



## INDEPENDENT AUDITOR'S REPORT

To the Members of Northland Holding Company Private Limited

### 1. Report on the Financial Statements

We have audited the accompanying financial statements of Northland Holding Company Private Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### 2. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### 3. Auditor's Responsibility

3.1 Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



- 3.2 An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
- 3.3 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015;
- b. in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

#### 5. Report on Other Legal and Regulatory Requirements

- 5.1 As required by the Companies (Auditor's Report) Order, 2015 ("the order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure a statement of the matters specified in paragraphs 3 and 4 of the Order.

- 5.2 As required by Section 143(3) of the Act, we report that:




- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company does not have any pending litigations which would impact its financial position.
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for MSSV & Co.

Chartered Accountants

FRN 001987S

  
Shiv Shankar T R

Partner

Membership No. 220517

Place of Signature : Bangalore

Date : 28 May, 2015

## ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 5.1 of our report of even date

Based upon the information and explanations furnished to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

1. In respect of Fixed Assets:
  - a. The company has maintained proper records showing full particulars including situation of fixed assets.
  - b. The company has physically verified the fixed assets during the year which in our opinion is reasonable having regard to the size of the company and the nature of its business. We have been informed that no material discrepancies were noticed on such verification.
  - c. The Company has not disposed-off substantial part of fixed assets during the year and therefore does not affect the going concern assumption.
2. In respect of its inventories:
  - a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b. The procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company has the nature of its business.
  - c. The Company is maintaining the proper records of inventory. We have informed that there was no material discrepancies were noticed on physical verification.
3. In respect of loans secured or unsecured, granted by the Company to Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013:

During the period covered by our audit, company has not granted any loan to any person covered under the register maintained under section 189 of the Companies Act, 2013. Hence, provisions of paragraph 3(iii) of the Companies (Auditor's Report) Order, 2015 ('the Order') are not applicable.

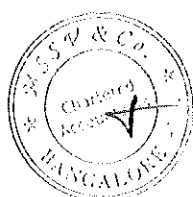


4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets, goods and sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
5. During the year covered under our audit, the company has not accepted any deposits from the public. Hence commenting on the compliance of Section 73 to 76 of the Companies Act, 2013 read with rule framed thereunder and the directives issued by the Reserve Bank of India does not arise.
6. According to the information and explanations given to us, maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 has not prescribed to the Company.
7. In respect of statutory dues:
- a. Undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it have generally been regularly deposited with the appropriate authorities though there have been delays in remittance of Income Tax (TDS), Provident Fund, Value Added Tax, Service Tax in a few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Wealth Tax, Custom Duty, Excise Duty, Cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable except for those stated below:

Statute	Nature of dues	Period	Amount (in Rs.)
Income-tax Act, 1961	Interest on TDS	Financial Year 2014-15	62,100

- b. According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty, cess and service tax which have not been deposited on account of any dispute.



- c. According to the information and explanations given to us, there are no amounts required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
8. In our opinion, the accumulated losses of the company are more than fifty percent of its net worth. Further, the company has incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year.
9. Based on our audit procedures performed and according to the information and explanations given by the management, the company has not taken any loans from banks and financial institutions. Also, the company has not issued any debentures. Hence, commenting on paragraph 3(ix) of the Order does not arise.
10. According to information given to us and based on the records and documents produced to us, during the financial year, company has provided security/ guarantee for loan taken by its holding company from banks. In our opinion and according to the explanations provided to us, the terms and conditions of security / guarantee given to banks on behalf of others are, prima facie, not prejudicial to the interest of the company.
11. During the year covered under our audit, the company has not taken any term loan. Hence, commenting on the end use of the same does not arise.
12. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

