

BOARD OF DIRECTORS

Shri Navnitbhai C. Patel	Chairman and Managing Director
Shri Rushabh N. Patel	Managing Director
Smt. Riddhiben R. Patel	Joint Managing Director
Shri Navinbhai S. Patel	
Shri H. K. Yadav	
Shri Arvindbhai B. Patel	
Shri Ramanbhai H. Patel	

AUDITORS

MANUBHAI & COMPANY

Chartered Accountants,
2nd Floor, "B" Wing, Premium House,
Near Gandhigram Railway Station,
Navrangpura,
Ahmedabad - 380 009.

BANKERS

Punjab National Bank.
The Kalupur Commercial Co-op. Bank Ltd.
Central Bank of India
Sardar Vallabhbhai Sahakari Bank Ltd.

Registrar and Share Transfer Agent

Link Intime (India) Pvt. Ltd.
9, Sudarshan Complex,
Nr. Mithakhali Under Bridge,
Navrangpura, Ahmedabad-380 009.

REGISTERED OFFICE

50, 3rd Floor, Harsiddha Chambers,
Nr. Income Tax Circle,
Ashram Road,
Ahmedabad-380014. Gujarat

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NOTICE

Notice is hereby given that the 24th Annual General Meeting of the Members of Parshwanath Housing Finance Corporation Limited will be held on Wensday 29th September, 2010 at 10.00 A.M. at 50, Harsiddha Chambers, Ashram Road, Ahmedabad - 380 014 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri H.K. Yadav who retires by rotation but being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri Ramanbhai H. Patel, who retires by rotation but being eligible offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit to pass the following resolution as a special resolution with or without modification.

CHANGE OF NAME OF THE COMPANY

RESOLVED THAT in accordance with Section 21 of the Companies Act, 1956, and as directed by the Registrar of Companies Gujarat, office of the Registrar of Companies, Gujarat, Ahmedabad, and subject to the approval of the members at the General Meeting, the words "HOUSING FINANCE" be removed form the exiting name of the company and thereafter the name of the company be changed form PARSHWANATH HOUSING FINANCE CORPORATION LTD. to PARSHWANATH CORPORATION LIMITED by removing the words "HOUSING FINANCE" form the existing name of the company.

FURTHER RESOLVED That Company do aply for name "Parshwanath Coporation Limited" in application for Availability of name in from 1A to Registrar of Companies Gujarat and on non availability of the same Mr. Rushabh Patel Director of the Company is authorized to decide on other options of name and reapply for availability.

FURTHER RESOLVED That board of Director of the Company be and are hereby authorized to file form 1A for availability of name and to Comply with other procedures including filing of form 23 and 1B for Change of Name of the Company.

FURTHER RESOLVED That Board of Directors of the Company be and is hereby authorized to make necessary intention to Bombay Stock Exchange and other authorities as may be prescribed by listing agreement and other allied agreements.

6. To consider and if thought fit to pass the following resolution as a special resolution with or without modification.

PARSHWANATH HOUSING FINANCE CORPORATION LIMITED



INCREASE IN THE SHARE CAPITAL:

RESOLVED THAT the Authorised Share Capital of the Company be increased from Rs. 5,00,00,000/- (Rupees Five Crores only) to Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000/- (One Crore) Equity shares of Rs. 10/- (Rupees Ten only) each.

7. To consider and if thought fit to pass the following resolution as a special resolution with or without modification.

ALTERATION IN MEMORANDUM:

RESOLVED THAT the existing Clause - V of the Memorandum of Association of the company be and is hereby deleted and in its place the following Clause - V be and is hereby inserted.

The Authorised Share Capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore) Equity Share of Rs. 10/- (Rupees Ten only) each.

8. To consider and if thought fit to pass the following resolution as a special resolution with or without modification.

REAPPOINTMENT OF SHRI NAVNITBHAI C. PATEL MANAGING DIRECTOR:

RESOLVED THAT pursuant to Sections 198, 269, 309, 314 Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with Articles of Association of the Company, and also subject to the approval of the Central Government, if necessary, Shri Navnitbhai C. Patel, Managing Director, be and is hereby reappointed for the further period of five years with retrospective effect, i.e. from 18th February, 2010 to 17th February, 2015 on the following terms and conditions :

- | | | |
|--------------------------------------|---|---|
| (1) Salary | : | Rs. 1,00,000/- per month |
| (2) Conveyance | : | Free use of Company's Car with driver for Official purposes. |
| (3) Travelling, Boarding and Lodging | : | Actual expenditure to be reimbursed by the Company for outstation journey for Official work, in India or abroad. |
| (4) Leave Travel Concession | : | Entitled to travel with family, by any mode, i.e. Air, Train, Road, once in a year for visiting any place in India. |
| (5) Medical benefits | : | Reimbursement of actual expenses incurred for him and his family. |
| (6) Personal Accident Insurance | : | Premium for accident insurance shall not exceed the limit of Rs. 5,000/- or such higher limit as may be permitted under Income-tax Rules. |

- | | | | |
|------|---------------------------|---|--|
| (7) | Company's Contribution to | : | |
| | (a) Provident Fund | : | Nil |
| | (b) Superannuation Fund / | : | Nil |
| | Annuity Fund | | |
| (8) | Gratuity | : | Gratuity at the rate of one month's salary per year of his tenure of service. |
| (9) | Leave and Leave Salary | : | Entitle to privilege leave on full salary and perquisites of one month for every year of service. Also allowed to encash unavailed total leave to his credit at the end of his tenure. |
| (10) | Telephone | : | The Company shall bear all telephone expenses at his residence except long distance personal calls. |
| (11) | Club Fees | : | Fees of two Clubs for his membership, excluding admission or life membership fees. |

FURTHER RESOLVED THAT Shri Navnitbhai C. Patel , Managing Director of the Company be and is hereby authorised, empowered, vested with and continue to have, with retrospective effect, substantial powers of management which the Board of Directors possess as enumerated in the Articles of Association of the Company for carrying out the affairs and activities of the Company and such powers will always be subject to the control, superintendence and directions of the Board of Directors of the Company and the action taken and work done by him as Managing Director and remuneration paid to him, so far be and are hereby ratified and confirmed.

FURTHER RESOLVED THAT the company hereby approves the payment of the said remuneration as minimum remuneration to him in accordance with Schedule XIII of the Act, in case the Company has no profits or its profits are inadequate in any financial year.

FURTHER RESOLVED THAT necessary Special Resolution for the reappointment of Shri Navnitbhai C. Patel as above, be placed before the members for their consent at the ensuing General Meeting.

FURTHER RESOLVED THAT necessary action be taken for giving effect of this resolution. Shri Navnitbhai C. Patel, being concerned and/or interested in the above resolution to the extent of the remuneration that he will be receiving and Shri Rushabh N. Patel and Smt. Riddhiben R. Patel being interested as relatives of Shri Navnitbhai C. Patel, did not take part in the discussion nor voted on the resolution.

9. To consider and if thought fit to pass the following resolution as a special resolution with or without modification.

INCREASE IN REMUNERATION OF SHRI RUSHABH N. PATEL MANAGING DIRECTOR

RESOLVED THAT pursuant to Sections 198, 269, 309, 314 Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with Articles of Association of the Company, and also subject to the approval of the Central Government, if necessary, the remuneration of Shri Rushabh N. Patel, Managing Director, be and is hereby revised and increased to Rs. 75,000/- per month, with effect from 1st April, 2010, for the remaining period of his tenure, i.e. upto 31st October, 2013.

FURTHER RESOLVED THAT the company hereby approves the payment of the said remuneration as minimum remuneration to him in accordance with Schedule XIII of the Act, in case the company has no profits or its profits are inadequate in any financial year.

FURTHER RESOLVED THAT necessary Special Resolution for the payment of revised remuneration to Shri Rushabh N. Patel, as above, be included in the Notice convening the ensuing General Meeting.

FURTHER RESOLVED THAT any one Director of the Company be and is hereby authorised to take necessary action for giving effect of this resolution.

10. To consider and if thought fit to pass the following resolution as a special resolution with or without modification.

REAPPOINTMENT OF SMT. RIDDHIBEN R. PATEL JT. MANAGING DIRECTOR

RESOLVED THAT pursuant to Sections 198, 269, 309, 314 Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with Articles of Association of the Company, and subject to the approval of the Central Government, if necessary, Smt. Riddhiben R. Patel, Joint Managing Director, be and is hereby reappointed for the further period of five years with retrospective effect, i.e. from 1st November, 2009 to 31st October, 2014 on the following terms and conditions :

- | | | |
|--------------------------------------|---|--|
| (1) Salary | : | Rs. 50,000/- per month |
| (2) Conveyance | : | Free use of Company's Car with driver for Official purposes. |
| (3) Travelling, Boarding and Lodging | : | Actual expenditure to be reimbursed by the Company for outstation journey for Official work, in India or abroad. |
| (4) Leave Travel Concession | : | Entitled to travel with family, by any mode, i.e. Air, Train, Road once in a year for visiting any place in India. |
| (5) Medical benefits | : | Reimbursement of actual expenses incurred for her and her family. |

- | | | |
|---------------------------------|---|---|
| (6) Personal Accident Insurance | : | Premium for accident insurance shall not exceed the limit of Rs. 5,000/- or such higher limit as may be permitted under Income-tax Rules. |
| (7) Company's Contribution to | : | |
| (a) Provident Fund | : | Nil |
| (b) Superannuation Fund / | : | Nil |
| Annuity Fund | | |
| (8) Gratuity | : | Gratuity at the rate of one month's salary per year of her tenure of service. |
| (9) Leave and Leave Salary | : | Entitled to privilege leave on full salary and perquisites of one month for every year of service. Also allowed to encash unavailed total leave to his credit at the end of his tenure. |
| (10) Telephone | : | The Company shall bear all telephone expenses at her residence except long distance personal calls. |
| (11) Club Fees | : | Fees of two Clubs for his membership, excluding admission or life membership fees. |

FURTHER RESOLVED THAT Smt. Riddhiben R. Patel, Joint Managing Director of the Company be and is hereby authorised, empowered, vested with and continue to have, with retrospective effect, substantial powers of management which the Board of Directors possess as enumerated in the Articles of Association of the Company for carrying out the affairs and activities of the Company and such powers will always be subject to the control, superintendence and directions of the Board of Directors of the Company and the action taken and work done by her as Joint Managing Director and remuneration paid to her, so far be and are hereby ratified and confirmed.

