98</u>	<u>14.98</u>



Provident Housing Limited
Notes to the Financial Statements (Cont'd)

17

	31 March 2014		31 March 2013	
11 Deferred tax asset / (liability), net				
Deferred tax liability arising on account of depreciation	(26.07)		(15.63)	
Less: Deferred tax asset arising on account of:				
Expenses allowable on payment basis				
Gratuity	13.13		15.09	
Compensated absences	4.85		3.32	
Bonus	10.39		15.94	
Provision for expense	27.60		-	
	<u>29.90</u>		<u>18.72</u>	
	Non-current		Current	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
12 Loans and advances				
Security deposits				
(Unsecured, considered good)	2,998.56	1,376.09	-	-
	<u>2,998.56</u>	<u>1,376.09</u>	<u>-</u>	<u>-</u>
Loans and advances to related parties				
(Unsecured, considered good)				
Loans to related parties	2,354.96	2,087.20	-	-
	<u>2,354.96</u>	<u>2,087.20</u>	<u>-</u>	<u>-</u>
Other loans and advances				
(Unsecured, considered good)				
Advances to suppliers*	-	0.78	2,697.02	1,516.00
Other Advances*	16.62	82.42	170.13	-
Capital Advances*	12.61	-	-	-
Prepaid Expenses*	-	-	36.65	22.31
Advances for land contracts*	3,697.99	3,131.25	-	-
Taxes and duties recoverable	286.86	62.08	347.49	-
Advance tax (net of provision)	201.68	116.72	66.19	-
	<u>4,215.76</u>	<u>3,393.25</u>	<u>3,317.48</u>	<u>1,538.31</u>
Total loans & advances	<u>9,569.28</u>	<u>6,856.54</u>	<u>3,317.48</u>	<u>1,538.31</u>
* Advances recoverable in cash or kind or for value to be received.				
Inventories				
13 Properties under development				
Land cost	14,876.92		16,945.52	
Material and construction cost	22,640.35		15,992.18	
	<u>37,517.27</u>		<u>32,937.70</u>	
14 Properties held for sale				
At the beginning of the year	330.42		-	
Add: Additions during the year	2,170.04		330.42	
Less: Sales during the year	(1,177.24)		-	
	<u>1,323.22</u>		<u>330.42</u>	
15 Trade receivables				
(Unsecured, considered good)				
Outstanding for a period exceeding six months	1,043.37		1,106.53	
Other receivables	5,114.62		7,181.62	
	<u>6,157.99</u>		<u>8,288.15</u>	



Provident Housing Limited
Notes to the Financial Statements (Cont'd)

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16 Cash and bank balances	Non-current		Current	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Cash on hand	-	-	1.85	1.10
Balances with banks:				
On current accounts	-	-	2,790.66	2,431.75
Other Bank balances				
Deposits with maturity of more than twelve months*	718.75	718.75	-	-
	<u>718.75</u>	<u>718.75</u>	<u>2,792.51</u>	<u>2,432.85</u>
Amount disclosed under non-current asset (Note 17)	(718.75)	(718.75)	-	-
	<u>-</u>	<u>-</u>	<u>2,792.51</u>	<u>2,432.85</u>
* Represents amounts restricted for use				
17 Other assets				
Deposits (Note 16)	718.75	718.75	-	-
Interest accrued but not due on fixed deposits	76.94	19.24	-	-
Unbilled revenue	-	-	955.99	2,062.66
	<u>795.69</u>	<u>737.99</u>	<u>955.99</u>	<u>2,062.66</u>



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Provident Housing Limited
Notes to the Financial Statements (Cont'd)

