Provident Housing Limited

Financial Statements

For the year ended 31 March 2017

Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
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Independent Auditor's 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 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these financial statements are free from material misstatement.

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6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter(s)

9. The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2016 and 31 March 2015 in accordance with {Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2016 on which we issued auditor's reports to the shareholders of the Company dated 27 May 2016 and 25 Aug 2015 respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure II a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The financial statements dealt with by this report are in agreement with the books of account.

    d) In our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;

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f) We have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 29th May2017 as per Annexure I, expressed unqualified opinion.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2017, 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. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iii. the company, as detailed in Note 15 to the financial statements, has made requisite disclosures in these financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the company.

Walker Chandiok & Co. LLP

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

Sanjay Banthia.

per **Sanjay Banthia**
Partner
Membership No.: 061068

Place: Bengaluru
Date: 29 May 2017

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Annexure II to the Independent Auditor's Report of even date to the members of Provident Housing Limited, on the financial statements for the year ended 31 March 2017

Annexure II

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, and to the best of our knowledge and belief, we report that:

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

(b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified every year, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

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

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has granted interest free and interest bearing unsecured loans to companies/firms/ Limited Liability Partnerships (LLPs)/ other parties covered in the register maintained under Section 189 of the Act; and with respect to the same:

(a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the company's interest.

(b) the schedule of repayment of the principal and the payment of the interest has not been stipulated and hence we are unable to comment as to whether repayments/receipts of the principal amount and the interest are regular;

(c) In the absence of stipulated schedule of repayment of principal and payment of interest, we are unable to comment as to whether there is any amount which is overdue for more than 90 days and whether reasonable steps have been taken by the Company for recovery of the principal amount and interest.

(iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed

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CHARTERED ACCOUNTANTS

examination of the cost records with a view to determine whether they are accurate or complete.

(vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to 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, service-tax, duty of customs, duty of excise and value added tax 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)	3,005,765	-	April 2010 to March 2011	Joint Commissioner of Commercial Taxes (Appeals)
		8,095,191	2,428,557	April - 2012 - March 2013	Joint Commissioner of Commercial Taxes (Appeals)

(viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or government or any dues to debenture-holders during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purpose for which the loans were obtained, though idle/surplus funds which were not required for immediate utilization were temporarily used for the purpose other than for which the loan was sanctioned but were ultimately utilized for the stated end-use.

(x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

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Annexure II to the Independent Auditor's Report of even date to the members of Provident Housing Limited, on the financial statements for the year ended 31 March 2017

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Walker Chandiok & Co. LLP

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

Sanjay Banthia

per **Sanjay Banthia**
Partner
Membership No.: 061068

Place: Bengaluru
Date: 29 May 2017

WALKER CHANDIOK & CO LLP * BENGALURU * CHARTERED ACCOUNTANTS

Annexure I to the Independent Auditor's Report of even date to the members of Provident Housing Limited, on the financial statements for the year ended 31 March 2017

Annexure I

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the financial statements of Provident Housing Limited ("the Company") as at and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the control criteria in accordance with the Internal control framework defined in Annexure I to SA 315 "Identifying and Assessing the Risk of Material Misstatement Through Understanding the Entity and its Environment" ("the framework"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ("the ICAI") and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's IFCoFR.

WALKER CHANDIOK & CO LLP * BENGALURU * CHARTERED ACCOUNTANTS

Annexure I to the Independent Auditor's Report of even date to the members of Provident Housing Limited, on the financial statements for the year ended 31 March 2017

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the framework.

Walker Chandiok & Co. LLP

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

Sanjay Banthia

per **Sanjay Banthia**
Partner
Membership No.: 061068

Place: Bengaluru
Date: 29 May 2017

WALKER CHANDIOK & CO LLP
BENGALURU
CHARTERED ACCOUNTANTS

Provident Housing Limited
Balance Sheet as at 31 March 2017
(All amounts in ₹ lakhs, unless otherwise stated)

	Note	31 Mar 2017	31 Mar 2016	1 Apr 2015
I ASSETS				
Non-current assets				
(a) Property, plant and equipment	4	327.60	369.30	569.76
(b) Capital work-in-progress		-	-	11.96
(c) Intangible assets	5	2.11	6.07	14.88
(d) Financial assets				
(i) Investments	6	6,411.18	4,521.22	-
(ii) Loans and advances	7A	6,415.98	5,817.31	4,799.92
(iii) Other financial assets	8A	825.45	490.10	107.21
(e) Deferred tax assets (net)	9			194.05
(f) Other non-current assets	11A	5,847.93	4,042.39	3,910.66
Total non-current assets		**19,830.25**	**15,246.39**	**9,608.44**
Current assets				
(a) Inventories	12	83,592.79	54,081.51	43,577.62
(b) Financial assets				
(i) Trade receivables	13	6,354.14	7,332.41	6,797.92
(ii) Cash and cash equivalents	14	1,200.46	6,815.55	8,201.08
(iii) Bank balances other than (ii) above	15	62.60	-	-
(iv) Loans and advances	7B	123.33	3.60	-
(v) Other current financial assets	8B	4,038.19	5,992.78	922.41
(c) Current tax assets (net)	10	121.19	121.19	116.72
(d) Other current assets	11B	5,533.07	4,503.14	8,080.83
Total current assets		**101,025.77**	**78,850.18**	**67,696.58**
Total assets		**120,856.02**	**94,096.57**	**77,305.02**
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	16	5.00	5.00	5.00
(b) Other equity	17	31,464.81	30,262.33	27,553.78
Total equity		**31,469.81**	**30,267.33**	**27,558.78**
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	18A	22,383.67	25,553.56	29,222.05
(b) Long term provisions	21A	131.53	99.48	76.45
(c) Deferred tax liabilities (net)	9	334.40	87.70	-
Total non-current liabilities		**22,849.60**	**25,740.74**	**29,298.50**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	18B	2,500.00	4,819.35	0.73
(ii) Trade payables	19			
total outstanding dues of micro enterprises and small enterprises		11.25	0.35	1.12
total outstanding dues of creditors other than micro enterprises and small enterprises		7,516.33	8,077.96	8,845.07
(iii) Other financial liabilities	20	27,672.76	10,310.56	292.98
(b) Other current liabilities	23	28,543.91	14,467.35	11,259.28
(c) Provisions	21B	46.45	34.52	25.49
(d) Current tax liabilities (net)	24	245.91	378.41	23.07
Total current liabilities		**66,536.61**	**38,088.50**	**20,447.74**
Total liabilities		**120,856.02**	**94,096.57**	**77,305.02**
Summary of significant accounting policies	1.2			

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

As per report of even date
For Walker Chandiok & Co LLP
Chartered Accountants

Sanjay Banthia

per **Sanjay Banthia**
Partner

Bengaluru
29 May 2017

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

Nani R Choksey

Nani R Choksey
Director
DIN 00504555

Bengaluru
29 May 2017

Ashish Puravankara
Director
DIN 00504524

Bengaluru
29 May 2017

PROVIDENT HOUSING LIMITED BANGALORE 560 042.

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

Provident Housing Limited

Statement of Profit and Loss for the year ended 31 March 2017

(All amounts in ₹ lakhs, unless otherwise stated)

	Note	31 Mar 2017	31 Mar 2016
Income			
Revenue from operations			
Revenue from projects	25	32,131.76	43,604.82
Other income	26	1,488.28	828.06
Total Income		**33,620.04**	**44,432.88**
Expenses			
Material and contract cost		24,709.96	35,967.33
Land cost		24,778.31	3,850.03
(Increase) in inventory of properties held for development, properties under development and properties held for sale	27	(29,511.28)	(10,503.89)
Employee benefits expense	28	1,584.26	1,774.67
Finance expense, net	29	4,467.01	3,261.46
Depreciation and amortization	4, 5	74.60	89.91
Other expenses	30	4,001.87	5,364.83
Total Expenses		**30,104.73**	**39,804.34**
Profit before tax		**3,515.31**	**4,628.54**
Tax expense	31		
Current tax		890.38	1,434.86
Deferred tax		247.48	274.73
Profit after tax		**2,377.45**	**2,918.95**
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
- Re-measurement gains/ (losses) on defined benefit plans		(2.26)	20.27
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.78	(7.02)
B Items that will be reclassified to profit or loss		-	-
Total other comprehensive income for the year		**(1.48)**	**13.25**
Total comprehensive income for the year		**2,375.97**	**2,932.20**
Earnings per equity share (Nominal value - ₹ 10 per share)	32		
Basic (₹)		4,754.90	5,837.90
Diluted (₹)		4,754.90	5,837.90
Summary of significant accounting policies	1.2		

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

As per report of even date

For Walker Chandiok & Co LLP
Chartered Accountants

Sanjay Banthia

per Sanjay Banthia
Partner

Bengaluru
29 May 2017

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

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29 May 2017

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29 May 2017

PROVIDENT HOUSING LIMITED BANGALORE 560 042.

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

Provident Housing Limited

Cash Flow Statement

(All amounts in ₹ lakhs, unless otherwise stated)

	31 Mar 2017	31 Mar 2016
A. Cash flow from operating activities		
Profit for the year	**2,377.45**	**2,918.95**
Adjustments to reconcile profit after tax to net cash flows:		
Tax Expense	1,137.86	1,709.59
Depreciation and amortization	74.60	89.91
Profit on sale of property, plant and equipment	(0.79)	(5.43)
Finance expense, net	4,467.01	3,261.46
Gain arising from financial instruments designated as FVTPL	(1,055.96)	(686.32)
Operating profit before working capital changes	**7,000.17**	**7,288.16**
Working capital adjustments:		
Decrease/(Increase) in trade receivables	978.27	(534.49)
(Increase) in loans in loans and advances and other assets	(863.08)	(2,629.41)
(Increase) in inventories	(27,549.14)	(11,635.55)
Increase in current liabilities and provisions	13,560.35	2,499.59
Cash (used in) operations	**(6,873.43)**	**(5,011.70)**
Direct taxes paid (net)	(1,039.42)	(1,079.52)
Net cash (used in) operating activities	**(7,912.85)**	**(6,091.22)**
B. Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work in progress and capital advances)	(31.42)	(15.42)
Proceeds from sale of property, plant and equipment	3.27	165.53
Investments made in equity shares of subsidiaries	(3.00)	(1.00)
Investment in debentures	(874.99)	(3,862.50)
Loans to related parties	(166.81)	(179.40)
Loans to holding company	(994.73)	-
Loans repaid by holding company	900.00	-
Deposits and advances	(2,038.00)	1,578.75
Net investment in bank deposits and margin monies	(358.21)	(366.41)
Interest received	396.44	318.88
Debenture interest	43.99	28.60
Net cash (used in) investing activities	**(3,123.46)**	**(2,332.98)**
C. Cash flows from financing activities		
Proceeds from term loans	52,130.10	10,200.00
Repayment of term loans	(34,986.06)	(3,800.96)
Loans repaid to related parties	(6,938.99)	(66.50)
Loan taken from related parties	2,119.64	4,885.12
Dividends paid including taxes	(1,173.49)	(223.65)
Interest paid	(5,729.98)	(3,955.34)
Net cash generated from financing activities	**5,421.21**	**7,038.67**
Net (decrease) in cash and cash equivalents (A + B + C)	**(5,615.09)**	**(1,385.53)**
Cash and cash equivalents at the beginning of the year	**6,815.55**	**8,201.08**
Cash and cash equivalents at the end of the year	**1,200.46**	**6,815.55**

As per report of even date

For Walker Chandiok & Co LLP
Chartered Accountants

Sanjay Banthia

per **Sanjay Banthia**
Partner

Bengaluru
29 May 2017

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

Nani R Choksey

Nani R Choksey
Director
DIN 00504555

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29 May 2017

Ashish Puravankara
Director
DIN 00504524

Bengaluru
29 May 2017

PROVIDENT HOUSING LIMITED BANGALORE 560 042.