FURTHER RESOLVED THAT the company hereby approves the payment of the said remuneration as minimum remuneration to her in accordance with Schedule XIII of the Act, in case the Company has no profits or its profits are inadequate in any financial year.

FURTHER RESOLVED THAT necessary Special Resolution for the reappointment of Smt. Riddhiben R. Patel as above, be included in the Notice convening the ensuing Annual General Meeting.

FURTHER RESOLVED THAT necessary action be taken for giving effect of this resolution.

Registered Office :
50, Harsiddha Chambers,
3rd Floor, Ashram Road,
Ahmedabad-380014.
Date : 31st August, 2010

For, **Parshwanath Housing Finance Corp. Ltd.**
By order of the Board of Directors

NAVNITBHAI C. PATEL
Chairman

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The proxy form, duly stamped and executed, should reach the registered office of the Company atleast 48 hours before the time fixed for the commencement of the meeting.
3. Explanatory statement as required under Section 173 of The Companies Act, 1956, which forms part of this notice is annexed herewith.
4. The Registers of Members and the Share Transfer Books of the Company will remain closed from 27/09/2010 to 29/09/2010 (both days inclusive) and 29/09/2010 will be the Record Date for the purpose of updating the records and other information of Members of the Company.
5. Members are requested to bring their copy of Annual Report to the meeting as the same will not be distributed thereat.
6. Members are requested to bring with them the attendance slip and hand it over at the entrance duly signed by them.
7. Members are requested to inform the change of the address immediately.
8. The Company has established connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Demat security (ISIN) code for the equity shares is INE635I01018. Members are requested to convert their shares held in physical form into demat form.

ANNEXTURE TO NOTICE

Explanatory statement as required Under Section 173 of the Companies Act, 1956.

(A) SPECIAL RESOLUTION NO. 5

The Company received a letter bearing reference No. ROC/8361/NHB/2007 from The Registrar of Companies, Gujarat, Ahmedabad directing that since the company has ceased to carry on housing finance activities, the words "Housing Finance" should be removed from the name of the company and to change the name of the company accordingly.

Thereafter, the company filed Form No. 1A with the Registrar of Companies, Gujarat, Ahmedabad, for availability of the name and the application is still pending with the department.

Now the company has been advised that since the Government of India has directed the company to remove the words "Housing Finance" from the existing name of the company, it is not necessary to approach the Government for availability of the name and the company should proceed in the matter as per Section 21 of the Companies Act, 1956, for change of name as per directions of the Government vide their aforesaid letter.

Accordingly with a view to honour the directions of the Government of India, the Board of Directors have decided to remove the words "Housing Finance" from the name of the company and to change the name accordingly subject to the consent of the members.

The said special Resolution, is therefore, placed before the members for their approval.

None of the directors is concerned or interested in the said Special Resolution.

The letter received from the Government of India, is open for inspection of the members at the registered office of the company between 3.00 p.m. to 6.00 p.m.

SPECIAL RESOLUTION NO. 6 & 7

The company has entered into construction activities and hence company will be requiring more fund for this purpose.

It is therefore, proposed to increase authorised capital of the company from the Rs. 5,00,00,000/- to Rs. 10,00,00,000/-.

Consequently the clause No. V of Memorandum of Association is also enquired to be amended accordingly.

SPECIAL RESOLUTION NO. 8

Shri Navinbhai C. Patel, Managing Director of the company, was reappointed by the Board at its meeting held on 29/04/2010, for a further period of five years with retrospective effect from 18th February, 2010. He is the Promoter Director of the Company since its incorporation and has played significant role in procuring finance from Housing and Urban Development Corporation Limited (HUDCO) and National Housing Bank (NHB) for establishment of Parshwanath Township at Naroda, Ahmedabad. He has given valuable contribution to keep the Company going on even under serious adverse circumstances. Under his leadership, the Board of Directors decided to carry on construction activities and the company has now started to earn profits.

The proposed special resolution is recommended for the consideration of members.

Shri Rushabh N. Patel and Smt. Riddhiben R. Patel are concerned and/or interested in the above Resolution as a relative of Shri N. C. Patel

None of the Directors is concerned or interested in the said Special Resolution.

This may also be treated as an intimation to members u/s 302 of the Companies Act, 1956

SPECIAL RESOLUTION NO. 9

The Board of Directors, at their meeting held on 29th April, 2010, have decided to increase the remuneration of Shri Rushabh N. Patel, Managing Director, for the remaining period w.e.f. 1st April, 2010, and passed necessary resolution, subject to the approval of the Members at the General Meeting.

Shri Rushabh Patel is a young and energetic Executive and has played key role in the development of the company. His dynamic approach and untiring efforts resulted in putting the company in sound financial position. He also took initiative in entering into construction business which resulted in earning of profits. Compared to remuneration paid to the Executives of his category remuneration paid to him is much less and hence it is proposed to be increased.

The proposed special resolution is recommended for the consideration of members.

Shri Navinbhai C. Patel and Smt. Riddhiben R. Patel are concerned and / or interested in the above resolution as a relative of Shri Rushabh N. Patel.

None of the other Directors is concerned or interested in the said Special Resolution.

This may also be treated as an intimation to members u/s 302 of the Companies Act, 1956.

SPECIAL RESOLUTION NO. 10

Smt. Riddhiben R. Patel was reappointed by the Board at its meeting held on 29/04/2010 for a further period of five years with retrospective effect from 01-11-2009. She is a Commerce Graduate and possesses sound knowledge of Computer Software and Administration. She has already acquired good exposure of business of the Company and financial matters as well. She also took keen interest in commencing construction activities. She played important role in improving the financial position of the company as well as in the progress and prosperity of the company.

The proposed special resolution is recommended for the favorable consideration of members.

Shri Navinbhai C. Patel and Shri Rushabh N. Patel are concerned and/or interested in the above resolution as a relative of Smt. Riddhiben R. Patel.

None of the other Directors is concerned or interested in the said Special Resolution.

This may also be treated as an intimation to members u/s. 302 of the Companies Act, 1956.

(B) Details of Directors seeking appointment and reappointment are as under:

Particulars	Shri N.C. Patel	Shri R.N. Patel	Smt. R.R. Patel	Shri R.H. Patel	Shri H.K. Yadav
Date of Birth:	21-08-1936	17-06-1973	22-10-1974	01-06-1935	08-09-1931
Date of appointment:	18-02-1995	22-03-1996	23-10-1999	27-06-2003	06-10-1989
Qualifications:	B.E. Civil	B.E.Civil, M.B.A.	B.com	B.Com. F.C.A.	B.Arch. & Master in Town Planning
Experience in specific areas:	Business	Business	Business	Chartered Accountant	Consultant
Directorship in other public companies:	Nil	Nil	Nil	Nil	Nil
Membership or Chairmanship in other public companies	Nil	Nil	Nil	Nil	Nil
Shareholding in the company:	12,03,431	7,12,593	3,22,900	625	-

Registered Office :
50, Harsiddha Chambers,
3rd Floor, Ashram Road,
Ahmedabad-380014.
Date : 31st August, 2010

For, **Parshwanath Housing Finance Corp. Ltd.**
By order of the Board of Directors

NAVNITBHAI C. PATEL
Chairman

DIRECTORS' REPORT

To,
The Members of
Parshwanath Housing Finance Corporation Limited,
Ahmedabad.

Your Directors present herewith the 24th Annual Report together with the Audited Statements of Accounts of the Company for the year ended 31st March, 2010.

FINANCIAL RESULTS :

The financial highlights of the year are as under which reflects that the Company has earned gross profit of Rs. 7.23 Lakhs during the year under report.

	2009-2010	2008-2009
	Rs. in Lacs	Rs. in Lacs
Gross Profit :	7.23	(23.09)
Less : Depreciation	(1.34)	(1.81)
Profit Before Tax	5.89	(24.09)
Add/(Less) : Deferred Tax adjustments	-	-
Current Tax	-	(54.61)
Profit after Tax	5.89	(79.51)
Balance of Loss brought forward from previous year	(105.70)	(26.19)
	(99.81)	(105.70)
Less : adjustment of transitional gratuity liability due to Adoption of AJ-15 (revised)	-	-
Balance of Loss carried forward to Balance Sheet	(99.81)	(105.70)

DIVIDEND :

With a view to strengthen the capital base of the company, your Directors do not recommend any Dividend for the year under Report.

OPERATIONS :

Members are aware that the company entered into constructions activities and joined as partner with M/s. Vaibhavlaxmi Corporation, M/s. Chinmay Corporation, Shri Parshwanath Corporation & Parshwanath Corporation the partnership firms, engaged in construction activities. This is going to be beneficial in coming years.

The company continued to face serious problems in recovering the housing loan installments. The hearing of Civil and Criminal Suits filed by the Company, has come up and orders have been passed

in favour of the Company. All steps are being taken to see that the judgment is properly implemented so that maximum amount can be recovered from the defaulting members.

DIRECTORS' RESPONSIBILITY STATEMENT :

The Board of Directors of the Company confirms :

- i that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- ii that the selected accounting policies were applied consistently and the Directors 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 31st March, 2010 and of the profit of the Company for the year ended on that date;
- iii that proper and sufficient care has been taken 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 that the annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE :

Your Directors affirm their commitment to the Corporate Governance Standards prescribed by the Securities and Exchange Board of India (SEBI). This annual report carries a separate section on Corporate Governance and forms part of this report. The Company has complied with all the requirements of Corporate Governance.

COMPLIANCE CERTIFICATE:

The company has received compliance Certificate for the year 2009-10 from the Practising Company Secretary and the same is enclosed herewith.