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	Year ended 31 March 2014	Year ended 31 March 2013
18 Revenue from operations		
Revenue from projects		
Sale of properties	33,786.05	40,845.20
Other operating revenue		
Brokerage		-
Other income	181.84	25.14
	<u>33,967.89</u>	<u>40,870.34</u>
19 Decrease / (increase) in inventory		
Inventory at the beginning of the year		
Properties under development	32,937.69	11,827.77
Properties held for sale	330.42	-
Inventory at the end of the year		
Properties under development	37,517.27	32,937.70
Properties held for sale	1,323.22	330.42
	<u>(5,572.38)</u>	<u>(21,440.35)</u>
20 Employee benefit expense		
Salaries, wages and bonus	1,154.03	873.90
Contribution to provident fund and other funds	20.06	12.69
Gratuity expenses	(5.77)	19.48
Staff welfare	30.65	34.64
	<u>1,198.97</u>	<u>940.71</u>
21 Finance expense, net *		
Finance expense:		
Interest		
- Term loans	2,971.55	961.75
- Others	18.01	117.72
Loan and other processing charges	82.50	340.00
Bank charges	2.39	1.75
Interest on delayed payment of Income Tax	78.37	-
	<u>3,152.82</u>	<u>1,421.22</u>
Finance Income:		
Bank deposits	92.95	25.33
Interest on loan to related parties	188.90	172.96
Interest received from customers	106.07	42.41
	<u>387.92</u>	<u>240.70</u>
Finance expenses, net	<u>2,764.90</u>	<u>1,180.52</u>
* Includes finance expense capitalized and included in properties under development ₹ 217.93 for the year ended 31 March 2014 (31 March 2013 ₹ 1,023.40)		
22 Depreciation and amortization		
Depreciation of tangible assets (Note 9)	40.63	16.68
Amortisation of intangible assets (Note 10)	2.13	0.02
	<u>42.76</u>	<u>16.70</u>



Provident Housing Limited
Notes to the Financial Statements (Cont'd)

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	Year ended 31 March 2014	Year ended 31 March 2013
23 Other expenses		
Travel and conveyance	159.57	91.84
Repairs and maintenance - Others	147.30	142.52
Legal and professional charges	699.90	885.63
Rent	156.72	133.41
Rates and taxes	366.88	132.35
Security charges	139.53	148.40
Communication costs	90.39	25.24
Printing and stationery	221.38	74.67
Advertising and sales promotion	4,089.87	2,194.93
Brokerage and referral charges	111.34	79.55
Donations	5.00	3.65
Miscellaneous expenses	5.35	4.26
	6,193.23	3,916.45
Payment to auditor *		
As auditor:		
Audit fee	24.00	23.50
Reimbursement of expenses	-	-
	24.00	23.50
* excluding Service Tax		
24 Earnings per share (EPS)		
Weighted average number of shares outstanding during the year (lakh)	0.50	0.50
Net profit after tax attributable to equity shareholders (₹ in lakh)	6,299.72	10,230.43
Earnings per share (₹) :		
Basic and Diluted	12,599.44	20,460.86
Nominal value - Rupees per equity share	10.00	10.00

25 Leases

The lease expense for cancellable and non-cancellable operating leases was ₹ 156.72 for the year ended 31 March 2014 (31 March 2013 - ₹ 133.41)

Lease commitments under non-cancellable operating leases as at the Balance Sheet date were as follows:

Particulars	31 March 2014	31 March 2013
a) Within one year	177.54	138.65
b) One to five years	648.75	396.47
c) More than five years	368.97	-

26 Related party transactions

(i) Parties where control exists

Puravankara Projects Limited - Holding Company

Mr. Ravi Puravankara

(ii) Key Management Personnel:

Mr. Ravi Puravankara

Mr. Madhu V

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

Handiman Services Limited

Propmart Technologies Limited

Starworth Infrastructure and Construction Limited

Melmont Constructions Limited



Provident Housing Limited
Notes to the Financial Statements (Cont'd)

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26 Related party transactions (Cont'd)

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

Nature of Transaction	Holding Company		Key Management		Other Related Parties	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Transactions during the year						
Unsecured Loans received from						
Puravankara Projects Limited	577.56	4,372.53	-	-	-	-
Unsecured Loans repaid to						
Puravankara Projects Limited	1,802.23	4,444.30	-	-	-	-
Interest income accrued on loans						
Propmart Technologies Limited	-	-	-	-	188.90	172.96
Loans given to						
Propmart Technologies Limited	-	-	-	-	97.75	229.70
Advances paid to						
Starworth Infrastructure and Construction Limited	-	-	-	-	-	900.00
Melmont Constructions Limited	-	-	-	-	-	25.00
Purchase of Material and Services						
Starworth Infrastructure and Construction Limited	-	-	-	-	2,658.79	1,494.13
Security and Maintenance Charges						
Handiman Services Limited	-	-	-	-	449.80	244.46
Rental expenses						
Puravankara Projects Limited	-	2.49	-	-	-	-
Brokerage expenses						
Propmart Technologies Limited	-	-	-	-	0.67	0.44
Remuneration						
Mr.Madhu.V	-	-	109.25	92.31	-	-