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

Provident Housing Limited
Statement of Changes in Equity
(All amounts in ₹ lakhs, unless otherwise stated)

A. **Equity share capital**

Particulars	As at 01 April 2015	Movement during 2015-16	As at 31 March 2016	Movement during 2016-17	As at 31 March 2017
Equity share capital of face value of ₹10 each 50,000 (31 Mar 2016 - 50,000, 01 Apr 2015 - 50,000) equity shares of ₹10 each	5.00	-	5.00	-	5.00
	5.00	**-**	**5.00**	**-**	**5.00**

B. **Other equity**

Particulars	Note	Retained Earnings	Total
Balance as at 1 April 2015	43	**27,553.78**	**27,553.78**
Profit for the year		2,918.95	**2,918.95**
Other comprehensive income		13.25	**13.25**
Dividends paid	17C	(223.65)	**(223.65)**
Balance as at 31 March 2016		**30,262.33**	**30,262.33**
Profit for the period		2,377.45	**2,377.45**
Other comprehensive income		(1.48)	**(1.48)**
Dividends paid	17C	(1,173.49)	**(1,173.49)**
Balance as at 31 March 2017		**31,464.81**	**31,464.81**

As per Report of even date
For Walker Chandiok & Co LLP
Chartered Accountants

Sanjay Banthia

per **Sanjay Banthia**
Partner
Bengaluru
29 May 2017

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

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29 May 2017

PROVIDENT HOUSING LIMITED BANGALORE 560 042.

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

Company overview and significant accounting policies

1.1 Company overview

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

1.2 Significant accounting policies

a. Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind-AS) 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 all periods up to and including the year ended 31 March 2016, 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 (see note 43 for explanation for transition to Ind AS). For the purpose of comparatives, financial statements for the year ended 31 March 2016 are also prepared under IndAs.

The Company has presented separate financials as the Company is exempt from presenting the consolidated financial statements as per the paragraph 4 of Ind AS 10 and Rule 6 of Companies (Accounts) Rules, 2014 as amended. The consolidated financial statements of the holding company will be prepared and presented for the year ending March 31, 2017 and is available for inspection at the registered office of the holding company

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.

b. Basis of preparation

These 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.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, 'Share-based Payment', leasing transactions that are within the scope of Ind AS 17, 'Leases', and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 'Inventories', or value in use in Ind AS 36 'Impairment of assets'.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1,2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

c. Overall considerations

In accordance with Ind AS 101, the Company presents three balance sheets, two statement of profit and loss, two statements of cash flows and two statements of changes in equity and related notes, including comparative information for all statements presented, in its first Ind AS financial statements. In future periods, Ind AS 1 requires two comparative periods to be presented for the balance sheet only in certain circumstances.

d. 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 3.

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

Based on the nature of service and the time between the acquisition of assets for development and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as four years for the purpose of current and non current classification of assets and liabilities which pertain to the project and for all other assets and liabilities the Company has considered twelve months.

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f. **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.

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.

In accordance with the "Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable)" (Guidance note), construction revenue has 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 fair value 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. For projects where the risks and rewards on the sale of the UDS are separable from the risks and rewards on the construction contract, land costs are excluded for the purpose of computing the percentage of completion.

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

For projects executed through joint development arrangements, which represent barter transactions, whereby the Company gives up a defined percentage of constructed area in lieu of payment for its share in the land, the Company accounts for such developmental rights acquired on a gross basis on the estimated amount to be spent on development or construction of built-up area to be surrendered in lieu of the above rights.

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

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

Revenue from the sale of land is recognized in the period in which the agreement to sell is entered into. Where there is a remaining substantial obligation under the agreement, revenue is recognized on the fulfilment of such obligation.

Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss. The expected cash flows are revisited on a yearly basis.

Interest on delayed receipts, cancellation/forfeiture income and transfer fees from customers are recognized on accrual basis except in cases where ultimate collection is considered doubtful.

g. **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, 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 the estimated costs of completion and the estimated costs 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, where applicable and other costs incurred to get the properties ready for their intended use.

h. **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 denominated in a foreign currency which are carried at fair value or any other similar valuation 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.

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Summary of significant accounting policies and other explanatory information

(All amounts in ₹ Lakhs, unless otherwise stated)

i. **Property, plant and equipment (PPE)**

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met, any expected costs of decommissioning and any 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.

Plant and equipment	10 years
Vehicles	8 years
Computers	3 years
Furniture and fixtures	10 years

The residual values, useful lives and method of depreciation 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 de-recognised 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 de-recognised.

j. **Intangible assets**

Recognition and initial measurement

Intangible assets (computer software) 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.

Amortization

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

k. **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

The Company suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

l. **Income taxes**

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act,1961 and other applicable tax laws in the countries where the Company operates and generates taxable income.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority

Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they are relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

m. **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.

n. **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

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o. **Financial instruments**

i. **Financial assets**

Initial recognition and measurement

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

Subsequent measurement

Debt Instruments

Debt instruments at amortized cost

A 'Debt instruments' is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the statement of profit and

Debt Instruments at fair value through other comprehensive income (FVTOCI)

A debt instrument is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Fair value movements are recognized in other comprehensive income (OCI).

Debt instruments at Fair value through profit and loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments in the scope of Ind AS 109,' Financial Instruments', are measured at fair value. Equity instruments which are held for trading and contingent consideration has been recognized by an acquirer in a business combination to which Ind AS 103,' Business Combinations' applies, are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in OCI with subsequent changes in the fair value.

The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in the OCI.

There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

De-recognition of financial assets

A financial asset is primarily de-recognized 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.

Investment in subsidiaries:

The Company's investment in equity instruments of subsidiaries and joint venture are accounted for at cost.

ii. **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.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

p. **Impairment of financial assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit and loss.

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

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to Individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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r. **Cash and cash equivalents**

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

s. **Operating leases**

Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on a straight line basis except where scheduled increase in rent compensates the lessor's expected inflationary cost.

t. **Employee benefits**

Defined contribution plan

The Company's contribution to provident fund is charged to the statement of profit and loss or inventorized as a part of project under development, as the case may be. The Company's contributions towards provident fund are deposited with the Regional Provident Fund Commissioner under a defined contribution plan, in accordance with Employees' Provident Funds and Miscellaneous Provisions Act,1952.

Defined benefit plan

The Company has unfunded gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The liability recognised in the balance sheet for defined benefit plans as the present value of the defined benefit obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of independent actuaries who use the projected unit credit method to calculate the defined benefit obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss or inventorized as a part of project under development, as the case may be.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost or inventorized as a part of project under development, as the case may be.

Actuarial gain or loss arising from experience adjustments and changes in actuarial assumptions are recognized in Other Comprehensive Income in the year in which such gain or loss arise.

Vacation pay

The Company also provides benefit of vacation pay to its employees. Liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss or inventorized as a part of project under development, as the case may be in the year in which such gains or losses arise.

The Company presents the compensated absence as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

Short-term employee benefits

Short-term employee benefits comprising of employee costs including performance bonus is recognized in the statement of profit and loss or inventorized as a part of project under development, as the case may be on the basis of the amount paid or payable for the period during which services are rendered by the employee.

u. **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The company is engaged in the business of construction, development and sale of all or any part of housing project which is the only reportable segment. The Company operates primarily in India and there is no other significant geographical segment.

2 **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.

Amendment to Ind AS 7 'Statement of Cash Flows'

The amendments to Ind AS 7, 'Statement of cash flows' inter-alia require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The effective date of the amendment is 01 April 2017. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

3 **Significant estimates and judgements in applying accounting policies**

A **Significant estimates**

a. Revenue and inventories

The Company recognises revenue using the percentage of completion method. This requires forecasts to be made of the outcomes of long-term construction and service contracts, which require assessments and judgements to be made on changes in work scopes, claims and incentive payments to the extent they are probable and they are capable of being reliably measured.

b. Recoverability of advances/receivables

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

c. Useful lives of depreciable/amortisable assets

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain computer software, and other assets.

d. Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

e. Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

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B Critical judgements

a. Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

b. Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

c. Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

d. Classification of leases

The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

e. Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

f. Joint control over Purva Good Earth Properties Private Limited (PGE)

PGE is engaged in business of construction and property development and is funded by debentures held by the Company and other investor. The Company has 100% equity ownership interest in PGE, however the management believes that the Company has the practical ability to control and direct the relevant activities of PGE jointly with the other investor, considering that the relevant activities of PGE are directed through the debenture agreement between the Company, PGE and the other investor.

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

4 Property, plant and equipment

Details of the Company's property, plant and equipment and reconciliation of their carrying amounts from beginning to end of reporting period is as follows:

Particulars	Leasehold improvements	Plant and machinery	Office equipment	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying amount							
At 1 April 2015	299.82	32.01	93.29	50.26	90.19	4.19	569.76
Additions	19.83	1.25	4.48	2.30	12.89	-	40.75
Disposals/assets written off	(139.30)	-	(28.42)	-	(34.63)	-	(202.35)
Balance as at 31 March 2016	**180.35**	**33.26**	**69.35**	**52.56**	**68.45**	**4.19**	**408.16**
Additions	-	-	1.21	-	-	30.21	31.42
Disposals/assets written off	-	-	-	-	-	(9.63)	(9.63)
Balance as at 31 March 2017	**180.35**	**33.26**	**70.56**	**52.56**	**68.45**	**24.77**	**429.95**
Accumulated depreciation							
At 1 April 2015	-	-	-	-	-	-	-
Charge for the year	19.97	3.10	22.02	26.27	8.32	1.42	81.10
Adjustments for disposals	(30.17)		(6.67)	-	(5.40)	-	(42.24)
Balance as at 31 March 2016	**(10.20)**	**3.10**	**15.35**	**26.27**	**2.92**	**1.42**	**38.86**
Charge for the year	20.36	3.10	19.97	15.16	9.38	2.67	70.64
Disposals	-	-	-	-	-	(7.15)	(7.15)
Balance as at 31 March 2017	**10.15**	**6.20**	**35.32**	**41.43**	**12.30**	**(3.06)**	**102.34**
Net Block							
At 01 Apr 2015	**299.82**	**32.01**	**93.29**	**50.26**	**90.19**	**4.19**	**569.76**
At 31 Mar 2016	**190.55**	**30.16**	**54.00**	**26.29**	**65.53**	**2.77**	**369.30**
At 31 Mar 2017	**170.20**	**27.06**	**35.23**	**11.14**	**56.14**	**27.83**	**327.60**

(i) **Deemed carrying cost**
For property, plant and equipment existing as on the date of transition to Ind AS, i.e., 01 April 2015, the Company has used previous GAAP carrying value as deemed costs.