for MSSV & Co.,

Chartered Accountants

FRN: 001987S

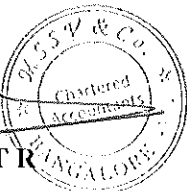
  
Shiv Shankar T R

Partner

Membership No: 220517

Place of Signature : Bangalore

Date : 28 May, 2015



**NORTHLAND HOLDING COMPANY PRIVATE LIMITED**  
**BALANCE SHEET AS AT 31 MARCH, 2015**

Particulars	Note No.	As at 31 March 2015 Rs.	As at 31 March 2014 Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	300,00,000	300,00,000
Reserves and surplus	3	(2344,21,037)	(1676,91,965)
		(2044,21,037)	(1376,91,965)
<b>Non-current liabilities</b>			
Other long-term liabilities	4	4964,41,966	4964,41,966
Long-term provisions	5	38,43,154	19,95,933
		5002,85,120	4984,37,899
<b>Current liabilities</b>			
Short-term borrowings	6	5197,01,718	3637,98,219
Trade Payables	7	104,58,632	117,96,344
Other current liabilities	8	844,46,169	764,08,301
Short-term provisions	9	2,28,336	1,39,436
		6148,34,855	4521,42,300
<b>Total</b>		<b>9106,98,938</b>	<b>8128,88,233</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
- Tangible assets	10	2810,04,182	2780,54,090
- Capital work-in-progress		5465,79,037	4406,07,030
Long-term loans and advances	11	644,43,208	726,42,448
		8920,26,427	7913,03,568
<b>Current assets</b>			
Inventories		44,53,466	49,33,359
Trade receivables	12	54,51,004	39,14,484
Cash and cash equivalents	13	51,87,687	73,59,071
Short-term loans and advances	14	35,80,354	53,77,751
		186,72,511	215,84,665
<b>Total</b>		<b>9106,98,938</b>	<b>8128,88,233</b>

Accompanying notes forming part of the Financial Statements

1 to 32

This is the balance sheet referred to in our report of even date

for MSSV & Co.

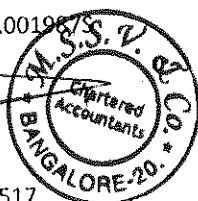
Chartered Accountants

Firm Registration No.00198

Shiv Shankar T.R.

Partner

Membership No.220517



For and on behalf of the Board

*Uzma Irfan*  
Uzma Irfan  
Director

*Fazlul Karim*  
Fazlul Karim  
Director

Place: Bangalore

Date: 28 May 2015

Place: Bangalore

Date: 28 May 2015

**NORTHLAND HOLDING COMPANY PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2015**

Particulars	Note No.	Year ended 31 March 2015 Rs.	Year ended 31 March 2014 Rs.
<b>Income</b>			
Revenue from operations	15	709,42,504	490,12,622
Other income	16	5,77,898	2,54,306
		<b>715,20,402</b>	<b>492,66,928</b>
<b>Expenses</b>			
Cost of sales	17	580,60,597	672,90,605
Employee Benefit Expense	18	604,40,645	606,70,656
Finance costs	19	74,14,472	77,35,437
Depreciation	10	29,91,407	20,96,390
Other expenses	20	93,42,353	126,02,102
		<b>1382,49,474</b>	<b>1503,95,190</b>
<b>Profit / (Loss) before tax</b>		<b>(667,29,072)</b>	<b>(1011,28,262)</b>
Tax expense:			
- current tax		-	-
- prior period tax		-	-
<b>Profit / (Loss) after tax</b>		<b>(667,29,072)</b>	<b>(1011,28,262)</b>
<b>Earnings per Equity Share (equity shares, par value Rs 10 each)</b>			
- basic	24	(22.24)	(33.71)
- diluted	24	(22.24)	(33.71)

Accompanying notes forming part of the Financial Statements 1 to 32

This is the statement of profit and loss referred to in our report of even date

for MSSV & Co.