DIRECTORS :

Your Directors Shri H.K. Yadav & Shri Ramanbhai H. Patel retire by rotation at the ensuing Annual General Meeting. They being eligible, offer themselves for reappointment.

Particulars of Directors seeking reappointment are mentioned in the Corporate Governance Report.

The members are requested to consider to reappoint the Directors.

MANAGING DIRECTORS:

During the year under report, Shri Navnitbhai C. Patel Chairman and Managing Director, and Smt. Ridhhiben R. Patel Jt. Managing Director, were reappointed for further period of five years, subject to the approval of the members. Particulars of their reappointment are mentioned in the Corporate Governance Reports. The members are requested to consider to reappoint them.

The remuneration payable to Shri Rushabh N. Patel was revised and increased subject to the approval of the members.

PARSHWANATH HOUSING FINANCE CORPORATION LIMITED



DEMATERIALIZATION OF EQUITY SHARES :

Your directors are pleased to inform you that now the Equity shares of the company are dematerialized and can be traded in dematerialized form also by all investors.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC. :

As required under section 217 (1) (e) of the Companies Act, 1956 no information is to be given as the Company is not carrying on any such activities.

There were no earnings or outgoings of Foreign Exchange during the year.

PARTICULARS OF EMPLOYEES :

Information as required to be given under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, is NIL.

FIXED DEPOSIT :

The Company did not accept any deposit from the Public during the year under report and as such there were no depositors whose deposit remained unpaid/unclaimed.

AUDITORS :

The existing Auditors of the Company M/s. Manubhai & Company, Chartered Accountants, Ahmedabad, are due to retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. You are requested to appoint the Auditors and fix their remuneration.

ACKNOWLEDGMENT :

Your Directors are thankful to Punjab National Bank, Central Bank of India, The Kalupur Commercial Co-op. Bank Limited as well as Officers of Central and State Governments for their assistance and Co-operation. Your Directors also place on record their appreciation of devoted services rendered by the staff of the Company. They also appreciate the continued support and confidence reposed by the Shareholders in the management.

Registered Office :
50, Harsiddha Chambers,
3rd Floor, Ashram Road,
Ahmedabad-380014.
Date : 31st August, 2010

For, **Parshwanath Housing Finance Corp. Ltd.**
For and on behalf of the Board of Directors

NAVNITBHAI C. PATEL
Chairman

CORPORATE GOVERNANCE

As required under clause 49 of the Listing Agreement with the Stock Exchange, a report on Corporate Governance practised in Company is given below :

MANDATORY REQUIREMENTS

1. Company's philosophy on code of Governance

The Company believes in adopting the best Corporate Governance practices and protecting the rights and interest of the shareholders. They have the right to have complete information about the Directors and Management and their interests in the company as well as governance practices followed by them. Towards this end, the company is making extensive disclosures from time to time. Your Company is fully compliant with all its provisions.

2. Board of Directors

Composition :

The Board composition is in conformity with the provisions of the Companies Act, 1956 and the Listing Agreement. The present strength of the Board is 7 Directors with considerable experience. Of these, three are Executive Directors and four are Non-Executive Independent Directors.

The current composition of the Board as on the date of the report is as follows :

Sr No	Name of Director	Category of Director	No. of Directorship in other Public Ltd. Co.	Chairman / Director in other Public Ltd. Co.
1	Shri N. C. Patel	Executive	-	-
2	Shri R. N. Patel	Executive	-	-
3	Smt. R. R. Patel	Executive	-	-
4	Shri H. K. Yadav	Non- Executive - independent	-	-
5	Shri N. S. Patel	Non- Executive - independent	-	-
6	Shri A. B. Patel	Non- Executive - independent	-	-
7	Shri R. H. Patel	Non - Executive - independent	-	-

Number and dates of Board Meeting held

The Board met four times during the year on 29-04-2009, 31-07-2009, 30-10-2009 and 27-01-2010. Notices of the meetings with agenda and necessary details were sent to the Directors in time. The decisions are taken after detailed discussion. The Board play an important role in ensuring good governance.

Attendance details of Directors at the Board Meetings and the last AGM

Sr. No.	Name of Director	No. of Board Meetings attended	Attendance at the last AGM
1	Shri N. C. Patel	4	Yes
2	Shri R.N. Patel	4	Yes
3	Smt.R. R. Patel	4	Yes
4	Shri H. K. Yadav	1	No
5	Shri N. S. Patel	1	No
6	Shri A. B. Patel	—	No
7	Shri R. H. Patel	4	No

Directors to be appointed /reappointed :

Shri H.K. Yadav and Shri Ramanbhai H. Patel retire by rotation at the ensuing Annual General Meeting. They being eligible, offer themselves for reappointment.

The detailed particulars of all the above Directors are as under :

Name of Director	Shri H.K. Yadav	Shri Ramanbhai H. Patel
Date of Birth	08-09-1931	01-06-1935
Date of Appointment	06-10-1989	27-06-2003
Expertise in specific functional areas	Consultant	Chartered Accountant
Qualifications	B.Arch & Master in Town Planning	B.Com., F.C.A.
List of Companies in which directorship is held as on 31-03-2010	NIL	NIL
Chairman / Member of the Committee of other Companies as on 31-03-2010	NIL	NIL

3. Audit Committee :

The company has constituted the AUDIT COMMITTEE consisting of the following three Non-Executive Directors :

1. Shri Ramanbhai H. Patel
2. Shri Navinbhai S. Patel
3. Shri Arvindbhai B. Patel

Shri Ramanbhai H. Patel, is the Chairman of the COMMITTEE. The committee met on 29-04-2009, 31-07-2009, 30-10-2009 and 27-01-2010 for perusing financial position and other transactions of the Company. Necessary information was supplied to the AUDIT COMMITTEE from time to time. The details of the attendance by members of the Audit Committee are as follows :

Name of the Directors	No. of Meetings Held	Meeting Attended
Shri Ramanbhai H. Patel	4	4
Shri Navinbhai S. Patel	4	4
Shri Arvindbhai B. Patel	4	—

4. Remuneration Committee :

The Remuneration Committee consists of the following Directors

1. Shri Ramanbhai H. Patel
2. Shri Navinbhai S. Patel
3. Shri Arvindbhai B. Patel

The Committee determines the remuneration of the Executive Directors subject to the approval of the members. The Committee met on 15/10/2009 and revised remuneration payable to all the three Executive Directors.

The details of payment of remuneration to the Directors are given below :

Name of the Directors	Sitting Fee during the year	Total Remuneration paid during the year	No. of Board meetings held and attended (Including Circular)	
Shri Navnitbhai C. Patel	—	Rs. 4,80,000/-	4	4
Shri Rushabh N. Patel	—	Rs. 3,00,000/-	4	4
Smt. Riddhiben R. Patel	—	Rs. 1,80,000/-	4	4
Shri H. K. Yadav	2000	—	4	2
Shri Navinbhai S. Patel	1000	—	4	1
Shri Arvindbhai B. Patel	—	—	4	—
Shri Ramanbhai H. Patel	4000	—	4	4

Note : Shri Navnitbhai C. Patel, Shri Rushabh N. Patel & Smt. Riddhiben R. Patel are related to each other.

The company has not granted any loan nor paid any commission to its Directors during the year.

The Directors, other than Executive Directors are paid sitting fees of Rs. 1000/- and out of Pocket expenses for attending each Board Meeting.

5. CEO/CFO CERTIFICATION:

The Managing Director has certified to the Board that he has reviewed financial statements and the cash flow statement for the year and that to the best of his knowledge and belief :

- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
- (ii) these statements together present a true & fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are, to the best of his knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

6. Disclosures :

There are, to the best of his knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

Your Company has followed all relevant Accounting Standards while preparing the financial statements.

7. Details of Non-compliances, Penalties, etc. :

There were no such instances of non-compliance nor any penalties or strictures were imposed on the company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

8. Share Transfer Committee / Investors Grievance Committee :

The company has a SHARE TRANSFER COMMITTEE for quick and timely transfer of shares, issue of duplicate share certificates, etc. Transfer of shares approved by the committee are placed before the Board. The committee also looks into the issues relating to investor grievances including non-receipt of dividend, annual report etc.

The shares of the company have been dematerialized.

9. Registrar and Share Transfer Agent :

M/s. Link Intime (India) Pvt. Ltd. are the Registrar & Share Transfer Agent of the Company.

10. Means of Communications :

The quarterly / half - yearly / annual financial results are published in English and Gujarati languages in leading newspapers. The Company also submitted necessary quarterly / reports and Certificates and also half yearly certificates to the Bombay Stock Exchange Ltd. as required under the Listing Agreement.

11. Record Date :

For updating the records and shareholding information of the members of the company, the Share Transfer Books and the Registers of Members shall remain closed from 27-09-2010 to 29-09-2010 and 29-9-2010 will be considered as the Record Date.

12. General Meeting :

The ensuing Annual General Meeting of the Company will be held on 29/09/2010 at 10.00 A.M. At the Registered Office of the Company at Ahmedabad.