(ii) **Contractual obligations**
There are no contractual commitments outstanding for the acquisition of property, plant and equipment as on the balance sheet date.

(iii) **Capitalised borrowing cost**
There are no borrowing costs capitalised during the year ended 31 March 2017 and 31 March 2016.

(iv) **Tangible assets pledged as security**
Details of assets hypothecated are as per note no 41

5 Intangible assets

Particulars	Computer Software	Total
Gross carrying amount		
At 1 April 2015	14.88	14.88
Additions	-	-
Balance as at 31 March 2016	**14.88**	**14.88**
Additions	-	-
Balance as at 31 March 2017	**14.88**	**14.88**
Accumulated amortisation		
At 1 April 2015	-	-
Amortisation charge for the year	8.81	8.81
Balance as at 31 March 2016	**8.81**	**8.81**
Charge for the year	3.96	3.96
Balance as at 31 March 2017	**12.77**	**12.77**
Net block		
At 01 Apr 2015	**14.88**	**14.88**
At 31 Mar 2016	**6.07**	**6.07**
At 31 Mar 2017	**2.11**	**2.11**

(i) **Deemed carrying cost**
For Intangible assets existing as on the date of transition to Ind AS, i.e., 01 April 2015, the Company has used previous GAAP carrying value as deemed costs.

(ii) **Contractual obligations**
There are no contractual commitments outstanding for the acquisition of property, plant and equipment as on the balance sheet date.

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(All amounts in ₹ Lakhs, unless otherwise stated)

		31 Mar 2017	31 Mar 2016	1 Apr 2015
6	**Investments**			
	Investment valued at cost unless stated otherwise (fully paid)			
(i)	**Unquoted equity shares**			
A	Subsidiaries			
	Provident Meryta Private Limited 1,000 equity shares (31 March 2016 Nil; 1 April 2015 Nil) of ₹ 100 each	1.00	-	-
	Argan Properties Private Limited 1,000 equity shares (31 March 2016 Nil; 1 April 2015 Nil) of ₹ 100 each	1.00	-	-
	Provident Cedar Private Limited 1,000 equity shares (31 March 2016 Nil; 1 April 2015 Nil) of ₹ 100 each	1.00	-	-
B	Joint Venture			
	Purva Good Earth Properties Private Limited 10,000 equity shares (31 March 2016 10,000; 1 April 2015 Nil) of ₹ 10 each	1.00	1.00	-
	Investments carried at fair value through profit or loss (FVTPL)			
(ii)	**Unquoted debentures**			
	Joint Venture,			
	Purva Good Earth Properties Private Limited 4,737,500 optional convertible debentures (31 March 2016 3,862,500; 01 April 2015 Nil) of ₹ 100 each	6,407.18	4,520.22	-
		6,411.18	**4,521.22**	-

		31 Mar 2017	31 Mar 2016	1 Apr 2015
7	Loans and advances			
A	**Non current**			
	(Unsecured, considered good)			
	Security deposits	3,548.84	3,091.98	2,250.39
	Inter-corporate loans	2,867.14	2,725.33	2,549.53
		6,415.98	**5,817.31**	**4,799.92**
B	**Current**			
	(Unsecured, considered good)			
	Inter-corporate loans	123.33	3.60	-
		123.33	**3.60**	-

		31 Mar 2017	31 Mar 2016	1 Apr 2015
8	**Other financial assets**			
A	**Non-current**			
	Interest accrued on fixed deposits	63.43	23.69	7.21
	Bank deposits with maturity of more than 12 months (refer note 15)	762.02	466.41	100.00
		825.45	**490.10**	**107.21**
B	**Current**			
	Interest accrued on fixed deposits	1.62	-	6.37
	Advance to employees	1.41	-	-
	Other receivables	238.16	185.06	185.06
	Unbilled revenue	3,797.00	5,807.72	730.98
		4,038.19	**5,992.78**	**922.41**

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

	31 Mar 2017	31 Mar 2016	1 Apr 2015
9 Deferred tax assets/ (liability), net			
Deferred tax asset arising on account of :			
Expenses allowable on payment basis			
Defined benefit plan	47.82	34.92	26.72
Compensated absences	13.77	11.46	8.56
Bonus	17.02	19.40	14.23
Expenses	84.20	29.47	26.48
Minimum alternate tax credit entitlement	257.95	-	-
Application of Guidance Note on real estate revenue recognition retrospectively	-	35.84	121.58
Less : Deferred tax liability arising on account of :			
Impact of financial assets and liabilities carried at amortised cost	(80.90)	(31.04)	15.98
Impact of financial assets and liabilities measured at fair value	-	-	-
Depreciation and amortisation	(3.38)	(11.86)	(19.50)
Project land revenue	(319.15)	-	-
Impact of fair value changes	(351.73)	(175.89)	-
	(334.40)	(87.70)	194.05

Reconciliation of Deferred tax	31 Mar 2017	31 Mar 2016
Net deferred income tax asset/(liability) at the beginning	(87.70)	194.05
Tax income/(expense) during the year recognized in profit and loss	(247.48)	(274.73)
Tax income/(expense) during the year recognized in OCI	0.78	(7.02)
Net deferred income tax asset/(liability) at the end	(334.40)	(87.70)

	31 Mar 2017	31 Mar 2016	1 Apr 2015
10 Tax Assets			
Current tax assets (net)			
Advance income tax, including tax deducted at source (net of provision for taxation ₹ 1,696.54, *31 March 16 ₹ 1,696.54, 01 April 15 ₹ 1,696.54)*	121.19	121.19	116.72
	121.19	121.19	116.72

	31 Mar 2017	31 Mar 2016	1 Apr 2015
11 Other assets			
A Non-current			
Advance income tax (net of provision for taxation ₹ 13,866.79, *31 March 16, ₹ 12,318.47, 01 April 15 ₹ 11,421.13)*	145.59	129.42	133.89
Duties and taxes recoverable	338.96	314.67	517.16
Advance for land contracts	5,357.36	3,586.21	3,220.49
Prepaid Expenses	6.02	12.09	25.76
Capital advance	-	-	13.36
	5,847.93	4,042.39	3,910.66
B Current			
Advance to suppliers	3,786.29	2,308.79	5,157.79
Prepaid expenses	938.25	995.12	1,047.73
Advance for land contracts	-	-	1,346.51
Duties and taxes recoverable	452.82	467.41	26.59
Maintenance charges receivable	351.98	726.97	490.17
Other advances	3.73	4.85	12.04
	5,533.07	4,503.14	8,080.83

12 Inventories*	31 Mar 2017	31 Mar 2016	1 Apr 2015
A Properties held for development (PHD)			
At the beginning of the period	678.63	592.33	-
Add : Additions during the period	9,837.66	86.30	592.33
Less: Deletions during the period	-	-	-
	10,516.29	678.63	592.33
B Properties under development (PUD)			
Land Cost	25,160.04	17,534.03	16,586.13
Material and Construction Cost	31,018.65	25,511.60	25,237.14
	56,178.69	43,045.63	41,823.27
C Properties held for sale			
At the beginning of the period	10,357.25	1,162.02	1,323.22
Add : Additions during the period	8,476.11	13,913.37	-
Less: Sales during the year	(1,935.55)	(4,718.14)	(161.20)
	16,897.81	10,357.25	1,162.02

* Inventories have been pledged as security for liabilities. Refer note 41 for details.

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(All amounts in ₹ Lakhs, unless otherwise stated)

13 Trade receivables*

	31 Mar 2017	31 Mar 2016	1 Apr 2015
Secured			
Considered good			
Outstanding for a period exceeding six months	2,446.51	1,399.80	695.59
Other receivable	3,907.63	5,932.61	6,102.33
	6,354.14	**7,332.41**	**6,797.92**

*Details of receivables pledged are as per note no 41

	31 Mar 2017	31 Mar 2016	1 Apr 2015
14 Cash and cash equivalents			
Cash on hand	2.75	2.78	3.03
Balances with banks			
On current accounts	1,197.71	6,812.77	2,045.41
Deposits with original maturity of less than three months	-	-	6,152.64
	1,200.46	**6,815.55**	**8,201.08**

(i) As at 31 March 2017, the Company had available ₹ 20,556.90 (31 March 2016 ₹ 4,800 ; 01 April 2015 nil) of undrawn committed borrowing facilities.

	31 Mar 2017	31 Mar 2016	1 Apr 2015
15 Other bank balances			
Bank deposits			
With maturity of less than twelve months	62.60	-	-
With maturity of more than twelve months	762.02	466.41	100.00
	824.62	466.41	100.00
Amount disclosed under non-current assets (refer note 8A)	(762.02)	(466.41)	(100.00)
	62.60	-	-

Details of Specified Bank Notes (SBN) held and transacted during the period from 08 November 2016 to 30 December 2016 as provided in the Table below

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08 November 2016	-	2.45	**2.45**
Add : Permitted receipts	-	0.01	**0.01**
Less : Permitted payments	-		
Less : Amount deposited in Banks	-	(0.01)	**(0.01)**
Closing cash in hand as on 30 December 2016	-	**2.45**	**2.45**

Explanation : For the purposes of this clause, the term 'Specified Bank Notes'(SBN) shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November, 2016.

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Provident Housing Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ Lakhs, unless otherwise stated)

		31 Mar 2017		31 Mar 2016		1 Apr 2015	
16	**Equity share capital**						
i	**Authorised**	Number	Amount	Number	Amount	Number	Amount
	Equity share capital of face value of ₹ 10 each	50,000	5.00	50,000	5.00	50,000	5.00
		50,000	**5.00**	**50,000**	**5.00**	**50,000**	**5.00**

		31 Mar 2017		31 Mar 2016		1 Apr 2015	
ii	**Issued, subscribed and fully paid up**						
	Equity share capital of face value of ₹ 10 each fully paid up	50,000	5.00	50,000	5.00	50,000.00	5.00
		50,000	**5.00**	**50,000**	**5.00**	**50,000.00**	**5.00**

iii Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	31 Mar 2017		31 Mar 2016		1 Apr 2015	
Equity shares						
Balance at the beginning of the year	50,000	5.00	50,000	5.00	50,000.00	5.00
Add: Issued during the year	-	-	-	-	-	-
Less: Redeemed during the year	-	-	-	-	-	-
Balance at the end of the year	**50,000**	**5.00**	**50,000**	**5.00**	**50,000.00**	**5.00**

iv Rights, preferences and restrictions 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

v **Details of shareholder holding more than 5% share capital**	31 Mar 2017 (Number)	31 Mar 2016 (Number)	1 Apr 2015 (Number)
Name of the equity shareholder			
Puravankara Limited *(Formerly Puravankara Projects Limited)*	50,000	50,000	50,000

vi The Company does not have any shares issued for consideration other than cash during the immediately preceding five years. The Company did not buy back any shares during immediately preceding five years. Company does not have any shares reserved for issue under options.