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

Balances as at the end of the year						
Unsecured Loans						
Puravankara Projects Limited	94.58	1,319.25	-	-	-	-
Loans outstanding from						
Propmart Technologies Limited	-	-	-	-	2,329.96	2,062.20
Advances paid to						
Starworth Infrastructure and Construction Limited	-	-	-	-	416.33	900.00
Melmont Constructions Limited	-	-	-	-	25.00	25.00
Dues to related parties						
Starworth Infrastructure and Construction Limited	-	-	-	-	728.34	232.54
Handiman Services Limited	-	-	-	-	18.25	7.88
Advance for land contracts						
Puravankara Projects Limited	2,800.00	2,800.00	-	-	-	-



Provident Housing Limited
Notes to the Financial Statements (Cont'd)

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27 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 2014 and 31 March 2013 are as under:

	31 March 2014		31 March 2013		
	Gratuity	Compensated absences	Gratuity	Compensated absences	
1 The amounts recognized in the Balance Sheet are as follows:					
Present value of the obligation as at the end of the year	38.62	14.25	44.40	9.77	
Net liability/(asset) recognized in the Balance Sheet	38.62	14.25	44.40	9.77	
2 Net gratuity cost and compensated absences cost for the year ended 31 March 2014 and 31 March 2013 comprise of the following components:					
Service cost	4.31	7.63	17.6	2.06	
Interest cost	4.05	0.69	2.07	0.40	
Net actuarial (gain)/loss recognized in the year	(14.13)	0.48	(0.19)	22.19	
Curtailment	-	-	-	(1.0)	
Net cost	(5.77)	8.80	19.48	23.65	
3 Changes in the present value of defined benefit obligation					
Defined benefit obligation as at beginning of the year	44.40	9.77	25.35	23.55	
Service cost	4.31	7.63	17.60	2.06	
Interest cost	4.05	0.69	2.07	0.40	
Actuarial losses/(gains)	(14.13)	0.48	(0.19)	22.19	
Benefits paid	(0.01)	(4.32)	(0.43)	(38.43)	
Defined benefit obligation as at the end of the year	38.62	14.25	44.40	9.77	
Non-current	35.78	12.59	40.97	9.11	
Current	2.84	1.66	3.43	0.66	
Assumptions used in the above valuations are as under:					
Interest rate	9.12%	9.12%	8.25%	8.25%	
Discount rate	9.12%	9.12%	8.25%	8.25%	
Future salary increase	6.00%	6.00%	6.00%	6.00%	
Attrition rate	2.00%	2.00%	2.00%	2.00%	
Retirement age	60 years	60 years	60 years	60 years	
4 Experience adjustments for gratuity	31 Mar 2014	31 Mar 2013	31 Mar 2012	31 Mar 2011	31 Mar 2010
Defined benefit obligation as at the end of the year	38.62	44.40	25.35	16.16	7.73
Experience adjustments on plan liabilities	(14.13)	(0.19)	(0.55)	(1.22)	-

B. Defined contribution plan

The Company makes contribution of statutory provident fund as per the Employees' Provident Funds and Miscellaneous Provision Act, 1952. This is a defined contribution plan as per AS-15. Contribution made during the year ended 31 March 2014 ₹ 18.07 (31 March 2013 is ₹ 11.24). Contribution made towards Employee State Insurance Scheme as per the Employees State Insurance Act, 1948 for the year ended 31 March 2014 ₹ 1.99 (31 March 2013 is ₹ 1.45).



Provident Housing Limited
Notes to the Financial Statements (Cont'd)

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28 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.