Particulars of last three Annual General Meeting :

Date of Meeting	Place	Time	Particulars of Special Business
01-09-2007	50, Harsiddha Chambers, 3rd Floor, Ashram Road, Ahmedabad-380 014	9.30 a.m.	NIL
29-09-2008	50, Harsiddha Chambers, 3rd Floor, Ashram Road, Ahmedabad-380 014	10.00 a.m.	NIL
26-09-2009	50, Harsiddha Chambers, 3rd Floor, Ashram Road, Ahmedabad-380 014	10.00 a.m.	Reappointment of Shri Rushabh N. Patel as managing Director

13. Name and designation of the Compliance Officer is as under :

Shri Chandrakant A.Shah - SENIOR EXECUTIVE

14. Shareholding Pattern :

(A) Category wise distribution of equity shareholding as on 31st March, 2010 is as under :

Category	No. of Shares	% age
Promoters' group	24,71,680	82.39
Other Body Corporate	6,600	0.22
FIIS	-	-
Banks	-	-
Mutual Funds	-	-
NRI	-	-
General Public	5,21,720	17.39
Total	30,00,000	100.00

(B) Shares held by Directors :

No.	Shares held by Directors	No. of Shares
1.	Shri Navnitbhai C. Patel	12,03,431
2.	Shri Rushabh N. Patel	7,12,593
3.	Smt. Riddhiben R. Patel	3,22,900
5.	Shri H. K. Yadav	—
6.	Shri Navinbhai S. Patel	625
7.	Shri Arvindbhai B. Patel	625
8.	Shri Ramanbhai H. Patel	625

(C) Distribution Schedule :

Shareholding of nominal value of			Shareholders		Share Amount	
Rs.	Rs.		Number	% of Total Nos	in Rs.	% of Total Amount
	(1)		(2)	(3)	(4)	(5)
Upto	500		2360	94.5890	368670	12.289
501 to	1,000		85	3.4070	56575	1.886
1,001 to	2,000		34	1.3630	45219	1.507
2,001 to	3,000		2	0.0800	5300	0.177
3,001 to	4,000		0	0.0000	0	0.000
4,001 to	5,000		0	0.0000	0	0.000
5,001 to	10,000		3	0.1200	15875	0.529
10,001 and above			11	0.4410	2508361	83.612
Total			2495	100.00	3,00,00,000	100.00

15. Dividend payment date :

The Board has not recommended any payment of Dividend.

16. Market Price Data :

There were some transactions for transfer of shares carried out between the Shareholders inter se. The lowest price was Rs.12/- and the highest price was Rs.36/- . A few transactions have taken place at Bombay Stock Exchange Ltd.

17. The Shares of the Company are listed at Bombay Stock Exchange Ltd.

18. Dematerialisation of Shares :

Equity shares of the company Can be traded in dematerialized form by all investors. The Company has established connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Demat security (ISIN) code for the equity shares is INE635I01018

19. The Registered Office of the company is situated at 50, 3rd Floor, Harsiddha Chambers, Ashram Road, Ahmedabad - 380 014.

Registered Office :
50, Harsiddha Chambers,
3rd Floor, Ashram Road,
Ahmedabad-380014.
Date : 31st August, 2010

For, **Parshwanath Housing Finance Corp. Ltd.**
By order of the Board of Directors

NAVNITBHAI C. PATEL
Chairman

DECLARATION

I Rushabh Navnitbhai Patel, Managing Director of Parshwanath Housing Finance Corporation Limited, hereby declare that all the members of the Board of Directors and the Senior management personnel have affirmed compliance with the Code of Conduct, for the year ended March 31,2010.

For, **Parshwanath Housing Finance Corporatoin Limited**

Ahmedabad-380014.
Date : 31st August, 2010

Rushabh N. Patel
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Parshwanath Housing Finance Corporation Limited.
Ahmedabad

We have examined the compliance of conditions of corporate governance by Parshwanath Housing Finance Corporation Limited, for the year ended on 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **Manubhai & Company**
Chartered Accountants

Place : Ahmedabad
Date : 31st August, 2010

K. B. SOLANKI
Partner
M. No. 110299

SHANTILAL RATILAL SANGHAVI
B.A.(HONS.), B.COM., LL.B.
COMPANY SECRETARY
FCS-3021 / CP-1052

204, Sampanna Complex,
Opp. Havmor,
B/h, Navrangpura Bus Stop,
Ahmedabad-380 009.

COMPLIANCE CERTIFICATE
[The Companies (Compliance Certificate) Rules, 2001]
YEAR: 2009-10

Co. Reg. No.04/08361

Authorised Capital : Rs.5,00 CRORES

NAME OF THE COMPANY: PARSHWANATH HOUSING FINANCE CORPORATION LTD.

To:
The Members
PARSHWANATH HOUSING FINANCE CORPORATION LTD.
AHMEDABAD:

I have examined the registers, records, books and papers of **PARSHWANATH HOUSING FINANCE CORPORATION LTD.** as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended on 31st March, 2009. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year :

1. The company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities as, the case may be, within the time prescribed under the Act and the rules made thereunder.
3. The Company being PUBLIC LIMITED COMPANY has the minimum prescribed paid-up capital.
4. The Board of Directors duly met four times on 29-04-2009, 31-07-2009, 30-10-2009 and 27-01-2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed.
5. The company closed its Register of Members for the period from 24th September, 2009 to 26th September, 2009 (Both days inclusive) and 26th September 2009 was fixed as record date for updating the record of the company.
6. The annual general meeting for the financial year ended on 31st March, 2009, was held on 26-09-2009.
7. No extra-ordinary general meeting was held during the financial year.
8. The company has not advanced any loan to its Directors or persons or firms or companies referred to under section 295 of the Act.

9. The company has not entered into any contract which attracts the provisions of sections 297 and 299 of the Act.
10. The company has made necessary entries in the Register maintained under section 301 of the Act.
11. The company has obtained necessary approvals from the Board of Directors and members.
12. The company has issued any duplicate share certificate during the year after complying with relevant provisions of the Act.
13. (a) The company has delevered all the share certificates on allotment of equity shares and on lodgement thereof for transfer / transmission or any other purpose in accordance with the provisions of the Act.
- (b) The company was not required to deposit any amount in a separate Bank Account for dividend as no dividend was declared during the Year under report.
- (c) Since no dividend was declared, the company has not posted dividend warrants and was not required to transfer any amount of unclaimed /unpaid dividend to Unpaid Dividend Account of the company.
- (d) There was no amount outstanding and lying in Unpaid Dividend Account, application money due for refund, matured deposits, matured debentures, and the interest accrued thereon which is liable to be transferred to Investor Education and Protection Fund.
- (e) The company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and the further appointment of directors additional directors, Executive directors and directors, except directors retiring by rotation, during the year, were duly made and necessary forms in respect thereof were duly filed with the Registrar of Companies.
15. The appointment of Managing Director/Whole-time Directors were made in compliance with the provisions of section 269 read with Schedule XIII to the Act.
16. The company has not appointed any sole-selling agents.
17. The company has obtained necessary approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The company has not issued any shares / debentures / other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. The company has redeemed preference shares / debentures during the year as the company did not have the same.
22. There was no instance necessitating the company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act.

23. The company has not accepted/invited any deposits falling within the purview of Section 58A of The Companies Act, 1956, and there is no unclaimed / deposit outstanding during the year under report.
24. The company has not made any borrowings during the financial year which attracted the provisions of section 293 (1) (d) of the Act.
25. The company has not made loans and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act.
26. The company has not altered the provisions of the memorandum with respect to situation of the registered office of the company during the year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the financial year.
28. The company has not altered the provisions of memorandum with respect to the name of the company during the year under scrutiny.
29. The company has not altered the provisions of memorandum with respect to the share capital of the company during the year under scrutiny and complied with necessary requirements.
30. The company has not altered its Articles of Association.
31. There was no prosecution initiated against the company nor show cause notices received by the company during the year for offences under the Act.
32. The company has not received and money as security from its employees during the year.
33. The company has deducted necessary contribution towards the Provident Fund and deposited both employee's and employer's contributions to provident with the prescribed authority pursuant to section 418 of the Act.

Place : AHMEDABAD

Signature : Sd/-

Date : 10-08-2010

Name of Secretary : S. R. SANGHAVI

COMPANY SECRETARY

C.P.No. : CP - 1052

S.R. SANGHAVI
COMPANY SECRETARY
B.A.(HONS.), B.COM., LL.B.
FCS-3021 / CP-1052

204, Sampanna Complex,
B/h, Navrangpura Bus Stop,
Opp. Havmor, Navrangpura,
Ahmedabad-380 009.

Co. Reg. No. 04/08361

Authorised Capital:Rs.5,00,00,000

NAME OF THE COMPANY: PARSHWANATH HOUSING FINANCE CORPORATION LTD.

YEAR: 2009-10

Annexture A

Registers as maintained by the Company

1. Register of Charges.
2. Register of Members.
3. Register of Transfers.
4. Books of Accounts and other related records.
5. Register of Contracts.
6. Register of Directors, Managing Directors, etc.
7. Register of Directors Shareholdings.
8. Register of Investments.
9. Minutes Book of Board Meetings and Attendance Register.
10. Minutes Book of General Meetings and Attendance Register.

ANNEXTURE B TO COMPLIANCE CERTIFICATE

FORMS and Returns as filed by the Company with the Registrar of Companies, Retional Director, Central Government or other authorities during the financial year ending on 31st MARCH 2009

1. Form 20B with Annual Return upto 26-09-2009 was filed with R.O.C.
2. Form 23AC and 23 ACA for Balance Sheet as on 31st March, 2009, was fied with R.O.C.
3. Form 66 with Compliancae Certificate upto 31-03-2010, was filed with R.O.C.

Place : AHMEDABAD

Signature : Sd/-

Date : 10-08-2010

Name of Secretary : S. R. SANGHAVI

COMPANY SECRETARY

C.P.No. : CP - 1052

AUDITOR'S REPORT

To,
The Members of
Parshwanath Housing Finance Corporation Limited.

1. We have audited the attached Balance Sheet of **Parshwanath Housing Finance Corporation Limited** as at 31st March, 2010, and also Profit and Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of accounts as required by law, have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with books of account;
 - (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

- (v) On the basis of written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of Clause (g) of sub-Section (1) of Section 274 of the Companies Act, 1956 ;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in so far as it relates to Balance Sheet, of the state of affairs of the company as at 31st March, 2010;
- (b) in so far as it relates to the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
- (c) in so far as it relates to the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **Manubhai & Company**
Chartered Accountants
Reg. No. 106041W

Place : Ahmedabad
Date : 31st August, 2010

K. B. SOLANKI
Partner
M. No. 110299

ANNEXURE TO AUDITOR'S REPORT

(Referred to paragraph 3 of our report of even date)

1. In respect of its fixed assets:

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b. As explained to us, the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c. In our opinion, the Company has not disposed of any part of fixed assets during the year.