		31 Mar 2017	31 Mar 2016	1 Apr 2015
17	**Other equity**			
A	**Retained earnings**	**31,429.04**	**30,225.08**	**27,529.78**
B	**Other comprehensive income**	**35.77**	**37.25**	**24.00**
		31,464.81	**30,262.33**	**27,553.78**

C Dividends

Cash dividends on Equity shares declared and paid	31 March 2017	31 March 2016
Final dividend for the year ended 31 March 2017 of ₹ 1,950 (31 March 2016 ₹ Nil) per fully paid share	975.00	-
Dividend distribution tax on final dividend	198.49	
Interim dividend for the year ended 31 March 2017 of ₹ Nil (31 March 2016 ₹ 371.64) per fully paid share	-	185.82
Dividend distribution tax on interim dividend	-	37.83
	1,173.49	223.65

Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end, the directors have recommended the payment of a final dividend of Nil per fully paid equity share (31 March 2016 ₹ 1950).	-	975.00
Dividend distribution tax on proposed dividend	-	198.49
	-	1,173.49

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(All amounts in ₹ Lakhs, unless otherwise stated)

	31 Mar 2017	31 Mar 2016	1 Apr 2015
18 Borrowings			
A Non-current			
Secured loans:			
Term loans			
From banks	36,587.77	9,660.18	-
Amount disclosed under "Other current liabilities" (refer note 20)	(21,571.37)	(6,517.74)	-
	15,016.40	**3,142.44**	-
From others	13,295.77	26,116.98	29,465.62
Amount disclosed under "Other current liabilities" (refer note 20)	(5,942.77)	(3,705.86)	(243.57)
	7,353.00	**22,411.12**	**29,222.05**
Vehicle loans from banks	23.89	-	-
Amount disclosed under "Other current liabilities" (refer note 20)	(9.62)	-	-
	14.27	-	-
	22,383.67	**25,553.56**	**29,222.05**

	31 Mar 2017	31 Mar 2016	1 Apr 2015
B Current			
Unsecured loans:			
From others	2,500.00	-	-
Interest free loan from related parties repayable on demand	-	4,819.35	0.73
	2,500.00	**4,819.35**	**0.73**
	2,500.00	**4,819.35**	**0.73**

Repayment terms (including current maturities) and security details for borrowings:
Term Loans from banks (Secured)

Sl.No	Particulars	31-Mar-17	31-Mar-16	1-Apr-15
i.	**Term loan facility from ICICI Bank ₹ 15,000**	13,716.59	9,807.84	-
	Nature of security: Mortgage of Developer's share in saleable area including undivided share in the property of Provident Greenpark and Provident The Tree, an exclusive charge on the scheduled receivables and all insurance proceeds, both present and future along with all monies credited/deposited in the Escrow Account & DSR Account and all investments thereof, Corporate guarantee of Puravankara Limited. Loan is further secured by extension of charge by way of equitable mortgage on all the piece & parcel of land measuring 18.13 acres situated at Ernakulam, Thikkakara, Kerala and owned by Puravankara Limited along with its two subsidiaries.			
	Interest Rate The interest on above term loans from banks are linked to the respective banks base rates. The effective interest rates per annum is:	12.10%	12.20%	-
	Repayment details Repayable in 30 monthly instalments commencing from August 2017			
ii	**Term loan facility from Standard Chartered Bank - ₹ 23,657**	18,060.76	-	-
	Nature of security: Mortgage of land and building of the project "Provident Sunworth - Phase I & II with a minimum saleable area of 2.73 msft located at Mysore Road - NICE expressway junction, Bangalore and project "Provident Welworth City" with a min, saleable area of 3.46 msft located at Yelahanka-Doddaballapur main road, Bangalore, with a minimum security cover of 2.0x(max LTV of 50%). First exclusive charge over the receivables of the above mentioned projects. First exclusive charge over land and building of the project Sunworth phase IV. Corporate guarantee has been given by Puravankara Limited and an agreement of cash shortfall has been entered into with the promoter till completion of the projects.			
	Interest rate The interest on the above term loan from bank is linked to the respective banks base rates which are floating in nature. As on the Balance sheet date the effective rate of interest rate per annum is:	11.00%	-	-
	Repayment details Repayable in 53 monthly instalments commencing from March 2017.			

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Provident Housing Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ Lakhs, unless otherwise stated)

Sl.No	Particulars	31-Mar-17	31-Mar-16	1-Apr-15
iii	**Term loan facility from ICICI Bank - ₹ 17,500** **Nature of security.** Exclusive charges by way of equitable mortgage on the borrowers share in project Kenworth-I but excluding area mortgaged to Greater Hyderabad Municipal Corporation(GHMC). Residual and subservient charge on Kenworth-I area mortgaged to GHMC. Exclusive charge by way of equitable mortgage on the borrowers share in saleable area of Kenworth II including undivided share in property but excluding Kenworth II area mortgaged to GHMC. Residual and subservient charge on Kenworth II area mortgaged to GHMC. Exclusive charge by way of hypothecation on the scheduled receivable of Kenworth I & II and all insurance proceeds both present and future. Exclusive charge by way of hypothecation on the escrow account along with all monies credited/ deposited therein (in whatever form the same may be) and all investments in respect thereof (in whatever form the same may be). Irrevocable and unconditional corporate guarantee of Puravankara Limited in favour of the bank.	5,490.41	-	-
	Interest Rate The Interest on above term loan from bank is linked to the respective benchmark which is floating in nature. As on the balance sheet date the effective interest rate per annum is:	11.20%	-	-
	Repayment details Repayable in 30 monthly instalments commencing from June 2019 for RTL 2 and 25 Monthly instalment commencing from February 2018 for RTL1			
	Unamortized Processing Fees	(679.99)	(147.66)	
	Total	**36,587.77**	**9,660.18**	-

Term Loans from others (Secured)

Sl.No	Particulars	31-Mar-17	31-Mar-16	1-Apr-15
i	**Term loan facility from Aditya Birla Housing Finance Limited - ₹ 5,000** **Nature of security:** First pari passu charge over land and building of the project "Provident Sunworth - Phase I & II with a minimum saleable area of 2.73 msft located at Mysore Road - NICE expressway junction, Bangalore and project "Provident Welworth City" with a min, saleable area of 3.46 msft located at Yelahanka-Doddaballapur main road, Bangalore, with a minimum security cover of 2.0x(max LTV of 50%). First pari passu charge over the receivables of the above mentioned projects. First pari passu charge over land and building of the project Sunworth phase IV. Corporate guarantee has been given by Puravankara Limited and an agreement of cash shortfall has been entered into with Mr. Ravi Puravanakara, Chairman till completion of the projects.	4,998.21	-	-
	Interest rate The interest on above term loan from the financial institution is linked to the respective benchmark which is floating in nature. As on the balance sheet date the effective interest rate per annum is:	11.00%	-	-
	Repayment details Repayable in 54 monthly instalments commencing from March 2017.			
ii	**Term loan facility from Aditya Birla Finance Limited - ₹ 2,500** **Nature of security:** First pari passu charge over land and building of the project "Provident Sunworth - Phase I & II with a min saleable area of 2.73 msft located at Mysore Road - NICE expressway junction, Bangalore and project "Provident Welworth City" with a minimum saleable area of 3.46 msft located at Yelahanka-Doddaballapur main road, Bangalore, with a minimum security cover of 2.0x (max LTV of 50%). First pari passu charge over the receivables of the above mentioned projects. First pari passu charge over land and building of the project Sunworth phase IV. Corporate guarantee has been given by Puravankara Limited and an agreement of cash shortfall has been entered into with Mr. Ravi Puravanakara, Chairman till completion of the projects.	2,499.10	-	-
	Interest Rate The interest on above term loan from the financial institution is linked to the respective benchmark which is floating in nature. As on the balance sheet date the effective interest rate per annum is:	11.00%	-	-
	Repayment details Repayable in 54 monthly instalments commencing from March 2017.			

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(All amounts in ₹ Lakhs, unless otherwise stated)

Sl.No	Particulars	31-Mar-17	31-Mar-16	1-Apr-15
iii	**Term loan facility from PNB Housing Finance Limited. (PNBHFL) - ₹ 6,500**	6,000.00	-	-
	Nature of security:			
	Simple registered mortgage in favour of PNBHFL of 100% Completed 329 residential units admeasuring approximately 31,657 square meters of the project Provident Cosmocity located at Pudupakkam Chennai. Hypothecation of receivables (Sold/ Unsold) of the project Provident Cosmocity of approximately ₹116.18 Crore.(This security is cross collateralised with term facility of Puravankara Limited). Receivable coverage (net of expenses) to be maintained at 1.35 times of loan outstanding at any point of time.			
	Interest Rate			
	The interest on above term loan from the financial institution is linked to the respective benchmark which is floating in nature. As on the balance sheet date the interest rate per annum is:	11.00%	-	-
	Repayment details			
	Repayable in 24 monthly instalments commencing from December 2018			
iv	**Kotak Mahindra Prime Ltd - ₹ 30**	23.89	-	-
	Nature of security:			
	Hypothecation of 3 Ertiga Cars			
	Interest Rate			
	The Interest on above loan is fixed in nature. As on the balance sheet date the interest rate per annum is:	9.13%	-	-
	Repayment details			
	Repayable in 36 months instalment from August 2016			
v	**Term loan facility from HDFC Ltd - ₹ 30,000**	-	26,337.09	29,745.89
	Nature of security:			
	Mortgage of unsold stock along with undivided share in land in the property of Provident Sunworth phase 1 & 2 along with the undivided share in land of Provident Sunworth phase 3 & 4, mortgage of unsold stock in the developers shares of units along with undivided share in land in the property of Provident Welworth, an exclusive charge on the scheduled receivables under the documents entered into with the customers of Provident Sunworth and Provident Welworth and all insurance proceeds, both present and future, corporate guarantee of Puravankara Project Limited and personal guarantee of Mr. Ravi Puravankara, Chairman and Mr. Ashish Puravankara, managing director of the Company.			
	Interest Rate			
	The interest on above term loan from the financial institution is linked to the respective benchmark which is floating in nature. As on the balance sheet date the interest rate per annum is:	12.15%	12.15%	12.75%
	Repayment details			
	Repayable in 45 monthly instalments commencing from March 2016.			
	Unamortized Processing Fee	(201.54)	(220.11)	(280.27)
	Total	13,319.66	26,116.98	29,465.62

Term Loans from others (Unsecured):

Sl.No	Particulars	31-Mar-17	31-Mar-16	1-Apr-15
i	**Anushka Constructions (P) Ltd - ₹ 2500**	2,500.00	-	-
	Nature of security:			
	Unsecured			
	Interest rate			
	The Interest on above term loan is fixed in nature. As on the balance sheet date the interest rate per annum is:	15.00%	-	-
	Repayment details			
	Repayable on 15 June 2017			
	Total	**2,500.00**	-	-

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(All amounts in ₹ Lakhs, unless otherwise stated)

19	Trade payables	31 Mar 2017	31 Mar 2016	1 Apr 2015
	Due to micro and small enterprises*	11.25	0.35	1.12
	Due to related parties	602.33	625.72	861.17
	Due to others	6,914.00	7,452.24	7,983.90
		7,527.58	8,078.31	8,846.19

Disclosures of dues to micro, small and medium enterprises

The Information as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") has been determined to the extent such parties have been identified on the basis of information available with the company and has been relied upon by the auditors. The company has not received any claim for interest from any supplier under the said Act.