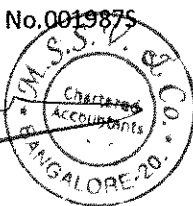
Chartered Accountants

Firm Registration No.0019875

Shiv Shankar T.R

Partner

Membership No.220517



For and on behalf of the Board

Uzma Irfan  
Director

Fiaz Reza Khan  
Director

Place: Bangalore

Date: 28 May 2015

Place: Bangalore

Date: 28 May 2015



**NORTHLAND HOLDING COMPANY PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015**

Particulars	Note No.	Year Ended 31 March, 2015 Rs.	Year Ended 31 March, 2014 Rs.
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Loss before taxation		(667,29,072)	(1011,28,262)
Adjustments for non-cash & non-operating items:			
Depreciation		29,91,407	20,96,390
Profit on sale of assets		(5,985)	(48,862)
Interest income		(64,682)	(36,045)
Interest on borrowings		65,73,527	71,56,413
Operating profit before working capital changes		(572,34,805)	(919,60,366)
Adjustments for			
Increase / (Decrease) in Current Liabilities		(223,31,357)	268,09,094
Increase / (Decrease) in Trade Payables		(13,37,712)	17,62,470
Increase / (Decrease) in Long-term/Short-term Provisions		19,36,121	9,04,723
(Increase) / Decrease in Inventories		4,79,893	4,43,727
(Increase) / Decrease in Trade receivables		(15,36,520)	(19,54,137)
(Increase) / Decrease in Short-term/Long-term Loans & Advances		98,70,019	142,23,530
Cash generated from operations		(701,54,361)	(497,70,959)
Income tax refund / (payment) - Net		1,26,618	(5,33,501)
Net Cash from operating activities - A		(700,27,743)	(503,04,460)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Expenditure incurred on Capital Work-in-progress		(788,01,951)	(2925,49,422)
Purchase of fixed assets		(60,02,938)	(67,08,365)
Sale of Fixed Assets		67,424	8,10,000
Interest income received		64,682	36,045
Net Cash From / used in Investing Activities - B		(846,72,783)	(2984,11,742)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from/ (Repayment of) short term borrowings (unsecured, net)		1610,00,000	3485,00,000
Decrease in overdrawn balances from banks		(50,96,501)	48,75,024
Finance costs		(33,74,358)	(7,15,641)
Net Cash From / used in Financing Activities - C		1525,29,141	3526,59,383
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)		(21,71,385)	39,43,181
Cash & Cash equivalents opening balance		73,59,071	34,15,890
Cash & Cash equivalents closing balance		51,87,687	73,59,071

Accompanying notes forming part of the Financial Statements

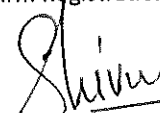
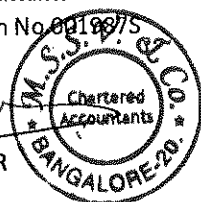
1 to 32

This is the cash flow statement referred to in our report of even date

for MSSV & Co.

Chartered Accountants

Firm Registration No. 0019975


  
  
**Shiv Shankar T.R.**  
Partner

Membership No.220517

Place: Bangalore

Date: 28 May 2015

For and on behalf of the Board

  
**Uzma Irfan**  
Director

  
**Fiaz Rehman**  
Director

Place: Bangalore

Date: 28 May 2015

**NORTHLAND HOLDING COMPANY PRIVATE LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**1 Corporate Information, Basis of preparation of Financial Statements and significant accounting policies**

**(i) Corporate Information**

M/s. Northland Holding Company Private Limited ("the Company") was incorporated on 12th March, 2009 as a private limited company under the Companies Act 1956 ("the Act"). The registered office of the company is situated at The Falcon House, No.-1, Main Guard Cross Road, Bangalore-560 001. The Company is engaged in the business of Golf Club Services.

**(ii) Basis for preparation of financial statements and significant accounting policies**

These financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) to comply with the mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and provisions of the Companies Act, 1956 (to the extent applicable). The financial statements have been prepared on accrual basis under the historical cost convention. The significant accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year and are as follows:

**A. Use of Estimates**

The preparation of the financial statements in conformity with Indian GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

**C. Cash flow statement**

Cash flow statement is prepared under the 'Indirect Method' Prescribed under Accounting Standard 3 'Cash Flow Statements' prescribed under the Companies (Accounting Standard) Rules, 2006.

**C. Inventories**

Stock of units in completed projects and work-in-progress are valued at lower of cost or net realizable value. Cost is aggregate of land cost, materials, contract works, direct expenses, provisions and apportioned borrowing costs and is net of material scrap receipts.

**D. Cash flow statement**

Cash flow statement is prepared under the 'Indirect Method' Prescribed under Accounting Standard 3 'Cash Flow Statements' prescribed under the Companies (Accounting Standard) Rules, 2006.

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**E. Fixed Assets**

Fixed assets are stated at cost of acquisition less depreciation, including expenses incurred to bring the asset to present condition. Cost includes all costs relating to the acquisition and installation of fixed assets including interest on borrowing for the project / fixed asset up to the date the asset is put to use.



**NORTHLAND HOLDING COMPANY PRIVATE LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**F. Depreciation**

Depreciation on tangible assets is provided on the written-down value method over the useful lives of assets estimated by the Management. Depreciation for assets purchased / sold during a period is proportionately charged commencing from the date the asset is available to the Company for its use. The Management estimates the useful lives for the fixed assets as follows:

Plant & Machinery *	20 Years
Computers *	6 Years
Furniture & Fixtures *	15 Years
Vehicles	10 Years

\* For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers, the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

**G. Capital work-in-progress**

Work-in-progress are valued at lower of cost or net realizable value. Cost is aggregate of land cost, materials, contract works, direct expenses, provisions and apportioned borrowing cost and net of material scrap receipts and income earned on temporary deployment of funds.

**H. Impairment of Fixed Assets**

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss.