2. In respect of its inventories:

The company is involved in the business of housing finance and construction and development of housing projects and does not have any inventory. Therefore, the provisions of clause 4 (ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

3. In respect of loans granted and taken to / from parties covered in the register maintained u/s 301 of the Companies Act, 1956.

According to the information and explanations given to us, the company has not taken or granted any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently, requirements of clauses (iii a), (iii b), (iii c), (iii d), (iii e), (iii f) and (iii g) of paragraph 4 of the Order are not applicable.

4. In respect of internal control

In our opinion and according to the information and explanations given to us, there are adequate internal controls procedures commensurate with the size of the Company and the nature of its business with regard to purchase of construction material and fixed assets. There was no sale of goods during the year. During the course of audit, we have not observed any continuing failure to correct major weakness in internal control.

5. In respect of transactions need to be entered into a register maintained u/s 301 of the Companies Act, 1956.

In our opinion and according to the information and explanations given to us, the particulars of contract or arrangements and referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.

In our opinion and according to the information and explanations given to us, there are no transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of Companies Act, 1956 aggregating during the year to Rs. 5 Lacs or more in respect of any party.

6. In respect of deposits from public

The Company has not accepted any deposits from the public during the year.

7. In respect of internal audit system

The Company did not have formal internal audit system as such, but its control procedures ensure reasonable internal checking of its financial records.

8. In respect of maintenance of cost records

In our opinion and according to information and explanations given to us, Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act.

9. In respect of statutory dues:

- a. According to the records of the Company, undisputed statutory dues including Provident Fund, Income Tax, Wealth Tax, Investor Education and Protection Fund, Employees' State Insurance dues, Sales Tax, Service Tax, Custom duty, Excise duty, Professional tax, Cess and other statutory dues as may be applicable to the company have been generally regularly deposited with the appropriate authorities.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of sales tax, wealth tax, service tax, customs duty and excise

duty were in arrears as at 31st March, 2010 for a period of more than six months from the date they become payable. The undisputed dues which are outstanding at the year end for a period of more than six months from the date they became payable are as under:

Nature of dues	Amount (Rs. In Lakhs)	Period to which amount relates
Income Tax	31.91	F.Y 2003 – 04

- c. According to the records of the Company, there are no dues of custom duty, sales tax, wealth tax, service tax, excise duty and cess which have not been deposited on account of dispute. In respect of income tax, details of disputed dues which are not deposited are given hereunder:

Nature of Dues	Amount (Rs. In Lakhs)	Period to which amount relates	Forum where dispute is pending
Income Tax	22.00	F.Y. 2005-06	CIT-A
Income Tax	18.3	F.Y. 2006-07	CIT-A
Income Tax	17.07	F.Y. 2007-08	CIT-A
Total	57.37		

10. In respect of accumulated losses and cash losses

Accumulated losses of the company at the end of the financial year are less than 50% of its net worth. The Company has not incurred cash losses in the current financial year. However in the immediately preceding financial year there was cash loss.

11. In respect of dues to financial institution / banks / debentures

In our opinion and according to the information and explanation given to us, during the year the company has not defaulted in repayment of dues to financial institution.

12. In respect of loans and advances granted on the basis of security.

In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

13. In respect of provisions applicable to Chit fund

In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.

14. In respect of dealing or trading in shares, securities, debentures and other investment

As the company is not dealing or trading in shares, securities, debentures and other investments, the provision of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

15. In respect of guarantee given for loans taken by others

According to the information and explanation given to us, the Company has given guarantee for loans taken by its group company from a bank, the terms and conditions whereof in our opinion are not prima facie prejudicial to the interest of the Company.

16. In respect of application of term loans

According to the information and explanations given to us, the company has not obtained any term loans during the year.

17. In respect of fund used

According to the information and explanations given to us and on an overall examination of the examination of the balance sheet of the company, funds raised on short-term basis have, prima facie, not been used for long-term investment.

18. In respect of preferential allotment of shares

During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

19. In respect of securities created for debentures

The Company has not issued any debentures during the year.

20. In respect of end use of money raised by public issues

The Company has not raised any money by way of public issue during the year.

21. In respect of fraud

According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **Manubhai & Company**
Chartered Accountants
Reg. No. 106041W

Place : Ahmedabad
Date : 31st August, 2010

K. B. SOLANKI
Partner
M. No. 110299

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	31-03-2010 RUPEES	31-03-2009 RUPEES
I. SOURCES OF FUNDS			
1. SHAREHOLDERS' FUNDS :			
(a) Share Capital	1	3,00,00,000	3,00,00,000
(b) Reserves & Surplus	2	<u>16,83,750</u>	<u>16,83,750</u>
		3,16,83,750	<u>3,16,83,750</u>
2. LOAN FUNDS :			
Secured Loans	3	<u>6,13,097</u>	<u>5,82,49,866</u>
		6,13,097	<u>5,82,49,866</u>
Total		<u>3,22,96,847</u>	<u>8,99,33,616</u>
II. APPLICATION OF FUNDS			
1. FIXED ASSETS :			
(a) Gross Blocks	4	29,03,617	28,81,567
(b) Less : Depreciation		<u>26,94,487</u>	<u>25,60,150</u>
(c) Net Block		2,09,131	<u>3,21,417</u>
2. INVESTMENTS :	5	96,15,134	5,42,76,875
3. CURRENT ASSETS, LOANS & ADVANCES :			
(a) Work in Progress	6	6,15,49,214	2,78,52,026
(b) Cash & Bank Balances	7	49,46,879	5,99,387
(c) Loan & Advances	8	<u>57,28,288</u>	<u>55,65,649</u>
		7,22,24,381	<u>3,40,17,062</u>
(d) Less : Current Liabilities & Provisions	9	<u>5,97,33,239</u>	<u>92,52,422</u>
		1,24,91,142	<u>2,47,64,640</u>
4. PROFIT & LOSS ACCOUNT :			
Balance in Profit & Loss A/c		99,81,440	1,05,70,684
Total		<u>3,22,96,847</u>	<u>8,99,33,616</u>

Significant Accounting Policies 18
Notes on Accounts 19

As per our Audit Report of even date attached
For **Manubhai & Company**
Chartered Accountants
K. B. SOLANKI

Partner
Place : Ahmedabad
Date : 31st August, 2010

For and on behalf of the Board of Directors
N. C. PATEL Chairman &
Managing Director
R. N. PATEL Managing Director
R. H. PATEL Director

Place : Ahmedabad
Date : 31st August, 2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	31-03-2010 Rupees	31-03-2009 Rupees
INCOME :			
Interest Earned	10	30,74,004	88,12,812
Other Income	11	2,95,023	26,341
Share of Profit in Partnership Firm	12	11,87,805	89,761
Excess Provision on Loan Written Back		5,38,793	5,71,147
Total		50,95,625	95,00,061
EXPENDITURE :			
Increase in Work in Progress	13	(3,36,97,188)	(1,84,57,548)
Project Expense	14	3,36,97,188	1,84,57,548
Establishment & other expenses	15	32,36,919	44,41,232
Interest Paid	16	6,55,702	71,76,050
Share of loss in Partnership Firms	17	4,79,424	1,91,388
Depreciation		1,34,337	181,354
Total		45,06,381	1,19,90,025
Profit Before Taxation		5,89,244	(24,89,964)
Add/(Less) : Provision for Taxation			
Short provision of income tax of earlier year		--	54,31,351
Fringe Benefit Tax		--	30,000
		--	54,61,351
Profit After Tax		5,89,244	(79,51,315)
Balance of (Loss) brought forward from Previous Year		(1,05,70,684)	(26,19,369)
Balance of Loss carried to Balance Sheet		(99,81,440)	(1,05,70,684)
Earning Per Shares : Basic and diluted	19(9)	0.20	(2.65)
Significant Accounting Policies	18		
Notes on Accounts	19		

As per our Audit Report of even date attached
For **Manubhai & Company**
Chartered Accountants
K. B. SOLANKI

Partner
Place : Ahmedabad
Date : 31st August, 2010

For and on behalf of the Board of Directors
N. C. PATEL Chairman &
Managing Director
R. N. PATEL Managing Director
R. H. PATEL Director

Place : Ahmedabad
Date : 31st August, 2010

**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET
FOR THE PERIOD APRIL 2009- MARCH 2010**

	2009-2010 (Rupees)	2008-2009 (Rupees)
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit /(Loss) before Tax adjustments	5,89,244	(79,51,315)
Provision for taxation	0.00	54,31,351
Provision for FBT	0.00	30,000
Depreciation	1,34,337	1,81,354
Operating Profit before working Capital Changes	<u>(7,23,581)</u>	<u>(23,08,610)</u>
Adjustments for Net Current Assets :		
Increase in Working Progress	(3,36,97,188)	(1,84,57,548)
Increase in current liabilities	5,04,80,817	7,15,048
Increase in Loans & Advances	<u>(1,62,639)</u>	<u>(6,26,426)</u>
Net Cash Flow from operating activities	<u>1,73,44,571</u>	<u>(2,06,77,536)</u>
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Add/(Less)		
(Increase) / decrease in Investment	4,46,61,741	2,22,99,994
Fixed asset purchased	<u>(22,050)</u>	<u>-</u>
Net Cash used in investing activities	<u>4,46,39,691</u>	<u>2,22,89,994</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Add/(Less)		
Decrease in borrowed funds	<u>(5,76,36,769)</u>	<u>(13,14,100)</u>
Net cash flow from financing activities	<u>(5,76,36,769)</u>	<u>(13,14,100)</u>
Net increase / (decrease) in cash and cash equivalents	43,47,492	(2,98,358)
Cash and cash equivalents at the beginning of the year	5,99,387	3,01,029
Cash and cash equivalents at the close of the year	49,46,879	5,99,387