	Particulars	31 Mar 2017	31 Mar 2016	1 Apr 2015
i)	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	11.25	0.35	1.12
ii)	the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-
iii)	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 this Act;	-	-	-
iv)	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-
v)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

20	Other current financial liabilities	31 Mar 2017	31 Mar 2016	1 Apr 2015
	Current maturities of non-current borrowings (refer note 18A)	27,523.76	10,223.60	243.57
	Interest accrued but not due on borrowings	99.73	30.50	-
	Dues to employees	0.08	0.40	0.58
	Bonus Payable	49.19	56.06	48.83
		27,672.76	10,310.56	292.98

21	Provisions	31 Mar 2017	31 Mar 2016	1 Apr 2015
A	Non-current			
	Provision for employee benefits:			
	Gratuity (refer note 39B)	131.53	99.48	76.45
		131.53	99.48	76.45
B	Current			
	Provision for employee benefits:			
	Gratuity (refer note 39B)	6.66	1.41	0.77
	Vacation pay (refer note 39A)	39.79	33.11	24.72
		46.45	34.52	25.49

23	Other current liabilities	31 Mar 2017	31 Mar 2016	1 Apr 2015
	Duties and Taxes Payable	193.17	119.40	635.53
	Advance from customers	3,658.01	9,174.96	7,227.13
	Other payables *	24,692.73	5,172.99	3,396.62
		28,543.91	14,467.35	11,259.28

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

24	Current tax liabilities (net)	31 Mar 2017	31 Mar 2016	1 Apr 2015
	Provision for income tax [net of advance tax ₹ 531.03 (31 Mar 2016 ₹ 1056.45, 01 April 15 ₹ 874.28)]	245.91	378.41	23.07
		245.91	378.41	23.07

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(All amounts in ₹ Lakhs, unless otherwise stated)

25 Revenue from operations	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Revenue from projects		
Sale of properties	32,131.76	43,604.82
	32,131.76	**43,604.82**

26 Other income	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Gain arising from financial instruments designated as FVTPL	1,055.96	686.32
Others	432.32	141.74
	1,488.28	**828.06**

27 Decrease / (increase) in inventories	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Inventory at the beginning of the year		
-Properties held for development	678.63	592.33
-Properties under development	43,045.63	41,823.27
-Properties held for sale	10,357.25	1,162.02
Inventory at the end of the year		
-Properties held for development	(10,516.29)	(678.63)
-Properties under development	(56,178.69)	(43,045.63)
-Properties held for sale	(16,897.81)	(10,357.25)
	(29,511.28)	**(10,503.89)**

28 Employee benefits expense	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Salaries, wages and bonus	1,445.21	1,618.53
Contribution to provident fund and other funds	34.21	44.48
Gratuity expenses (refer note 39B)	46.32	44.72
Staff welfare	45.46	50.43
Vacation Pay (refer note 39A)	13.06	16.51
	1,584.26	**1,774.67**

29 Finance expense, net *	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Interest on term loans	4,938.70	3,784.62
Bank charges	2.41	3.83
Loan and other processing charges	274.11	82.47
Interest on Income Tax	52.55	25.18
Others	17.68	2.22
	5,285.45	**3,898.32**
Finance Income:		
Bank deposits	(144.09)	(64.82)
Interest on loan to related parties	(195.34)	(195.33)
Interest received from customers	(98.37)	(68.84)
Unwinding of discount relating to refundable security deposit	(380.64)	(307.87)
	(818.44)	**(636.86)**
	4,467.01	**3,261.46**

* Includes finance expense capitalized amounting to ₹ 4,778.61 (31 March 16 ₹ 3,557.30)

30 Other expenses	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Advertising and sales promotion	1,322.28	1,307.82
Travel and conveyance	115.19	169.79
Repairs and maintenance- others	472.48	331.25
Legal and professional charges (refer note (i) below)	959.55	1,010.83
Rent	219.89	218.03
Rates and taxes	444.98	1,786.63
Security charges	175.40	166.04
Communication costs	32.72	40.88
Printing and stationery	8.48	8.79
Corporate social responsibility (CSR) (refer note (ii) below)	12.75	2.78
Brokerage and referral charges	204.62	145.68
Miscellaneous expenses	33.53	176.31
	4,001.87	**5,364.83**

(i) Details of payment to auditors (on accrual basis, excluding service tax)		
As auditor:		
Audit fee	36.00	26.00
Tax audit fee	-	-
In other capacity:		
Certification fees	1.50	-
Re-imbursement of expenses	0.19	-
	37.69	**26.00**

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(ii) Corporate Social Responsibility Expenses

Gross amount required to be spent by the company during the current year is ₹ 104.78 Lakhs (31 March 2016 ₹ 181.09 Lakhs.)

Particulars		In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	31 March 2017	-	-	-
	31 March 2016	-	-	-
(ii) On purposes other than (i) above	31 March 2017	12.75	-	12.75
	31 March 2016	3.03	-	3.03

	Year ended 31 Mar 2017	Year ended 31 Mar 2016
31 Tax expense		
Current Tax		
Current Income tax charge	890.38	1,434.86
Deferred tax		
Deferred tax charge	247.48	274.73
	1,137.86	**1,709.59**

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 34.608% (2015-16 34.608%) and the reported tax expense in profit or loss are as follows

Profit before tax	3,515.31	4,628.54
Domestic tax rate	34.608%	34.608%
Expected tax expense	1,216.58	1,601.85
Tax effect of amounts which are not deductible (taxable) in calculating taxable		
Interest on income tax	18.00	8.83
Corporate social responsibility (CSR)	4.41	1.05
Other items	(101.13)	97.86
Income tax expense	**1,137.86**	**1,709.59**

32 Earnings per share

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the parent company (Puravankara Limited) as the numerator, i.e. no adjustments to profit were necessary in 2016-17 or 2015-16

The reconciliation of the weighted average number of shares for the purposes of diluted earnings per share to the weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Weighted average number of shares outstanding during the year (Lakhs)	0.50	0.5
Add: Dilutive effect of stock options (Lakhs)	-	-
Weighted average number of shares used to compute diluted EPS (Lakhs)	**0.50**	**0.50**

There have been no transaction involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Profit attributable to equity holders of the parent adjusted for the effect of dilutior	2,377.45	2,918.95
Earnings per share (₹):		
Basic	4,754.90	5,837.90
Diluted	4,754.90	5,837.90
Nominal value - ₹ per equity share	10.00	10.00

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(All amounts in ₹ Lakhs, unless otherwise stated)

33 Financial Instruments

Financial instruments by category

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

Particulars	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets					
Investment (refer note 6)	6,407.18	-	-	6,407.18	6,407.18
Cash and cash equivalents (refer note 14, 15)	-	-	1,200.46	1,200.46	1,200.46
Trade receivables (refer note 13)	-	-	6,354.14	6,354.14	6,354.14
Loans and advances (refer note 7)	-	-	6,539.31	6,539.31	6,539.31
Other financial assets (refer note 8)	-	-	4,863.64	4,863.64	4,863.64
Total Financial Assets	**6,407.18**	-	**18,957.55**	**25,364.73**	**25,364.73**
Financial Liability					
Borrowing (refer note 18) *	-	-	52,407.43	52,407.43	52,407.43
Trade payables (refer note 19)	-	-	7,527.58	7,527.58	7,527.58
Other financial liability (refer note 20)	-	-	149.00	149.00	149.00
Total Financial Liability	-	-	**60,084.01**	**60,084.01**	**60,084.01**

The carrying value and fair value of financial instruments by categories as on 31 March 2016 were as follows:

Particulars	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets					
Investment (refer note 6)	4,520.22	-	-	4,520.22	4,520.22
Cash and cash equivalents (refer note 14, 15)	-	-	6,815.55	6,815.55	6,815.55
Trade receivables (refer note 13)	-	-	7,332.41	7,332.41	7,332.41
Loans and advances (refer note 7)	-	-	5,820.91	5,820.91	5,820.91
Other financial assets (refer note 8)	-	-	6,482.88	6,482.88	6,482.88
Total Financial Assets	**4,520.22**	-	**26,451.75**	**30,971.97**	**30,971.97**
Financial Liability					
Borrowing (refer note 18) *	-	-	40,596.51	40,596.51	40,596.51
Trade payables (refer note 19)	-	-	8,078.31	8,078.31	8,078.31
Other financial liability (refer note 20)	-	-	86.96	86.96	86.96
Total Financial Liability	-	-	**48,761.78**	**48,761.78**	**48,761.78**

The carrying value and fair value of financial instruments by categories as on 01 April 2015 were as follows:

Particulars	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets					
Cash and cash equivalents (refer note 14, 15)	-	-	8,201.08	8,201.08	8,201.08
Trade receivables (refer note 13)	-	-	6,797.92	6,797.92	6,797.92
Loans and advances (refer note 7)	-	-	4,799.92	4,799.92	4,799.92
Other financial assets (refer note 8)	-	-	1,029.62	1,029.62	1,029.62
Total Financial Assets	-	-	**20,828.54**	**20,828.54**	**20,828.54**
Financial Liability					
Borrowing (refer note 18) *	-	-	29,466.35	29,466.35	29,466.35
Trade payables (refer note 19)	-	-	8,846.19	8,846.19	8,846.19
Other financial liability (refer note 20)	-	-	49.41	49.41	49.41
Total Financial Liability	-	-	**38,361.95**	**38,361.95**	**38,361.95**

* including current maturities of long-term borrowings

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(All amounts in ₹ Lakhs, unless otherwise stated)

Notes to Financial instruments

i. The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables, borrowings and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has measured investments in subsidiaries and joint ventures at the deemed cost. The Company has considered the carrying amount under previous GAAP as the deemed cost.

ii. **Fair value hierarchy**

Financial assets and financial liabilities measured at fair value in the balance sheet are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Measurement of fair value of financial instruments

The Company's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialist for complex valuations, wherever necessary. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximizing the use of market-based information.

Investment in Debentures

The fair values of the debentures are estimated using a discounted cash flow approach, which discounts the estimated contractual cash flows using discount rates derived from observable market interest rates of similar bonds with similar risk.

The following table shows the fair value hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 Mar 2017, 31 Mar 2016 and 1 Apr 2015:

As at 31 Mar 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Investment	-	-	6,407.18	6,407.18
	-	-	6,407.18	6,407.18
Financial liabilities	-	-	-	-
Net Fair value	-	-	6,407.18	6,407.18

As at 31 Mar 2016	Level 1	Level 2	Level 3	Total
Financial assets				
Investment	-	-	4,520.22	4,520.22
	-	-	4,520.22	4,520.22
Financial liabilities	-	-	-	-
Net Fair value	-	-	4,520.22	4,520.22

As at 1 April 2015	Level 1	Level 2	Level 3	Total
Financial assets	-	-	-	-
Financial liabilities	-	-	-	-
Net Fair value	-	-	-	-

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Sensitivity analysis of Level III

Particulars	Valuation technique	Significant unobservable inputs	Change	Sensitivity of the input to fair value
Investments in unquoted debentures	DCF method	Discounting rate	0.50%	0.50% Increase (decrease) in the discount would decrease (increase) the fair value by ₹ 80.74 lakhs (₹ 81.89 lakhs)

34 Financial risk management
Financial risk factors

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalent, trade receivables, financial assets measured at amortised cost	Ageing analysis
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts
Market risk – Interest rate	Borrowings at variable rates	Sensitivity analysis

The Company's risk management is carried out by a risk management committee (of the Group) under policies approved by the Board of Directors. The Board of Directors provide written principles for overall risk management, as well as policies covering specific areas, such interest rate risk, credit risk and investment of excess liquidity.