Reversal of impairment losses recognised in prior years, if any, is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

**I. Inventories**

Inventories are valued at the lower of average cost and the net realizable value after providing for obsolescence and other losses, where considered necessary.

Work-in-progress are valued at lower of cost or net realizable value. Cost is aggregate of land cost, materials, contract works, direct expenses, provisions and apportioned borrowing cost and net of material scrap receipts and income earned on temporary deployment of funds.



**NORTHLAND HOLDING COMPANY PRIVATE LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**I. Foreign Currency transactions**

All transactions in foreign currency are recorded on the basis of the exchange rate prevailing as on the date of transaction. The difference, if any, on actual payment / realization is recorded to the statement of profit & loss. Monetary assets and liabilities denominated in foreign currency are restated at rates prevailing at the year-end. The net loss or gain arising out of such conversion is dealt with in the Statement of Profit and Loss.

**J. Borrowing Cost**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

A qualifying asset is an asset that necessarily takes a 12 months or more to get ready for its intended use or sale and includes the real estate properties developed by the Company.

**L. Earnings Per Share**

The basic and diluted earning per share is computed by dividing the net profit / loss attributable to equity share holders for the year by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share the net profit / loss for the period attributable to equity share holders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



**NORTHLAND HOLDING COMPANY PRIVATE LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**M. Taxes On Income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

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

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

**N. Provisions and contingent liabilities**

A provision is recognized when the Company has present obligations as a result of past events; it is probable that an outflow of resources will be required to settle the obligations, in respect of which reliable estimates can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligations at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect a current best estimate.

All known liabilities wherever material are provided for. Liabilities which are material and whose future amount cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts.



**NORTHLAND HOLDING COMPANY PRIVATE LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**2 Share capital**

Particulars	Rs.	
	As at 31 March 2015	As at 31 March 2014
<b>Authorised capital</b>		
30,00,000 (P.Y. 30,00,000) equity shares of Rs 10 each	300,00,000	300,00,000
<b>Issued, subscribed and paid up capital</b>		
30,00,000 (P.Y. 30,00,000) equity shares of Rs 10 each, fully paid up	300,00,000	300,00,000
	<b>300,00,000</b>	<b>300,00,000</b>

**2.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year**

Particulars	As at		As at	
	31 March 2015		31 March 2014	
	No of shares	Amount (Rs.)	No of shares	Amount (Rs.)
<b>Equity Shares</b>				
At the beginning of the year	30,00,000	300,00,000	30,00,000	300,00,000
Shares issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>30,00,000</b>	<b>300,00,000</b>	<b>30,00,000</b>	<b>300,00,000</b>

**2.2 List of persons holding more than 5 percent shares in the Company**

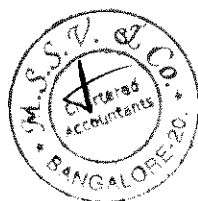
Name of the share holder	As at		As at	
	31 March 2015		31 March 2014	
	No of shares	% holding	No of shares	% holding
Downhills Holiday Resorts Pvt Ltd	10,79,856	36.00%	10,79,856	36.00%
Foothills Resorts Pvt Ltd	11,39,848	37.99%	11,39,848	37.99%
Pennar Hotels and Resorts Pvt Ltd	7,79,896	26.00%	7,79,896	26.00%
	<b>29,99,600</b>	<b>99.99%</b>	<b>29,99,600</b>	<b>99.99%</b>

**2.3 Rights, Preferences and Restrictions on shares**

The Company has only one class of equity shares with voting rights having par value of Rs. 10 each. The rights, preferences and restrictions attached to such equity shares is in accordance with the terms of issue of equity shares under the Companies Act, 2013 and the Articles of Association of the Company.

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

There have been no buy back of shares, issue of shares by way of bonus shares or issue of shares pursuant to contract without payment being received in cash for the period of five years immediately preceding the balance sheet date.



**NORTHLAND HOLDING COMPANY PRIVATE LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**3 Reserves and surplus**

	Rs.	
Particulars	As at 31 March 2015	As at 31 March 2014
<b>Deficit in Statement of Profit and Loss</b>		
Opening balance	(1676,91,965)	(665,63,703)
Add: Net profit/ (loss) for the year	(667,29,072)	(1011,28,262)
	<u>(2344,21,037)</u>	<u>(1676,91,965)</u>

**4 Other long-term liabilities**

	Rs.	
Particulars	As at 31 March 2015	As at 31 March 2014
Loans and advances from related parties (Unsecured)	4962,61,966	4962,61,966
Lease Deposits	1,80,000	1,80,000
	<u>4964,41,966</u>	<u>4964,41,966</u>