Notes:-

1 Cash and cash equivalent include cash and bank balances

2 The Cashflow statement has been prepared under the "Indirect Method"

As per our Audit Report of even date attached

For **Manubhai & Company**

Chartered Accountants

K. B. SOLANKI

Partner

Place : Ahmedabad

Date : 31st August, 2010

For and on behalf of the Board of Directors

N. C. PATEL

Chairman &

Managing Director

R. N. PATEL

Managing Director

R. H. PATEL

Director

Place : Ahmedabad

Date : 31st August, 2010

SCHEDULES FORMING PART OF THE ACCOUNTS

	31-3-2010 Rupees	31-3-2009 Rupees
SCHEDULE - 1		
SHARE CAPITAL :		
Authorised :		
50,00,000 Equity Shares of Rs. 10/- each	5,00,00,000	5,00,00,000
Issued Subscribed and Paid up :		
30,00,000 Equity Shares of Rs. 10/- each (Previous year 30,00,000 Shares)	3,00,00,000	3,00,00,000
[Out of above 5,00,000 Shares of Rs. 10/- each fully paid issued as Bonus Shares by capitalisation of Special Reserve created as per Provisions u/s. 36(1)(viii) of the Income-Tax Act, 1961]		
Total	3,00,00,000	3,00,00,000
SCHEDULE - 2		
RESERVES AND SURPLUS :		
Capital Reserve :		
Balance as per last Balance Sheet	1,83,750	1,83,750
Share Premium :		
Balance as per last Balance Sheet	15,00,000	15,00,000
Total	16,83,750	16,83,750
SCHEDULE - 3		
SECURED LOANS :		
From Bank		
Term Loan		
(Secured against land of Parshwanath Homes Co-op. Society Limited)	1,92,803	5,31,90,469
Working Capital Loan		
(Secured against land of Parshwanath Homes Co-op. Society Limited)	4,20,294	50,59,397
Total	6,13,097	5,82,49,866

**SCHEDULE - 4
FIXED ASSETS :**

Gross Block (At Cost)					Depreciation			Net Block		
Particulars	As at 01-04-2009	Additions	Deductions	As at 31-3-2010	As at 1-4-2009	Adjustment (Deduction)	For the year	Upto 31-3-2010	As at 31-3-2010	As at 31-3-2009
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Vehicles	84,306	—	—	84,306	83,030	—	—	83,030	1,276	1,276
Office Equip. & Air Conditioners	7,21,717	22,050	—	7,43,767	5,86,366	—	42,714	6,29,080	1,14,687	1,35,351
Computers	60,250	—	—	60,250	20,349	—	9,767	30,116	30,134	39,901
Furniture	20,15,294	—	—	20,15,294	18,70,405	—	81,856	19,52,261	63,033	1,44,889
Total Rs.	28,81,567	22,050	—	29,03,617	25,60,150		1,34,337	26,94,487	2,09,130	3,21,417
Previous year	28,81,567	—	---	28,81,567	23,78,796	----	1,81,354	25,60,150,	3,21,417	

SCHEDULE - 5

INVESTMENTS-NON TRADE-LONG TERM :

In Shares (QUOTED) :

2,100 Equity Shares (Previous 2100 Equity Shares) of Punjab Communication Ltd. of Rs. 10/- each fully paid [Market value Rs. 1,33,875/- (Previous year Rs. 29,526/-)]

31-3-2010
Rupees

31-3-2009
Rupees

5,25,000 5,25,000

In Shares (UNQUOTED)

65,000 Equity Shares (Previous NIL) of The Kalupur Commercial Co-op. Bank Limited of Rs. 25/- each fully paid.

16,25,000 16,25,00

In GOVERNMENT SECURITY - NSC

10,000 10,000

In Capital of Partnership Firms :

M/s. Chinmaya Corporation

2,80,665 2,72,632

M/s. Shree Parshwanath Corporation

46,30,646 4,14,59,617

M/s. Parshwanath Corporation

21,43,272 99,60,000

M/s. Vaibhav Laxmi Corporation

4,00,551 4,24,626

Total

93,15,134 5,42,76,875

SCHEDULE - 6

WORK IN PROGRESS

Construction & Other Expenses (See Note-1 in Schedule 20)

6,15,49,214 2,78,52,026

Total

6,15,49,214 2,78,52,026

PARSHWANATH HOUSING FINANCE CORPORATION LIMITED



	31-3-2010 Rupees	31-3-2009 Rupees
SCHEDULE - 7		
CASH & BANK BALANCES :		
Cash on hand	59,254	67,741
Bank Balances		
In Current Accounts with Schedule Banks	51,158	52,541
In Current Account with Sardar Vallabhbhai Sahakari Bank Ltd. [Maximum balance during the year Rs. 49,93,554/- (Previous year Rs. 2,25,451/-)]	45,62,266	2,25,451
In Fixed Deposit Accounts with Scheduled Bank (FDR pledges with the Bank for issue of guarantee)	2,74,201	2,53,654
Total	49,46,879	5,99,387
SCHEDULE - 8		
LOANS & ADVANCES :		
Residential Housing Loans (Secured considered doubtful)	1,66,18,892	1,71,57,775
Less : Provision on loans classified as sub-standard and doubtful under prudential norms (net of tax)		
As per Last Balance Sheet	1,71,57,775	1,77,28,922
Less : Written back & credited to P & L A/C.	5,38,793	5,71,147
	1,66,18,992	1,71,57,755
	0	0
Advance Income-Tax and Tax Deducted at Source	50,61,240	50,28,748
Advances Recoverable in cash or kind or for value to be received		
Considered Good	6,67,048	5,36,901
Considered doubtful	1,63,919	1,63,919
Less : Provision	1,63,919	1,63,919
Total	57,28,288	55,65,649
SCHEDULE - 9		
CURRENT LIABILITIES & PROVISIONS :		
(A) Current Liabilities :		
Sundry Creditors	51,30,920	9,85,525
Other Liabilities	9,42,217	50,546
Due to Bank in Current Account (Book Overdraft)	—	—
Booking Advance	4,59,43,751	5,00,000
Note : No amount is due and outstanding as on 31-3-2008 which is required to be transferred to Investor Education & Protection Funds		
	5,20,16,888	15,36,071
(B) Provisions :		
Income-Tax	76,31,351	76,31,351
Fringe Benefit Tax	85,000	85,000
Total	77,16,351	77,16,351
Total	5,97,33,239	92,52,422

	31-3-2010 Rupees	31-3-2009 Rupees
SCHEDULE - 10		
INTEREST EARNED :		
Interest on housing loans	17,47,452	14,22,324
Other Interest (Gross) [TDS Rs. NIL (Previous Year TDS Rs. 1,943/-)]	13,26,552	73,90,488
Total	34,74,004	88,12,812

SCHEDULE - 11		
OTHER INCOME :		
Miscellaneous Income	1,00,023	91
Dividend Received	1,95,000	26,250
Total	2,95,023	26,341

SCHEDULE - 12		
SHARE OF PROFIT IN PARTNERSHIP FIRM :		
M/s. Parshwanath Corporation	11,83,272	--
M/s. Chinmay Corporation	4,533	--
M/s. Vaibhavlaxmi Corporation	--	89,761
Total	11,87,805	89,761

SCHEDULE - 13		
INCREASE IN WORK IN PROGRESS :		
Closing Work in Progress of Project	6,15,49,214	2,78,52,026
Less : Opening work in progress of Project	2,78,52,026	93,94,478
Increase in Work in Progress	3,36,97,188	1,84,57,548

SCHEDULE - 14		
PROJECT EXPENSES :		
For Land Paid to society	18,523	—
Purchase	1,66,54,685	1,09,89,374
Labour	83,28,215	39,28,172
Fees paid to GUDA	95,015	—
Advertisement Expense	3,75,257	3,85,528
Remuneration to Staff	3,46,982	3,92,000
Rates and taxes	17,67,257	98,507
Interest Expenses	28,62,500	13,98,493
Miscellaneous Expenses	32,48,754	12,65,474
Total	3,36,97,188	1,84,57,548

PARSHWANATH HOUSING FINANCE CORPORATION LIMITED

	31-3-2010 Rupees	31-3-2009 Rupees
SCHEDULE - 15		
ESTABLISHMENT & OTHER EXPENSES :		
Salary, Allowances & Bonus	7,77,494	13,72,500
Travelling Expenses	53,35	47,094
Rent	60,000	60,000
Rates & Taxes	51,057	40,754
Legal Fees and Expenses	9,35,578	4,42,748
Professional Fees & Expenses	1,61,151	1,94,364
Insurance Premium	8,238	19,486
Electricity	1,78,295	3,43,713
Advertisement	48,980	61,930
Postage & Telephone	1,07,964	1,72,727
Printing & Stationery	26,304	38,674
Miscellaneous Expenses	1,70,598	5,87,975
Auditor's Remuneration :		
Audit Fees	49,914	27,575
In Other Capacity :		
For Tax Audit	35,276	23,596
For Taxation matter	1,45,298	41,096
	2,22,508	92,267
Director's Sitting fees	3,000	7,000
Managerial Remuneration	4,80,000	9,60,000
Total	32,36,919	44,41,232

SCHEDULE - 16**INTEREST**

Fixed Loan from Bank	6,55,702	71,76,050
Total	6,55,702	71,76,050

SCHEDULE - 17**SHARE OF LOSS IN PARTNERSHIP FIRMS :**

M/s. Chinmaya Corporation	--	5,493
M/s. Shree Parshwanath Corporation	4,44,348	97,114
M/s. Vaibhav Laxmi Corporation (related to previous year)	35,076	88,781
Total	4,79,424	1,91,338

SCHEDULE - 18

SIGNIFICANT ACCOUNTING POLICIES :

1. Basis of Accounting:

These accounts are prepared on historical cost basis.

2. Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

3. Revenue Recognition:

All Income and expenditure are accounted for on accrual basis. In accordance with Accounting Standards (AS-9) on "Revenue Recognition " revenue from interest in case where ultimate collection is uncertain, is recognized in the year in which such interest is recovered.

4. Inventory:

Closing stock of construction material is valued at lower of cost or net realizable value.

5. Project Expenses:

Expenditure directly related to carrying out project activity are debited to the project account.