(A) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments.

Credit risk management

The finance function of the Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Expected credit loss for trade receivables under simplified approach

Trade receivables are secured in a form that registry of sold residential/commercial units are not processed till the time the Company receives the entire payment. Hence, the Company does not present the information related to ageing pattern.

During the periods presented, the Company made no write-offs of trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

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(All amounts in ₹ Lakhs, unless otherwise stated)

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Particulars	Less than 1 year	Between 1 and 5 years	5 years and above	Total ₹
Non-derivatives				
Borrowings	8,039.48	45,249.48	-	53,288.96
Trade payable	7,527.58	-	-	7,527.58
Other Financial Liability	149.00	-	-	149.00
Total	15,716.06	45,249.48	-	60,965.54

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2016:

Particulars	Less than 1 year	Between 1 and 5 years	5 years and above	Total ₹
Non-derivatives				
Borrowings	8,556.44	32,407.84	-	40,964.28
Trade payable	6,917.60	1,160.71	-	8,078.31
Other Financial Liability	86.96	-	-	86.96
Total	15,561.00	33,568.55	-	49,129.55

The table below provides details regarding the contractual maturities of significant financial liabilities as of 01 April 2015:

Particulars	Less than 1 year	Between 1 and 5 years	5 years and above	Total ₹
Non-derivatives				
Borrowings	246.62	29,499.99	-	29,746.61
Trade payable	8,297.87	548.32	-	8,846.19
Other Financial Liability	49.41	-	-	49.41
Total	8,593.90	30,048.31	-	38,642.21

(C) Market risk

a. Interest rate risk

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company's variable rate borrowing is subject to interest rate risk. The overall exposure of the borrowings are summarized below:

Particulars	31 Mar 2017	31 Mar 2016	31 Mar 2016
Variable rate borrowing	49,883.54	35,777.16	29,465.62
Fixed rate borrowing	2,523.89	-	-
Interest free borrowings	-	4,819.35	0.73
Total borrowings	52,407.43	40,596.51	29,466.35

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	31 Mar 2017	31 Mar 2016
Interest rates – increase by 50 basis points (50 bps)	96.76	98.40
Interest rates – decrease by 50 basis points (50 bps)	(96.76)	(98.40)

b. Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Company's operational activities are primarily carried out in Indian Rupee (₹). Transactions in other currencies are not significant and the risk arising from foreign exchange fluctuations are not material. The Company does not use any financial derivatives such as foreign currency forward contracts, foreign currency options or swaps for hedging purposes outstanding as at the balance sheet date.

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(All amounts in ₹ Lakhs, unless otherwise stated)

35 Capital management

The Company's objectives when managing capital are to:

i Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

ii. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio.

Particulars	31 Mar 2017	31 Mar 2016	01 Apr 2015
Long term borrowings	22,383.67	25,553.56	29,222.05
Current maturities of long term borrowings	27,523.76	10,223.60	243.57
Short term borrowings	2,500.00	4,819.35	0.73
Less: Cash and cash equivalents	(1,200.46)	(6,815.55)	(8,201.08)
Less : Bank balances other than cash and cash equivalents	(62.60)	-	-
Net debt	**51,144.37**	**33,780.96**	**21,265.27**
Total equity	**31,469.81**	**30,267.33**	**27,558.78**
Gearing ratio	**1.63**	**1.12**	**0.77**

(i) Equity includes all capital and reserves of the Company that are managed as capital
(ii) Debt is defined long term and short term borrowings

36 Related party transactions

Relationship	Name of the related parties
(i) Party exercising control	Puravankara Limited - Holding Company
(ii) Key management personnel (KMP)	Mr. Ravi Puravankara - Director of Holding Company Mr. Ashish Puravankara - Director Mr. Nani R Choksey - Director
(iii) Entities controlled/significantly influenced by Key Management Personnel (Other Related	Handiman Services Limited Propmart Technologies Limited Starworth Infrastructure and Construction Limited Melmont Constructions Limited Puravankara Investments
(iv) Subsidiaries	Argan Properties Private Limited Provident Mertya Private Limited Provident Cedar Private Limited
(v) Joint Ventures	Purva Good Earth Properties Private Limited (from 06 April 2015)

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(All amounts in ₹ Lakhs, unless otherwise stated)

(i) Statement of transactions with related parties

Particulars	Year ended 31 Mar 2017				Year ended 31 Mar 2016			
	Holding Company	Fellow Subsidiary	Joint Venture	Other Related Party and KMP	Holding Company	Fellow Subsidiary	Joint Venture	Other Related Party and KMP
Loans received from								
Puravankara Limited	2,119.64	-	-	-	4,885.12	-	-	-
Loans repaid to								
Puravankara Limited	6,938.99	-	-	-	66.50	-	-	-
Interest Income on loans								
Propmart Technologies Limited	-	-	-	195.34	-	-	-	195.33
Gain arising from financial instruments designated as FVTPL								
Purva Good Earth Properties Private Limited	-	-	1,055.96	-	-	-	686.32	-
Loans given to								
Propmart Technologies Limited	-	-	-	-	-	-	-	-
Puravankara Limited	994.73	-	-	-	-	-	-	-
Loans repaid by								
Propmart Technologies Limited	-	-	-	8.99	-	-	-	19.53
Puravankara Limited	900.00	-	-	-	-	-	-	-
Advance paid to								
Starworth Infrastructure and Construction Limited	-	100.00	-	-	-	-	-	4.49
Advance adjusted								
Starworth Infrastructure and Construction Limited	-	100.00	-	-	-	-	-	-
Dividend paid								
Puravankara Limited		-	-	-	185.82	-	-	-
Sale of fixed asset								
Puravankara Limited	-	-	-	-	189.53	-	-	-
Purchase of material and services								
Starworth Infrastructure and Construction Limited	-	490.59	-	-	-	802.94	-	-
Security and maintenance								
Handiman Services Limited	-	-	-	660.45	-	-	-	634.39
Rental expenses								
Puravankara Limited	37.07	-	-	-	36.33	-	-	-
Reimbursement of Expenses to								
Puravankara Limited	300.00	-	-	-	-	-	-	-
Reimbursement of Expenses from								
Puravankara Limited	5.08	-	-	-	-	-	-	-
Rental deposit								
Puravankara Limited	-	-	-	-	101.43	-	-	-
Selling and marketing								
Puravankara Limited	12.35	-	-	-	235.64			
Propmart Technologies Limited	-	-	-	-	-	-	-	-
Legal and Professional								
Puravankara Limited	25.18	-	-	-	-	-	-	0.27
Other expenses								
Puravankara Limited	135.47	-	-	-	16.09	-	-	-
Interior Work								
Puravankara Limited	105.46	-	-	-	-	-	-	-

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

(i) Statement of transactions with related parties (Contd.)

Particulars	Year ended 31 Mar 2017				Year ended 31 Mar 2016			
	Holding Company	Fellow Subsidiary	Joint Venture	Other Related Party and KMP	Holding Company	Fellow Subsidiary	Joint Venture	Other Related Party and KMP
Investments in Debentures								
Purva Good Earth Properties Private Limited	-	-	875.00	-	-	-	3862.50	-
Investments in Shares								
Purva Good Earth Properties Private Limited	-	-	-	-	-	-	1.00	-
Argan Properties Private Limited	-	-	-	1.00	-	-	-	-
Provident Meryta Private Limited	-	-	-	1.00	-	-	-	-
Provident Cedar Private Limited	-	-	-	1.00	-	-	-	-
Guarantees ceased during the year								
Puravankara Limited	30,000.00	-	-	-	-	-	-	-
Ravi Puravankara	-	-	-	30,000.00	-	-	-	-
Ashish Puravankara	-	-	-	30,000.00	-	-	-	-
Guarantees availed during the year								
Puravankara Limited	21,500.00	-	-	-	15,000.00	-	-	-

(ii) Statement of balances outstanding:

Particulars	31 Mar 2017				31 Mar 2016				31 Mar 2015			
	Holding Company	Fellow Subsidiary	Joint Venture	Other Related Party and KMP	Holding Company	Fellow Subsidiary	Joint Venture	Other Related Party and KMP	Holding Company	Fellow Subsidiary	Joint Venture	Other Related Party and KMP
Loans taken from												
Puravankara Limited	-	-	-	-	4,815.35	-	-	-	0.73	-	-	-
Loans outstanding from												
Puravankara Limited	94.73	-	-	-	-	-	-	-	-	-	-	-
Propmart Technologies Limited	-	-	-	2,867.14	-	-	-	2,700.33	-	-	-	2,524.53
Melmont Construction Limited	-	-	-	25.00	-	-	-	25.00	-	-	-	25.00
Advances paid to												
Starworth Infrastructure and Construction Limited	-	-	-	-	-	4.49	-	-	-	-	-	-
Due to related parties												
Starworth Infrastructure and Construction Limited	-	441.82	-	-	-	463.27	-	-	-	588.83	-	-
Handiman Services Limited	-	2.98	-	-	-	-	-	134.11	-	-	-	101.70
Puravankara Limited	154.40	-	-	-	25.23	-	-	-	167.53	-	-	-
Puravankara Investments	-	-	-	3.12	-	-	-	3.11	-	-	-	3.11
Due from related parties												
Purva Good Earth Properties Private Limited	-	-	3.60	-	-	-	3.60	-	-	-	-	-
Investments												
Purva Good Earth Properties Private Limited	-	-	6,408.18	-	-	-	4,521.22	-	-	-	-	-
Argan Properties Private Limited	-	-	-	1.00	-	-	-	-	-	-	-	-
Provident Cedar Private Limited	-	-	-	1.00	-	-	-	-	-	-	-	-
Provident Meryta Private Limited	-	-	-	1.00	-	-	-	-	-	-	-	-
Guarantees given by												
Puravankara Limited	66,500.00	-	-	-	45,000.00	-	-	-	30,000.00	-	-	-
Ravi Puravankara	-	-	-	-	-	-	-	30,000.00	-	-	-	30,000.00
Ashish Puravankara	-	-	-	-	-	-	-	30,000.00	-	-	-	30,000.00
Advances given for land contracts												
Puravankara Limited	2,800.00	-	-	-	2,800.00	-	-	-	2,800.00	-	-	-
Unbilled expenses												
Starworth Infrastructure and Construction Limited	-	93.40	-	-	-	330.67	-	-	-	646.63	-	-

Disclosures in respect of transactions with identified related parties are given only for such period during which such relationships existed.

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37 Contingent liabilities and commitments

i. The company has not issued any financial guarantees

ii. The company does not have any capital expenditure outstanding as at the end of the reporting period but not recognised as liabilities.