**5 Long Term Provisions**

	Rs.	
Particulars	As at 31 March 2015	As at 31 March 2014
Provision for Gratuity	23,14,649	11,31,039
Provision for Compensated absences	15,28,505	8,64,894
	<u>38,43,154</u>	<u>19,95,933</u>

**6 Short-term borrowings**

		Rs.	
Particulars	Note No.	As at 31 March 2015	As at 31 March 2014
Inter Corporate Deposits from related parties (unsecured, repayable on demand)		5176,41,537	3566,41,537
Overdrawn Bank balances		20,60,181	71,56,682
		<u>5197,01,718</u>	<u>3637,98,219</u>



**NORTHLAND HOLDING COMPANY PRIVATE LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**7 Trade Payables**

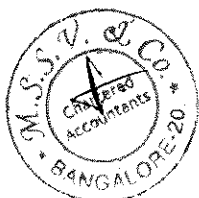
Particulars	Rs.	
	As at 31 March 2015	As at 31 March 2014
Retention Creditors	24,11,604	21,44,207
Others	80,47,028	96,52,137
	<b>104,58,632</b>	<b>117,96,344</b>

**8 Other current liabilities**

Particulars	Note No.	Rs.	
		As at 31 March 2015	As at 31 March 2014
Interest accrued but not due on borrowings		368,09,998	64,40,773
Advance received from Customers		121,85,844	88,09,113
Withholdings and other taxes and duties payable		75,27,524	35,23,234
Capital Creditors		226,84,070	512,95,378
Other Payables		52,38,733	63,39,803
		<b>844,46,169</b>	<b>764,08,301</b>

**9 Short-term Provisions**

Particulars	Note No.	Rs.	
		As at 31 March 2015	As at 31 March 2014
Provision for Gratuity		19,982	14,533
Provision for Compensated absences		2,08,354	1,24,903
		<b>2,28,336</b>	<b>1,39,436</b>





**NORTHLAND HOLDING COMPANY PRIVATE LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**11 Long-term loans and advances (Unsecured, considered good)**

	Rs.	
Particulars	As at 31 March 2015	As at 31 March 2014
Capital Advances	635,92,776	713,15,398
Security Deposits	80,000	4,30,000
Advance Income Tax	7,70,432	8,97,050
	<b>644,43,208</b>	<b>726,42,448</b>

**12 Trade receivables (unsecured, considered good)**

	Rs.	
Particulars	As at 31 March 2014	As at 31 March 2013
Other receivables	54,51,004	39,14,484
	<b>54,51,004</b>	<b>39,14,484</b>

**13 Cash and cash equivalents**

	Rs.	
Particulars	As at 31 March 2015	As at 31 March 2014
a) Cash on Hand	58,134	2,19,334
a) Balances with banks		
- in current accounts	51,29,553	71,39,737
- in fixed deposits	-	-
	<b>51,87,687</b>	<b>73,59,071</b>

**14 Short-term loans and advances (unsecured, considered good)**

	Rs.	
Particulars	As at 31 March 2015	As at 31 March 2014
Advances to related parties	5,76,563	32,372
Advances to staff	2,60,797	-
Prepaid expenses	5,13,931	5,57,101
Other advances	22,29,063	47,88,278
	<b>35,80,354</b>	<b>53,77,751</b>



**NORTHLAND HOLDING COMPANY PRIVATE LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**15 Revenue from Operations**

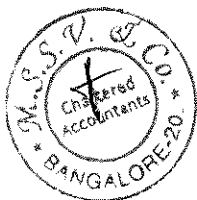
	Rs.	
Particulars	Year ended 31 March 2015	Year ended 31 March 2014
<b><u>Sale of services:</u></b>		
Golf Services	263,44,685	150,80,161
Membership Fees	74,21,763	70,65,442
Villa Maintenance & Rental	75,88,791	47,04,662
Facility Services	8,00,967	5,07,585
(A)	<u>421,56,206</u>	<u>273,57,850</u>
<b><u>Sale of goods:</u></b>		
Golf	43,27,153	35,13,096
Restaurant	244,59,145	181,41,676
(B)	<u>287,86,298</u>	<u>216,54,772</u>
(A) + (B)	<u><u>709,42,504</u></u>	<u><u>490,12,622</u></u>

**16 Other Income**

	Rs.	
Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Interest Income	64,682	36,045
Profit on sale of assets	5,985	52,862
Miscellaneous income	5,07,231	1,65,399
	<u>5,77,898</u>	<u>2,54,306</u>