6. Fixed Assets:

Fixed Assets are stated at original cost less depreciation. Original cost includes all expenses incurred up to and incidental to the installation/acquisition.

7. Depreciation:

Depreciation on Fixed Assets is provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

8. Investments:

All the Investments are long term and carried at cost. However, provision is made for diminution in the value of investment other than of temporary nature. Current Investments are carried at lower of cost or fair value.

9. Employee Benefits:

- i. Post employment benefits under defined plans are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable towards contributions. The present value is determined using the market yields of government bonds, at the balance sheet date, at the discounting rate.
- ii. Short term employee benefits and post employment benefits under defined contribution plans are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related services is rendered.
- iii. Other long-term employee benefits are recognized as an expense in the profit and loss account for the period in which the employee has rendered services. Estimated liability on account of long-term benefits is discounted to the current value, using the yield on government bonds, as on the date of balance sheet, at the discounting rate.
- iv. Actuarial gains and losses in respect of post employment and other long-term benefits are changed to the profit and loss account.

10. Borrowing Costs:

Interest related to project is charged to cost of project and other interest is charged to revenue.

11. Operating Lease:

Rentals are expensed with reference to lease terms and other considerations.

12. Provision for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the Provisions of the Income tax Act, 1961. Deferred tax resulting from “timing difference” between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

13. Impairment of fixed assets

At the end of each year, the company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with the Accounting Standard AS-28 on “Impairment of Assets” issued by the Institute of Chartered Accountants of India. An impairment loss is charged to the Profit & Loss Account in the year in which, an asset is identified as impaired, when the carrying amount value of the asset exceeds its recoverable value. The impairment loss recognised in prior accounting periods reversed, if there has been a change in the estimate of recoverable amount.

14. Provisions, Contingent Liability, Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

15 . General:

Accounting policies not specifically referred to are consistent with generally accepted accounting practice.

SCHEDULE - 19**NOTES ON ACCOUNTS :**

1. The Company has entered into agreement with Parshwanath Home Co.Op.Housing Society Limited for development of property. In the accounts, the amount of expenditure of Rs. 6,15,49,214/- (Previous Year Rs. 2,78,52,026/-) incurred on the schemes is shown as work - in - Progress under the head Current Assets and booking advance of Rs. 4,59,43,751/- (Previous Year Rs. 5,00,000/-) is shown under the head Current Liabilities.
2. No Provision is made in respect of disputed income tax amounting to Rs. 57,38,853/- (Previous Year Rs. 46,25,795/-) as appeals are preferred and the company is legally advised that there are fair chances of success before higher authorities.
3. Remuneration to Chairman and Managing Director and Joint Managing Director

Particulars	2009 – 10	2008 – 09
Salary	9,60,000	9,60,000
Total	9,60,000	9,60,000

Since Managerial Remuneration does not include any commission, computation of profit in accordance with section 349 of the Companies Act, 1956 is not given.

4. Current Assets, Loans and Advances are approximately of the value stated, if realized in ordinary course of business. The provision for dereciation and all known liabilities are adequate and not in excess of the amount reasonable necessary.
5. Balances in the Accounts of borrowers of housing loans, sundry creditors and loans and advances are subject to confirmation by the parties consequential adjustments, if any, at the company level.
6. Otheparticulars in respect of investments in capital of partnership firm are given hereunder:

I. M/s Vaibhav Laxmi Corporation

Name of Partner	Share in		Capital as at	Capital as
	profit %	loss %	31-03-2010	at 31-03-2009
	%	%	Rs.	Rs.
Mrs. Pritiben S. Patel	12.50	25.00	32,84,856	33,14,086
Mr. Vishvesh S. Patel	12.50	12.50	10,78,826	11,08,056
Shri Rushabh N. Patel	3.00	3.00	6,87,386	6,94,401
Shri Navnitbhai C. Patel	3.00	3.00	13,23,434	7,35,449
Mrs. Riddhiben R. Patel	2.00	2.00	4,97,589	5,02,266
Mrs. Indiraben N. Patel	2.00	2.00	5,27,840	5,32,517
M/s. Parshwanath Hous. Fin Cor.Ltd.	15.00	15.00	4,00,551	4,24,626
M/s. Neminath Const Pvt. Ltd	25.00	25.00	(5,16,209)	(24,57,749)
Mr. Pranjal S. Patel	12.50	12.50	6,72,154	7,01,384
Minor Advaita S. Patel	6.25	0.00	15,89,610	16,04,224
Minor Chinmay S. Patel	6.25	0.00	15,89,610	16,04,224
Total	100.00	100.00	1,11,35,647	87,63,484

ii) M/s. Chinmaya Corporation :

Name of Partner	Share in		Capital as at	Capital as at
	profit %	loss %	31-03-2010	31-03-2009
	%	%	Rs.	Rs.
Mrs. Priti S Patel	12.50	25.00	2,15,342	2,08,259
Mr. Vishvesh S Patel	12.50	12.50	2,21,390	2,17,848
Mrs. Dipakben J. Patel	6.00	6.00	1,09,558	1,07,858
Mr. Bhavik J. Patel	6.00	6.00	1,09,557	1,07,857
Mr. Nishith J. Patel	6.00	6.00	1,09,557	1,07,857
Mrs. Indiraben N Patel	1.50	1.50	21,123	20,698
Mr. Navnitbhai C Patel	3.00	3.00	115,826	69,975
Mr. Rushabh N.Patel	1.50	1.50	24,872	24,448
M/s. Parshwanath Housing Finance Corpn. Ltd.	16.00	16.00	2,80,665	2,72,632
M/s. Neminath Const. Pvt. Ltd.	7.00	7.00	1,27,815	1,25,832
Parshwanath Realty Pvt. Ltd.	3.00	3.00	1,05,997	1,05,147
Mr. Pranjal S. Patel	12.50	12.50	2,22,944	2,19,403
Minor Advaita S. Patel	6.25	0.00	1,14,497	1,14,497
Minor Chinmay S. Patel	6.25	0.00	1,14,497	1,14,497
Total	100.0	100.0	18,93,638	18,16,807

PARSHWANATH HOUSING FINANCE CORPORATION LIMITED



iii) M/s. Shree Parshwanath Corporation :

Name of Partner	Share in		Capital as at	Capital as at
	Profit %	Loss %	31-03-2010 Rs.	31-03-2009 Rs.
Mr. Navnitbhai C Patel	25.00	25.00	23,50,237	1,07,64,490
Mr. Rushabh N.Patel	25.00	25.00	44,33,572	1,03,17,471
Mrs. Indiraben N Patel	12.00	12.00	2,12,359	12,04,051
Mrs. Riddhiben R Patel	12.00	12.00	10,44,494	15,04,797
Parshwanath Realty Pvt. Ltd.	15.00	15.00	3,92,58,018	4,02,37,270
M/s. Parshwanath Housing Finance Corpn. Ltd.	10.00	10.00	46,15,646	4,14,59,617
M/s. Vardhman Finstock Pvt. Ltd.	1.00	1.00	(54,146)	(9,711)
Minor Raj Rushabh Patel			NIL	NIL
Total	100.00	100.00	5,18,60,180	10,54,77,986

iv) M/s. Parshwanath Corporation :

Name of Partner	Share in		Capital as at	Capital as at
	Profit %	Loss %	31-03-2010 Rs.	31-03-2009 Rs.
Mr. Navnitbhai C Patel	20.00	20.00	99,79,029	3,53,77,732
Mr. Rushabh N.Patel	20.00	20.00	46,38,724	56,50,634
Mrs. Indiraben N Patel	20.00	20.00	49,88,816	20,90,896
Parshwanath Realty Pvt. Ltd.	20.00	20.00	5,63,45,300	3,50,52,210
Mrs. Riddhiben R Patel	14.00	14.00	37,10,750	17,62,468
M/s. Parshwanath Housing Finance Corpn. Ltd.	5.00	5.00	21,43,272	99,60,000
M/s. Vardhman Finstock Pvt. Ltd.	1.00	1.00	2,36,654	NIL
Minor Raj Rushabh Patel	-	-	NIL	NIL
Total	100.00	100.00	8,20,42,245	8,98,93,940

7.The disclosures required under Accounting Standard 15 (Revised) – “Employee Benefits” notified in the Companies (Accounting Standards) Rules 2006 are given hereunder:

i. Changes in Present Value of Obligations.

Amount in Rs.

Particulars	March 31,2010	March 31,2009
Present Value of Obligation as at the beginning of the year	4,03,822	4,57,949
Interest Cost	37,697	34,346
Current Service Cost	29,277	37,782
Actuarial (gain) / Loss on obligations	(37,976)	(22,905)
Benefits paid	46,035	1,03,350
Present value of Obligation as at the end of the year	3,86,785	4,03,822

ii. Changes in the Fair Value of Plan Assets.

Amount in Rs.

Particulars	March 31,2010	March 31,2009
Fair Value of Plan Assets at the beginning of the year	—	—
Expected Return on Plan Assets	—	—
Contributions	—	—
Actuarial Gain / (loss) on Plan Assets	—	—
Benefits paid	—	—
Fair Value of Plan Assets at the end of the year	—	—

iii. The amount recognized in balance sheet.

Amount in Rs.

Particulars	March 31,2010	March 31,2009
Present Value of Obligations as at the end of the year	3,86,785	4,03,822
Fair value of plan Assets as at the end of the year	—	—
Net (Asset) / Liability recognized in Balance sheet	3,86,785	4,03,822

iv. Amount recognized in the Profit and loss account.

Amount in Rs.