38 Operating leases

The Company has taken office premises under non-cancellable operating leases. These leases have varying terms, escalation clauses and renewal rights. On renewal, terms of the lease are renegotiated. Commitments for minimum lease payments in relation to the non-cancellable operating leases are payable as follows:

Particulars	31 Mar 2017	31 Mar 2016	01 Apr 2015
Within one year	156.31	169.95	140.21
Later than one year but not later than five years	303.11	481.56	603.87
Later than five years	-	-	-

39 Gratuity and vacation pay

A Vacation pay

The leave obligations cover the Company's liability for sick and earned leaves. The amount of provision of ₹ **39.79** (31 March 2016 - ₹ 33.11 , 1 April 2015 - ₹ 24.72 is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

i. Amount recognised in the statement of profit and loss is as under:

Particulars	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Current service cost	8.68	12.74
Interest cost	2.65	1.98
Actuarial (gain)/loss, net on account of:		
-Changes in experience adjustment of present value of obligations	(0.56)	0.37
-Changes in financial assumptions	2.29	1.42
-Changes in economic assumptions		
Cost recognized during the year	**13.06**	**16.51**

ii. Movement in the liability recognized in the balance sheet is as under:

Particulars	31 Mar 2017	31 Mar 2016	01 Apr 2015
Present value of defined benefit obligation at the beginning of the year	33.11	24.72	14.25
Present value of defined benefit obligation in respect of employees transferred from the Company*	(1.19)	-	-
Current service cost	8.68	12.74	13.50
Interest cost	2.65	1.98	1.23
Actuarial (gain)/loss, net	1.73	1.79	7.47
Benefits paid	(5.19)	(8.12)	(11.73)
Present value of defined benefit obligation at the end of the year	**39.79**	**33.11**	**24.71**
-Current	39.79	33.11	24.71
-Non-current	-	-	-

iii. For determination of the liability of the Company, in respect of vacation pay, the following actuarial assumptions were used:

Particulars	31 Mar 2017	31 Mar 2016
Discount rate	7.45%	8.00%
Salary escalation rate	6.00%	6.00%
Mortality table	Indian Assured Lives Mortality (2006 -08)	Indian Assured Lives Mortality (2006 -08)

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation Other assumptions are based on management's historical experience.

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B Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is 90% of the employee's last drawn salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity plan is a non-funded plan.

i. Amount recognised in the statement of profit and loss is as under:

Particulars	31 Mar 2017	31 Mar 2016
Current service cost	38.25	38.68
Interest cost	8.07	6.04
Actuarial (gain)/loss, net on account of:		
-Changes in experience adjustment of present value of obligations	(6.15)	(17.60)
-Changes in financial assumptions	8.41	(2.67)
-Changes in economic assumptions		-
Cost recognized during the year	**48.58**	**24.45**

ii. Movement in the liability recognized in the balance sheet is as under:

Particulars	31 Mar 2017	31 Mar 2016	01 Apr 2015
Present value of defined benefit obligation at the beginning of the year	100.89	77.22	38.62
Present value of defined benefit obligation in respect of employees transferred from the Company*	(7.80)	(0.07)	-
Current service cost	38.25	38.68	27.06
Interest cost	8.07	6.04	2.78
Actuarial (gain)/loss, net	2.26	(20.27)	10.70
Benefits paid	(3.48)	(0.71)	(1.94)
Present value of defined benefit obligation at the end of the year	**138.19**	**100.89**	**77.22**
-Current	6.66	1.41	76.45
-Non-current	131.53	99.48	0.77

* This is opening liability in respect of employees transferred from the Company to group companies.

iii.

For determination of the liability of the Company, in respect of Gratuity, the following actuarial assumptions were used:

Particulars	31 Mar 2017	31 Mar 2016
Discount rate	7.45%	8.00%
Salary escalation rate	6.00%	6.00%
Mortality table	Indian Assured Lives Mortality (2006 -08)	Indian Assured Lives Mortality (2006 -08)

As the Company does not have any plan assets, the movement of fair value of plan assets has not been presented.

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

iv. Experience adjustments	**31-Mar-17**	**31-Mar-16**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**
Defined benefit obligation as at the end of the year	138.19	100.89	77.22	38.62	44.40
Experience adjustments on plan liabilities	(6.15)	(17.60)	(2.23)	(14.13)	(0.19)

C Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:

i. **Interest Rate Risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of liability (as shown in financial statements)

ii. **Liquidity Risk:** This is the risk that the Company is not able to meet the short term benefit payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

iii. **Salary Escalation Risk:** The present value of the above benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

iv. **Demographic Risk:** The company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

v. **Regulatory Risk:** Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (for example, increase in the maximum liability on gratuity of ₹ 10,00,000)

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D Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	Gratuity		Vacation pay	
	Year ended 31 Mar 2017	Year ended 31 Mar 2016	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Impact of the change in discount rate				
Present value of obligation at the end of the year				
a) Impact due to increase of 1.00 %	(14.76)	(12.01)	(4.03)	(4.70)
b)Impact due to decrease of 1.00 %	17.65	14.48	4.78	2.87
Impact of the change in salary increase				
Present value of obligation at the end of the year				
a) Impact due to increase of 1.00 %	17.73	14.62	4.81	4.33
b)Impact due to decrease of 1.00 %	(15.07)	(12.33)	(4.11)	(3.67)
Impact of the change in attrition rate				
Present value of obligation at the end of the year				
a) Impact due to increase by 50 %	0.16	0.56	0.42	0.61
b) Impact due to decrease by 50 %	(0.44)	(0.92)	(0.48)	(0.70)
Impact of the change in mortality rate				
Present value of obligation at the end of the year				
a) Impact due to increase by 10 %	0.08	0.09	0.01	0.02
b) Impact due to decrease by 10 %	(0.08)	(0.09)	(0.01)	(0.02)

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis

40 Interest in other entities

(a) Subsidiaries

The Company's subsidiaries as at 31 March 2017 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Company, and the proportion of ownership interests held equals the voting rights held by the Company. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of operation	Beneficial ownership held by the Company			Principal activities
		% 31-Mar-17	% 31-Mar-16	% 1-Apr-15	
Provident Meryta Private Limited	India	100%	-	-	Real estate development
Argan Properties Private Limited	India	100%	-	-	Real estate development
Provident Cedar Private Limited	India	100%	-	-	Real estate development

All the subsidiaries are wholly owned subsidiaries of the Company and hence, non-controlling interest related information is not presented.

(b) Joint Ventures

Name of entity	Place of business/ country of operation	Beneficial ownership held by the Company			Principal activities
		% 31-Mar-17	% 31-Mar-16	% 1-Apr-15	
Purva Good Earth Properties Private Limited*	India	50%	50%	-	Real estate development

* The company has 100% equity interest with 50% voting rights

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41 Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	Notes	31 Mar 2017	31 Mar 2016	01 Apr 2015
Current				
Financial assets				
First charge				
Trade Receivables	13	5,722.32	5,930.37	5,309.44
Non-financial assets				
First charge				
Inventories				
-Properties under development	12B	48,088.94	24,820.55	26,463.45
-Properties held for sale	12C	16,711.87	10,264.96	1,162.02
Total current assets pledged as securities		**70,523.14**	**41,015.88**	**32,934.92**
Non-current				
First charge				
Vehicles	4	27.83	-	-
Total non-current assets pledged as security		**27.83**	**-**	**-**
Total assets pledged as security		**70,550.97**	**41,015.88**	**32,934.92**

42 Events occurring after the reporting date

No adjusting or significant non-adjusting events have occurred between 31 March 2017 and the date of authorization of these Standalone Financial Statements.

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43 First time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1.3 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the Company's date of transition). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes

A Ind AS optional exemptions

1 Deemed cost for property, plant and equipment, investment property and intangible assets

Ind AS 101 'First Time Adoption of Indian Accounting Standards' permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets' and investment property covered by Ind AS 40 'Investment Property' Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

2 Deemed cost for investments in subsidiaries and joint ventures

Ind AS 101, 'First-time Adoption of Indian Accounting Standards' allows a Company to measure investments in subsidiaries and joint ventures at the deemed cost. The Company has considered the carrying amount under previous GAAP as the deemed cost.

3 Leases

Ind AS 17 'Leases' requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17 'Leases', this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 'First Time Adoption of Indian Accounting Standards' provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to apply this exemption for such contracts/arrangements.

B Ind AS mandatory exemptions

1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 31 March 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP.

2 Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 'Financial Instruments' are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

a) The effects of the retrospective application or retrospective restatement are not determinable;
b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period;

The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

3 De-recognition of financial assets and liabilities

Ind AS 101, 'First-time Adoption of Indian Accounting Standards' requires a first-time adopter to apply the de-recognition provisions of Ind AS 109,'Financial Instruments' prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101, allows a first-time adopter to apply the de-recognition requirements in Ind AS 109, retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109, to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109.'Financial Instruments' prospectively from the date of transition to Ind AS.

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(All amounts in ₹ Lakhs, unless otherwise stated)

C Reconciliations between previous GAAP and Ind AS

Ind AS 101 'First Time Adoption of Indian Accounting Standards' requires an entity to reconcile equity, total comprehensive income and cash flows for prior years. The following tables represent the reconciliations from previous GAAP to Ind AS.

i. Reconciliation of Balance Sheet as at 31 March 2016 and 1 April 2015

	Notes to first time adoption	As at 31 Mar 2016 IGAAP (refer note 1 below)	Ind AS adjustments	Ind AS	As at 01 Apr 2015 IGAAP (refer note 1 below)	Ind AS adjustments	Ind AS
Assets							
Non-current assets							
(a) Property, plant and equipment		369.30	-	**369.30**	569.76	-	**569.76**
(b) Capital work-in-progress		-	-	-	11.96	-	**11.96**
(c) Other intangible assets		6.07	-	**6.07**	14.88	-	**14.88**
(d) Financial assets							
Investments	7	4,120.87	400.35	**4,521.22**	-	-	-
Loans and advances	5	7,032.38	(1,215.07)	**5,817.31**	5,970.28	(1,170.36)	**4,799.92**
Other financial assets		490.10	-	**490.10**	107.21		**107.21**
(e) Deferred tax assets, net	9	-	-	-	56.49	137.56	**194.05**
(f) Other non-current assets	5A	4,030.30	12.09	**4,042.39**	3,884.90	25.76	**3,910.66**
Total Non-current assets		**16,049.02**	**(802.63)**	**15,246.39**	**10,615.48**	**(1,007.04)**	**9,608.44**
Current assets							
(a) Inventories							
Property held for development	5B	-	678.64	**678.64**	-	592.33	**592.33**
Properties under development	6	42,438.01	607.61	**43,045.63**	41,264.70	558.57	**41,823.27**
Properties held for sale	6	10,375.50	(18.25)	**10,357.25**	1,162.02	-	**1,162.02**
(b) Financial Assets							
Trade receivables		7,332.41	-	**7,332.41**	6,797.92	-	**6,797.92**
Cash and cash equivalents		6,815.55	-	**6,815.55**	8,201.08	-	**8,201.08**
Loans and advances		3.60	-	**3.60**	-	-	-
Other financial assets		5,992.78	-	**5,992.78**	922.41	-	**922.41**
(c) Current tax assets (net)		121.19	-	**121.19**	116.72	-	**116.72**
(d) Other current assets	2,5A	4,542.95	(39.81)	**4,503.14**	8,065.70	15.13	**8,080.83**
Total Current assets		**77,621.99**	**1,228.18**	**78,850.18**	**66,530.55**	**1,166.03**	**67,696.58**
Total Assets		**93,671.02**	**425.55**	**94,096.57**	**77,146.03**	**158.99**	**77,305.02**
Equity and liabilities							
Equity							
(a) Equity share capital		5.00	-	**5.00**	5.00	-	**5.00**
(b) Other equity	8	28,745.66	1,516.67	**30,262.33**	27,800.07	(246.29)	**27,553.78**
Total of Equity		**28,750.66**	**1,516.67**	**30,267.33**	**27,805.07**	**(246.29)**	**27,558.78**
Liabilities							
Non-current liabilities							
(a) Financial liabilities							
Borrowings	2	25,791.67	(238.11)	**25,553.56**	29,500.00	(277.96)	**29,222.04**
(b) Provisions		99.48		**99.48**	76.45	-	**76.45**
(c) Deferred tax liabilities (net)	9	(83.39)	171.09	**87.70**	-	-	-
		25,807.76	**(67.02)**	**25,740.74**	**29,576.45**	**(277.96)**	**29,298.49**
Current liabilities							
(a) Financial liabilities							
Borrowings	2	4,819.35	-	**4,819.35**	0.73	-	**0.73**
Trade payables		8,078.31	-	**8,078.31**	8,846.19	-	**8,846.19**
Other financial liabilities	2	10,440.23	(129.67)	**10,310.56**	295.30	(2.32)	**292.98**
(b) Other current liabilities	4,6B	14,188.29	279.06	**14,467.35**	10,573.73	685.55	**11,259.28**
(c) Provisions	3	1,208.01	(1,173.49)	**34.52**	25.49	-	**25.49**
(d) Current tax liabilities (net)		378.41	-	**378.41**	23.07	-	**23.07**
		39,112.60	**(1,024.10)**	**38,088.50**	**19,764.50**	**683.24**	**20,447.74**
Total Liabilities		**93,671.02**	**425.55**	**94,096.57**	**77,146.03**	**158.99**	**77,305.02**