**17 Cost of Sales**

	Rs.	
Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Opening Stock	49,33,359	53,77,086
Add: Purchases and other operating expenses	575,80,704	668,46,878
Less: Closing Stock	(44,53,466)	(49,33,359)
	<u>580,60,597</u>	<u>672,90,605</u>



**NORTHLAND HOLDING COMPANY PRIVATE LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**18 Employee Benefit Expense**

Particulars	Rs.	
	Year ended 31 March 2015	Year ended 31 March 2014
Salaries & Wages	505,37,695	503,36,633
Employers' Contribution to PF	39,04,398	33,44,862
Employers' Contribution to ESIC	5,14,417	-
Staff welfare expenses	54,84,135	69,89,161
	<b>604,40,645</b>	<b>606,70,656</b>

**19 Finance Costs**

Particulars	Rs.	
	Year ended 31 March 2015	Year ended 31 March 2014
Interest on borrowings	337,43,583	71,56,413
Interest - Others	8,40,945	5,79,024
	<b>345,84,528</b>	<b>77,35,437</b>
Less: Apportioned to Capital Work-in-progress	(271,70,056)	-
	<b>74,14,472</b>	<b>77,35,437</b>

**20 Other Expenses**

Particulars	Note No.	Rs.	
		Year ended 31 March 2015	Year ended 31 March 2014
Insurance		4,11,799	5,06,473
Rates and taxes		10,83,585	5,77,448
Legal and professional		54,170	60,820
Auditors' Remuneration	22	1,67,500	1,42,500
Business Promotion		4,33,643	39,67,061
General & Administrative expenses		18,61,549	16,40,005
Telephone expenses		7,23,383	8,19,269
Repairs & Maintenance			
Computers		9,17,853	11,82,340
Vehicles		5,11,972	5,49,632
Golf course management fees		31,76,899	31,56,554
		<b>93,42,353</b>	<b>126,02,102</b>



**NORTHLAND HOLDING COMPANY PRIVATE LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**21 Contingent liabilities and capital commitments**

	Rs.	
Particulars	Year ended 31 March 2015	Year ended 31 March 2014
<b>Contingent liabilities</b>		
Claims against the Company not acknowledged as debts	-	-
Corporate guarantee given on behalf of companies under the same management	40350,00,000	38312,20,335
<b>Capital commitment</b>		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	6064,86,908	10401,46,793

**22 Auditors' Remuneration**

	Rs.	
Particulars	Year ended 31 March 2015	Year ended 31 March 2014
<b>Payment to Auditors:</b>		
Statutory audit	1,00,000	1,00,000
Tax audit	50,000	25,000
VAT audit	17,500	17,500
	<u>1,67,500</u>	<u>1,42,500</u>

The Company avails input credit for service tax and hence no service tax expense is accrued.



**NORTHLAND HOLDING COMPANY PRIVATE LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**23 Related party disclosure :**

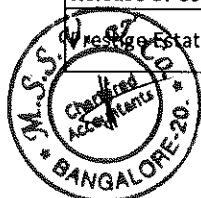
**(i) List of Related Parties and Relationships -**

Relationship	Related Parties
Ultimate Holding Company	Prestige Estates Projects Limited
<b>Other Related parties with whom the Company had transactions :-</b>	
Enterprise with significant influence and common management	Pennar Hotels and Resorts Private Limited
	Foothills Resorts Private Limited
	Downhills Holiday Resorts Private Limited
	K2K Infrastructure India Private Limited
	Prestige Fashions Pvt Ltd
Key Management Personnel	Prestige Leisure Resorts Pvt Ltd
	Ms. Uzma Irfan (from 01.10.2014)
	Ms. Fiaz Rezwan (from 01.10.2014)
	Mrs. Badrunissa Irfan (from 28.03.2015)
	Mr. Irfan Razack, Director (till 07.10.2014)
	Mr. Rezwan Razack, Director (till 07.10.2014)
	Mr. Noaman Razack, Director (till 07.10.2014)

**(ii) Transactions with Related Parties during the year-**

Rs.