29 Disclosures of dues to micro, small and medium enterprises

Based on the information available with the Company, ₹ 28.54 (31 March 2013- ₹ 0.77) is the amount payable to micro, small and medium enterprises as at the Balance Sheet date. The entire amount being ₹ 28.54 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.

30 Other commitments and contingencies

	31 March 2014	31 March 2013
(a) Demand from Commercial Tax Department	3.86	-

31 Supplementary statutory information
 (to the extent applicable)

a) Particulars relating to foreign currency

	31 March 2014	31 March 2013
i. Expenditure in foreign currency		
Travel	7.20	1.34
Others	-	16.30

32 Transfer Pricing

The Finance Act, 2012 has made the detailed Transfer Pricing regulations applicable to 'specific domestic transactions'. Accordingly, the income and/or expenditure arising from such 'specific domestic transactions' have to be computed having regard to the arm's length price. These regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an Accountant within the due date of filing the return of income.

The Company has undertaken necessary steps to comply with the Transfer Pricing regulations and the prescribed report from the Accountant will be obtained for the year ended 31 March 2014. The Management is of the opinion that the above referred transactions are at arm's length, and hence the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

33 Prior year comparatives

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

This is summary of significant accounting policies and other explanatory information referred to in our report of even date.

Walker Chandiook & Co

For Walker Chandiook & Co LLP
 (formerly Walker, Chandiook & Co)
 Chartered Accountants

Aasheesh Arjun Singh
 Partner

Bengaluru
 9 June 2014



For and on behalf of the Board of Directors

Ashish Puravankara

Ashish Puravankara
 Director

Bengaluru
 9 June 2014

Nani R Choksey

Nani R Choksey
 Director



Provident Housing Limited
Cash Flow Statement

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(All amounts in ₹ lakh, unless otherwise stated)

A. Cash flow from operating activities

Profit before tax

9,488.40

15,167.72

Adjustments for:

Depreciation

42.76

16.70

Finance (income) / charges, net

2,764.90

1,180.52

Operating profit before working capital changes

12,296.06

16,364.94

Movements in working capital :

(Increase) / Decrease in trade receivables

2,130.16

(4,375.01)

(Increase) / Decrease in loans and advances & other assets

(639.45)

(2,215.66)

(Increase) / Decrease in properties under development

(5,773.41)

(17,710.02)

(Increase) / Decrease in properties held for sale

1,177.24

(330.42)

Increase / (Decrease) in liabilities and provisions

786.25

(2,446.93)

Cash (used in) / received from operations

9,976.85

(10,713.10)

Direct taxes paid

(4,162.41)

(4,279.63)

Net cash from / (used in) operating activities

5,814.44

(14,992.73)

B. Cash flows from investing activities

Purchase of fixed assets

(103.94)

(258.99)

Loans to related parties

(267.76)

(410.81)

Deposits and advances

(2,590.59)

(472.56)

Net Investment in bank deposits and margin monies

-

(718.75)

Interest received

330.22

236.66

Net cash from / (used in) investing activities

(2,632.07)

(1,624.45)

C. Cash flows from financing activities

Receipts from long term borrowings

5,000.00

20,000.00

Repayment of short term borrowings

-

(1,225.00)

Repayment of term loans

(3,331.10)

-

Loans from related parties

577.56

4,372.53

Loans repaid to related parties

(1,802.23)

(4,444.30)

Interest paid

(3,266.94)

(1,264.86)

Net cash generated from / (used in) financing activities

(2,822.71)

17,438.37

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

359.66

821.19

Cash and cash equivalents at the beginning of the year

2,432.85

1,611.66

Cash and cash equivalents at the end of the year

2,792.51

2,432.85

Components of cash and cash equivalents

Cash and bank balances (as per note 16 to the financial statements)

2,792.51

2,432.85

2,792.51

2,432.85

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

Walker Chandiook & Co

For Walker Chandiook & Co LLP

(formerly Walker, Chandiook & Co)

Chartered Accountants

per Aasheesh Arjun Singh
Partner

Bengaluru
9 June 2014



For and on behalf of the Board of Directors

Ashish Puravankara

Ashish Puravankara
Director

Bengaluru
9 June 2014

Nani R Choksey

Nani R Choksey
Director