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ii. **Total effect on retained earnings and equity :**

Transition adjustments recorded in retained earnings	Notes to first time adoption	31 Mar 2016	01 April 2015
Application of Guidance Note on real estate, revenue recognition retrospectively	6	(103.52)	(351.28)
Impact of reversal of lease straightlining	4	19.84	13.60
Impact of financial assets and liabilities carried at amortised cost	2,5	197.59	(46.16)
Impact of recording debentures at fair value	7	400.35	-
Deferred tax impact on above adjustments	9	(171.08)	137.55
Reversal of proposed dividend and tax on proposed dividend	3	1,173.49	-
Effect of transition to Ind AS on retained earnings		**1,516.67**	**(246.29)**
Effect of transition to Ind AS on OCI		-	-
Total effect on equity		**1,516.67**	**(246.29)**

iii. **Reconciliation of Statement of Profit and Loss as previously reported under IGAAP and Ind AS :**

	Notes to first time adoption	Year ended 31 Mar 2016 IGAAP (refer note 1 below)	Ind AS adjustments	Ind AS
Income				
Revenue from operations	6	42,876.18	728.64	43,604.82
Other income	7	427.71	400.35	828.06
		43,303.89	**1,128.99**	**44,432.88**
Expenses				
Material and contract cost		35,967.33	-	35,967.33
Land cost	6B	3,258.22	591.81	3,850.03
(Increase) in inventory of properties held for development, properties under development and properties held for sale	6	(10,473.12)	(30.77)	(10,503.89)
Employee benefits expense	10	1,754.40	20.27	1,774.67
Finance expense, net	2	3,600.94	(339.48)	3,261.46
Depreciation and amortization		89.91	-	89.91
Other expenses	4, 5A	5,355.52	9.31	5,364.83
		39,553.20	**251.14**	**39,804.34**
Profit before tax		**3,750.69**	**877.85**	**4,628.54**
Tax expense	9	1,407.96	301.63	1,709.59
Profit after tax		**2,342.73**	**576.22**	**2,918.95**
Other Comprehensive Income				
Remeasurements of the defined benefit plans	11	-	20.27	20.27
Income tax relating to items that will not be reclassified to profit or loss	9	-	(7.02)	(7.02)
Total Other Comprehensive Income for the year		-	**13.25**	**13.25**
Total comprehensive income for the year		**2,342.73**	**589.47**	**2,932.20**

iv. **Cash Flow Statement**

Particulars	Notes to first time adoption	Year ended 31 Mar 2016 As per Previous GAAP	Effect of adjustments to Ind AS	Amount as per Ind AS
Net cash (used) in operating activities	12	**(6,348.64)**	**257.42**	**(6,091.22)**
Net cash (used in) investing activities	12	**(2,075.56)**	**(257.42)**	**(2,332.98)**
Net cash from / (used in) financing activities		**7,038.67**	-	**7,038.67**
Net increase/(decrease) in cash and cash equivalents		**(1,385.53)**	-	**(1,385.53)**
Cash and cash equivalents at the beginning of the year		**8,201.08**	-	**8,201.08**
Cash and cash equivalents at the end of the year		**6,815.55**		**6,815.55**

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(All amounts in ₹ Lakhs, unless otherwise stated)

Note to First time adoption of Ind As

1 To comply with the Companies (Accounting Standard) Rules, 2006, certain account balances have been regrouped as per the format prescribed under Division II of Schedule III to the Companies Act, 2013. Other material reconciliations include:

Particulars	31 March 2016 (Reported)	Adjustment	31 March 2016 (Reclassified)	01 April 2015 (Reported)	Adjustment	01 April 2015 (Reclassified)
Investments	3,863.50	257.37	4,120.87	-	-	-
Other financial assets	6,250.15	(257.37)	5,992.78	-	-	-
Other current assets	3,815.98	726.97	4,542.95	7,590.66	490.17	8,080.83
Other current liability	13,461.32	726.97	14,188.29	10,769.11	490.17	11,259.28
Non-current borrowings	-	-	-	29,245.89	254.11	29,500.00
Other financial liabilities	-	-	-	549.41	(254.11)	295.30

2 **Borrowings**

Ind AS 109, 'Financial Instruments' requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in the profit or loss or inventorized as a part of project under development, as the case may be over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss or inventorized as a part of project under development as and when incurred. Accordingly, borrowings as at 01 April 2015 and 31 March 2016 have been reduced with a corresponding adjustment to retained earnings.

3 **Dividend**

Under previous GAAP, dividends proposed by the board of directors after balance sheet date but before the approval of the financial statements were considered as adjusting events. However under Ind AS, such dividends are recognized when the same is approved by the shareholders in the general meeting.

Accordingly the liability for proposed dividend recognized as on transition date has been reversed with corresponding adjustment to opening retained earnings and dividend in the subsequent period has been recognized in the year of approval in the general meeting.

4 **Operating leases**

Under the Previous GAAP, operating lease payments were recognized as an expense in the Statement of Profit and Loss on a straight-line basis. Under Ind AS, 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 lessor's expected inflationary cost.. Accordingly any lease equalisation reserve has been reduced with a corresponding adjustment to retained earnings.

5 **Security deposits**

A Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) were recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly, the Company has recognized these security deposits at fair value and subsequently measured them at amortized cost. Difference between the fair value and transaction value of the security deposit has been recognized as prepaid rent which would be amortized over a straight line basis over the period of the deposit.

B Under the previous GAAP, interest free security deposits towards joint development (that are refundable in cash on completion of the construction) were recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value and subsequently measured them at amortized cost. Accordingly, the Company has measured these security deposits at fair value. Difference between the fair value and transaction value of the security deposit has been recognized as land cost.

6 **Revenue**

A Under the previous GAAP, in accordance with the "Guidance Note on Accounting for Real Estate Transactions (Revised 2012)"("Guidance Note"), construction revenue for projects commenced on or after 01 April 2012 or where revenue was recognised for the first time after the aforesaid date, was recognized on percentage of completion method provided the thresholds specified in the Guidance note 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

Under Ind AS, in accordance with the "Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable)", construction revenue is recognised for all the projects whether commenced before or after 01 April 2012, provided the thresholds mentioned above have been met. Accordingly, revenue for the period ended 31 March 2016 and Properties under development as at 31 March 2016 and 01 April 2015 have been adjusted with a corresponding adjustment to retained earnings.

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B *Joint Development*

Under the previous GAAP, for projects executed through joint development arrangements prior to 01 April 2012, which represent barter transactions, whereby the Company gives up a defined percentage of constructed area in lieu of payment for its share in the land, the Company accounted for such transactions on net basis and did not ascribe any value to the share of land acquired on such basis. Effective 01 April 2012, in accordance with the Guidance Note, developmental rights acquired through joint development arrangement are recorded on a gross basis on the estimated amount to be spent on development or construction of built-up area to be surrendered in lieu of the above rights.

Under Ind AS, the Company accounts for such developmental rights on gross basis for all the projects retrospectively. Accordingly, land cost has been recognized with a corresponding impact to other current liabilities, revenue and properties under development for the period ended 31 March 2016 has been adjusted with a corresponding adjustment to other current liabilities.

C *Borrowing cost*

The company has capitalised its borrowing cost including its processing fees in accordance with the previous GAAP, the adjustment to the same as per note 1 has resulted in a change of Percentage of Completion and accordingly, revenue for the period ended 31 March 2016 has been adjusted with corresponding adjustments to properties under development and retained earnings.

D *Security Deposits*

The company has capitalised the interest income arising from Note no 5, which has resulted in a change of Percentage of Completion and accordingly, revenue for the period ended 31 March 2016 accordingly, revenue for the period ended 31 March 2016 has been adjusted with corresponding adjustments to properties under development and retained earnings.

7 Investment in Debentures

Investments in debentures have been measured at fair value through profit or loss (FVTPL) as against cost less diminution of other than temporary nature, if any, under the previous GAAP.The difference between the fair value and previous GAAP carrying value on transition date has been recognized as an adjustment to opening retained earnings. Subsequent fair value changes have been recorded in the statement of profit and loss as against interest recorded at coupon rate under previous GAAP.

8 Retained earnings

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

9 Deferred tax

Under previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period. Under Ind AS, deferred tax is recognized following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments has also lead to recognition of deferred taxes on new temporary differences.

10 Other comprehensive income (OCI)

Under Ind AS, all items of income and expense recognised in a period should be included in statement of profit and loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in the statement of profit and loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

11 Defined benefit liabilities

Both under Previous GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit and loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced by such amount with a corresponding adjustment on defined benefit plans has been recognized in the OCI net of tax.

12 Cash flow statement

Under the previous GAAP, for the year ended 31 March 2016 the company had classified certain cash generating items from investing activities as operating activities which has been reclassified under Ind AS.

As per report of even date
For Walker Chandiok & Co LLP
Chartered Accountants

Sanjay Banthia

per **Sanjay Banthia**
Partner
Bengaluru
29 May 2017

WALKER CHANDIOK & CO LLP
BENGALURU
CHARTERED ACCOUNTANTS

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

Nani - R Choksey

Nani R Choksey
Director
DIN 00504555

Bengaluru
29 May 2017

Ashish Puravankara
Director
DIN 00504524

Bengaluru
29 May 2017

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