Particulars	March 31,2010	March 31,2009
Current Service Cost	37,697	37,782
Interest Cost	29,277	34,346
Expected Return on Plan Assets	—	—
Net actuarial (gain) / loss recognized in the year	(37,976)	(22,905)
Expenses Recognized in the statement of Profit & Loss	28,998	49,223

v. The principal actuarial assumptions used as at the balance sheet date for gratuity liability are as under:

Particulars	March 31,2010	March 31,2009
Discount Rate	7.25 %	7.25 %
Rate of increase in Compensation	6.00 %	6.00 %
Rate of Return on Plan Assets	—	—

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

8. Related party Transactions:

Related party disclosures as required under the Accounting Standard AS – 18 on “Related Party Disclosures” notified under Companies (Accounting Standards) Rules, 2006 are given below:

(I) List of related parties& relationships :

SR. No.	Name of the Related Party	Relationship
1	Shri Navnitbhai C. Patel	Key Managerial Personnel
2	Shri Rushabh N. Patel	Key Managerial Personnel
3	Smt. Riddhi R. Patel	Key Managerial Personnel
4	M/s. Vaibhav Laxmi Corporation	Key Mgmt. Personnel having control on enterprise.
5	M/s. Chinmay Corporation	Key Mgmt. Personnel having control on enterprise.
6	M/s. Shree Parshwanath Corporation	Key Mgmt. Personnel having control on enterprise.
7	M/s. Shree Parshwanath Construction Corporation	Key Mgmt. Personnel having control on enterprise.
8	M/s. Parshwanath Corporation	Key Mgmt. Personnel having control on enterprise.
9	M/s. Shree Mahavir Farm	Key Mgmt. Personnel having control on enterprise.
10	M/s. Shree Jai Jinendra Farm	Key Mgmt. Personnel having control on enterprise.
11	M/s. Parshwanath Realty Pvt. Ltd.	Key Mgmt. Personnel having control on enterprise.
12	M/s. Vardhman Finstock Pvt. Ltd.	Key Mgmt. Personnel having control on enterprise.
13	Smt. Indiraben N. Patel	Relative of key Mgmt. Personnel

(II) Transactions during the year with Related Parties :

Amount in Rs.

Sr. No.	Nature of transactions	Enterprises where control exist		Key Management Personnel	
		2009-10	2008-09	2009-10	2008-09
1	Investments				
	Opening Balance	5,21,16,876	7,03,36,468		
	Addition during the year	3,11,85,077	3,24,11,883		
	Deduction during the year	7,58,46,819	5,06,31,475		
	Closing Balance	74,55,134	5,21,16,876		
2	Expenditure				
	Remuneration			9,60,000	9,60,000
	Share of loss in partnership firm	4,79,424	1,91,388		
3	Income				
	Share of profit in partnership firm	11,87,805	89,761		

iii. Details of material related transaction included in point ii above

Amount in Rs.

Sr No.	Nature of transactions	Shree Parshwanath Corporation		Parshwanath Corporation	
		2009-10	2008-09	2009-10	2008-09
1	Investment				
	Opening Balance	4,14,59,617	7,41,41,243	99,60,000	
	Addition during the Year	3,11,65,377	1,76,75,488		1,00,10,327
	Deduction during the Year	6,79,94,348	5,03,57,114	78,16,728	50,327
	Closing Balance	46,30,646	4,14,59,617	21,43,272	99,60,000

9. Calculation of Earning per share

Particulars	2009-10	2008-09
Profit / Loss attributable to shareholders	5,89,244	(79,51,315)
Basic / weighted average number of equity shares outstanding during the Year	30,00,000	30,00,000
Nominal value of equity shares (Rs.)	10	10
Basic / diluted earning per share (Rs.)	0.20	(2.65)

10. Deferred Tax

On consideration of prudence, deferred tax asset is not recognized in the accounts.

11. The management is of the view that the shortfall of Rs. 391,125/- (Previous year Rs. 4,95,474/-) between the aggregate cost price and aggregate market value of quoted investments is temporary and hence no provision is required in respect thereof.
12. The management has initiated the process of identifying enterprises which have provided goods & services to the company & which qualified under the definition of micro & small enterprises, as defined under Micro, Small & Medium Enterprises Development Act, 2006. Accordingly, the disclosure in the respect of the amount payable to such enterprises as at March 31, 2010 has been made in the financial statement base on information received and available with the company. Further, in view of the management, the impact of the interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

13. Information pursuant to Accounting Standard 17 issued by the Institute of Chartered Accountants of India. The Company has identified two reportable segments vis : Housing Finance and Construction. Segments have been identified and reported taking into account nature of services as well as the deferring risks and returns. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.
- (a) Revenue and expense have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment have been disclosed as "Unallocable".
 - (b) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and tax related liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

Sr No	Particulars	Housing Finance	Construction	Unallocable	Total
(A)	Segment Revenue				
	External Revenue	23,86,268 (19,93,562)	--- (---)	27,09,357 (74,16,738)	50,95,625 (94,10,300)
(B)	Segment Results				
	Operating profit before interest & tax.	-9,84,988 (-22,79,024)	--- (---)	22,29,933 (69,65,110)	38,50,680 (46,86,086)
	Less:				
	Interest Expenses			6,55,702 (71,76,050)	6,55,702 (71,76,050)
	Provision for FBT			--- (30,000)	--- (30,000)
	Provision for Income Tax			--- (54,31,351)	--- (54,31,351)
	Segment result after tax (B)	-9,84,988 (-22,79,024)	--- (---)	15,74,232 (-2,10,940)	5,89,244 (-24,89,964)
(C)	Other Information				
	Segment Assets	8,76,178 -	6,15,49,214 (2,85,62,846)	1,96,23,254 (5,98,97,110)	8,20,48,646 (8,84,59,956)
	Segment Liabilities	4,77,831 (8,10,035)	5,21,52,154 (8,89,955)	77,16,351 (6,59,66,217)	6,03,46,336 (6,76,66,207)
	Depreciation	1,34,337 (3,21,417)			1,34,337 (3,21,417)
	Capital expenditure incurred during the year	22,050 (1,81,354)			22,050 (1,81,354)

14. Substantial portion of the company's assets comprise of 'financial assets' to which Accounting Standard (AS) 28 'Impairment of Assets' is not applicable. In the opinion of the management, there is no impairment of other assets of the company as at 31st March 2010 any material extent requiring recognition in terms of the said standard.
15. There are no other particulars which are required to be given as per part II of Schedule VI to the Companies Act, 1956.
16. Corresponding figures of the previous year have been rearranged/regrouped wherever considered necessary so as to make them comparable with those of current year.

18. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.

I. REGISTRATION DETAILS :

Registration No. : 8361
State Code : 04
Balance Sheet Date : 31st March, 2010

II. CAPITAL RAISED DURING THE YEAR :

(Amount in Rs. Thousands)

Public Issue : Rs. Nil
Right Issue : Rs. Nil
Bonus Issue : Rs. Nil
Private Placement : Rs. Nil

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS :

(Amount in Rs. Thousands)

Total Liabilities : Rs. 32,296
Total Assets : Rs. 32,296

Source of Funds :

Paid-up Capital : Rs. 30,000
Reserves and Surplus : Rs. 1,684
Secured Loans : Rs. 613
Unsecured Loans : Rs. NIL
Deferred Tax Liability : Rs. NIL

Application of Funds :

Net Fixed Assets : Rs. 209
Investments : Rs. 9,615
Net Current Assets : Rs. 9,981
Miscellaneous Expenses : Rs. 12,491
Accumulated Losses : Rs. NIL

IV. PERFORMANCE OF COMPANY :

(Amount in Rs. Thousands)

Turnover : Rs. 5,095
Total Expenditure : Rs. 4,506
Profit Before Tax : Rs. 589
Profit After Tax : Rs. 589
Earning Per Share in Rs.10/- : Rs. 0.20
Dividend Rate : Nil

V. GENERIC NAME OF PRINCIPAL PRODUCT OF THE COMPANY :

Item Code No. (ITC Code) : Not Applicable as the company carries activity of
construction and Housing Finance
Production Description : Not Applicable

Signatures to Schedules 1 to 19

As per our Audit Report of even date attached

For **Manubhai & Company**

Chartered Accountants

K. B. SOLANKI

Partner

Place : Ahmedabad

Date : 31st August, 2010

For and on behalf of the Board of Directors

N. C. PATEL

Chairman &

Managing Director

R. N. PATEL

Managing Director

R. H. PATEL

Director

Place : Ahmedabad

Date : 31st August, 2010

FORM OF PROXY

PARSHWANATH HOUSING FINANCE CORPORATION LIMITED

Registered Office : 50, Harsiddha Chambers, 3rd Floor, Ashram Road,
Ahmedabad-380 014.

I/We _____

of _____ being a member/members of the above named Company hereby
appoint _____

of _____ or failing him _____
_____ of _____

as my/our proxy to vote for me/us and on my/our behalf at the 24th Annual General Meeting of the
Company to be held on Wednesday 29th, September, 2010 at 10.00 a.m. and at any adjournment thereof.

Signed this _____ day of _____, 2010.

Revenue
Stamp

Signature

Note: The proxy and the Power of Attorney (if any) under which it is signed or a notarially certified copy of that Power of
Attorney must be deposited at the Registered office of the Company at 50, Harsiddha Chambers, 3rd Floor, Ashram Road,
Ahmedabad-380 014, not less than 48 hours before the date and time for holding the Annual General Meeting.

PARSHWANATH HOUSING FINANCE CORPORATION LIMITED

ATTENDANCE SLIP

(To be handed over, duly filled in, at the entrance of the Meeting Place)

Name of the attending Member/Proxy (in block letters) :

Member's Folio No. :

No. of Shares held :

I hereby record my presence at the Annual General Meeting on 29th September, 2010 at 10-00 a.m.

Place : Ahmedabad.

.....
Member's/Proxy's Signature

BOOK-POST

To, _____

If undelivered please return to :



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PARSHWANATH |

PARSHWANATH HOUSING FINANCE CORPORATION LTD.

Regd. Office : 50, Harsiddha Chambers, 3rd Floor, Ashram Road, Ahmedabad 380 014.

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24th Annual Report 2009-2010



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PARSHWANATH

ESTD : 1985

PARSHWANATH

HOUSING FINANCE CORPORATION LTD.

Regd. Office : 50, Harsiddha Chambers, 3rd Floor, Ashram Road,
Ahmedabad 380 014. Tel. No.: 079-2754 0647, 2754 0848 Fax: 079-2754 0144