Transactions	Holding Company	Enterprise with significant influence	Key Management Personnel	Total
<b>Purchase of goods</b>				
Prestige Fashions Pvt Ltd	-	2,34,850	-	2,34,850
	-	(1,48,356)	-	(1,48,356)
<b>Receiving of Services</b>				
Prestige Leisure Resorts Pvt Ltd	-	-	-	-
	-	(34,631)	-	(34,631)
<b>Refundable Deposit received</b>				
Prestige Estates Projects Limited	-	-	-	-
	(2160,61,966)	-	-	(2160,61,966)
<b>Inter corporate deposits received</b>				
Prestige Estates Projects Limited	1610,00,000	-	-	1610,00,000
	(1324,38,034)	-	-	(1324,38,034)
<b>Interest expense on Inter Corporate Deposits</b>				
Prestige Estates Projects Limited	337,43,583	-	-	337,43,583
	(71,56,413)	-	-	(71,56,413)
<b>Sale of Services</b>				
Falz Rezwan	-	-	18,268	18,268
	-	-	(60,802)	(60,802)
Irfan Razack	-	-	36,021	36,021
	-	-	-	-
Noaman Razack	-	-	70,928	70,928
	-	-	(23,735)	(23,735)
Rezwan Razack	-	-	16,317	16,317
	-	-	(6,174)	(6,174)
K2K Infrastructure India Pvt Ltd	-	-	-	-
	-	(9,600)	-	(9,600)
Prestige Estates Projects Limited	84,88,000	-	-	84,88,000
	(54,26,127)	-	-	(54,26,127)
<b>Corporate Guarantee provided to</b>				
Prestige Estates Projects Limited	40000,00,000	-	-	40000,00,000
	(20386,93,957)	-	-	(20386,93,957)
<b>Release of Corporate Guarantee provided to</b>				
Prestige Estates Projects Limited	38312,20,335	-	-	38312,20,335
	(14946,63,299)	-	-	(14946,63,299)



**NORTHLAND HOLDING COMPANY PRIVATE LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**(iii) Balance Outstanding**

**Rs.**

<b>Trade Payables</b>				
Prestige Estates Projects Limited	43,05,851	-	-	43,05,851
	(75,52,893)	-	-	(75,52,893)
Prestige Leisure Resorts Pvt Ltd	-	34,631	-	34,631
	-	(34,631)	-	(34,631)
<b>Refundable deposit received</b>				
Prestige Estates Projects Limited	4962,61,966	-	-	4962,61,966
	(4962,61,966)	-	-	(4962,61,966)
<b>Inter corporate deposits taken by the Company</b>				
Prestige Estates Projects Limited	2934,38,034	-	-	2934,38,034
	(1324,38,034)	-	-	(1324,38,034)
<b>Interest accrued but not due on inter corporate deposits taken by Company</b>				
Prestige Estates Projects Limited	368,09,998	-	-	368,09,998
	(64,40,773)	-	-	(64,40,773)
<b>Unsecured loan taken by the company</b>				
Downhill Holiday Resorts Pvt Ltd	-	816,88,489	-	816,88,489
	-	(816,88,489)	-	(816,88,489)
Foothill Resorts Pvt Ltd	-	855,71,996	-	855,71,996
	-	(855,71,996)	-	(855,71,996)
Pennar Hotels & Resorts Pvt Ltd	-	569,43,018	-	569,43,018
	-	(569,43,018)	-	(569,43,018)
<b>Trade Receivables</b>				
Noaman Razack	-	-	2,687	2,687
	-	-	(13,551)	(13,551)
Prestige Estates Projects Limited	9,23,970	-	-	9,23,970
	-	-	-	-
<b>Other Advances paid</b>				
Prestige Golf Resorts Pvt Ltd	-	5,76,563	-	5,76,563
	-	32,372	-	32,372
<b>Corporate guarantee/ Equitable mortgage offered to a third party for Loan taken by</b>				
Prestige Estates Projects Limited	40000,00,000	-	-	40000,00,000
	(38312,20,335)	-	-	(38312,20,335)

a) Related party relationships are as identified by the company on the basis of information available with them and relied upon by the auditors.

b) No amount is written off or written back during the year in respect of debts due from or to related parties.

c) Reimbursement of actual expenses is not disclosed in transactions with Related Parties during the year.

d) Figures shown in brackets pertain to previous year



**NORTHLAND HOLDING COMPANY PRIVATE LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**24 Earnings per share**

Figures in rupees except number of shares

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
a) Net profit/ (loss) for the year available to equity shareholders	(667,29,072)	(1011,28,262)
b) Weighted average number of equity shares - Basic	30,00,000	30,00,000
c) Weighted Average number of Equity shares-Diluted	30,00,000	30,00,000
d) Nominal Value of shares	10	10
e) Basic Earnings per Share	(22.24)	(33.71)
f) Diluted Earnings per Share	(22.24)	(33.71)

**25 Employee benefits**

The details of employee benefits as required under Accounting Standard 15 'Employee Benefits' is given below:

