

Provident Housing Limited

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

NOTICE OF THE ANNUAL GENERAL MEETING

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

ORDINARY BUSINESS:

Item No. 1 – Adoption of Accounts

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

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

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

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

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

Item No. 4 – Appointment of Statutory Auditors

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

By Order of the Board



Nani R Choksey
Director

Place : Bangalore

Date : 31.07.2012

NOTES:

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

Provident Housing Limited

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

DIRECTORS' REPORT

TO THE MEMBERS,

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

1. FINANCIAL RESULTS:

(Figures in Rs. Lakhs)

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

2. FINANCIAL AND OPERATING PERFORMANCE:

State of Affairs

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

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

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

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

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

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

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

3. FUTURE OUTLOOK:

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

4. DIRECTORS:

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

5. AUDITORS:

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

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

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

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

Response:

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

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

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

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

8. PARTICULARS OF EMPLOYEES:

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

9. DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

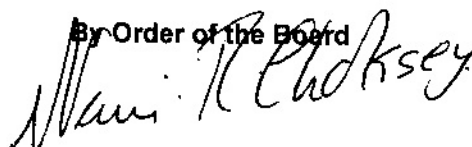
10. ACCEPTANCE OF FIXED DEPOSITS:

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

11. ACKNOWLEDGMENTS:

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

Bangalore
31.07.2012

By Order of the Board

Nani R Choksey
Director