**(i) Defined Contribution Plan:** During the year, the Company has recognized the following amounts in the Profit and Loss Statement -

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Employers' Contribution to Provident Fund	39,04,398	33,44,862
	<u>39,04,398</u>	<u>33,44,862</u>

**(ii) Defined Benefit Plan :** In accordance with Accounting Standard - 15 Actuarial Valuation based on projected unit credit method as on 31 March 2015 has been carried out in respect of the aforesaid defined benefit plan of Gratuity, the details thereon is given below:

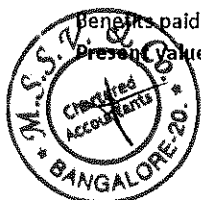
Particulars	Year ended 31 March 2015	Year ended 31 March 2014
<b>Components of employer expense:</b>		
Current Service cost	10,52,003	6,45,522
Interest cost	1,03,102	51,558
Expected return on plan assets	-	-
Past Service Cost - Vested/Non Vested Benefit	-	-
Actuarial Losses/(Gains)	33,955	(1,88,024)
<b>Total expense/(income) recognized in the Profit &amp; Loss Statement</b>	<u>11,89,060</u>	<u>5,09,056</u>

**Change in Fair Value of Assets during the year ended:**

Opening Fair Value of Plan Assets	-	-
Expected return on plan assets	-	-
Actuarial gains/(losses)	-	-
Contributions by Employer	-	-
Benefits paid	-	-
<b>Closing Fair Value of Plan Assets</b>	<u>-</u>	<u>-</u>

**Change in Defined Benefit Obligation (DBO) during the year ended :**

Present Value of DBO at the beginning of the year	-	-
Current service cost	10,52,003	6,45,522
Interest cost	1,03,102	51,558
Actuarial (gains)/losses	33,955	(1,88,024)
Past Service Cost - Vested/Non Vested Benefit	-	-
Benefits paid	-	-
<b>Present Value of DBO at the end of the year</b>	<u>11,89,060</u>	<u>5,09,056</u>



**NORTHLAND HOLDING COMPANY PRIVATE LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**Net asset/(liability) recognized in balance sheet:**

Fair value of plan assets	-	-
Present Value of Defined Benefit Obligation	(11,89,060)	(5,09,056)
<b>Net asset/(liability) recognized in balance sheet</b>	<b>(11,89,060)</b>	<b>(5,09,056)</b>

**Actuarial Assumptions:**

Discount Rate	7.80%	9.00%
Expected Return on plan assets	N.A	N.A
Rate of increase in compensation	7.00%	7.00%
Attrition rate	Table	Table
Retirement age	58 years	58 years

**Attrition Rate**

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Present Value of Defined Benefit Obligation	23,34,632	11,45,572
Fair Value of Plan Assets	-	-
<b>Surplus/(Deficit) Recognized</b>	<b>23,34,632</b>	<b>11,45,572</b>

**The experience adjustments arising on :**

Experience adjustment on Plan Liabilities: Gain/(Loss)	3,08,669	40,516
Experience adjustment on Plan Assets	-	-

**Note:**

(a) Details of Investment composition of plan assets has not been provided by the fund managers and hence not given.

(b) The estimates of future salary increases considered in actuarial valuation take account of inflation, Seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

(c) Estimated amount of Gratuity obligation over the next one year is Rs. 19,982/- (Previous year Rs.14,534/-)

**(III) Other Employee Benefits – Leave Encashment**

Leave salary benefit expensed in the Statement of Profit & Loss for the year is Rs.7,47,064/- (Previous Year - Rs.5,40,304/-) and outstanding towards leave salary is Rs.17,36,859/- (P.Y - Rs.9,89,797/-).

- 26 The net worth of the Company has been completely eroded as at March 31, 2015. The Company however is able to operate uninterruptedly with continued financial support from its Holding Company M/s Prestige Estates Projects Limited. Also based on the turnaround strategy adopted by the Company, the management projects that the company will generate profits in future. Accordingly, the management believes that the Company will continue as a going concern and thereby realise its assets and discharge its liabilities in the normal course of its business. Thus, these financial statements do not include any adjustments relating to the recoverability of recorded asset amounts and in respect of liabilities as might be necessary for compilation on an alternative basis.





**NORTHLAND HOLDING COMPANY PRIVATE LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**27 Dues to Micro, Small and Medium Enterprises**

There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding at the Balance Sheet date, computed on unit wise basis, determined to the extent such parties identified on the basis of information available with the Company. This has been relied upon by the auditors.

**28 Segment Reporting**

The operations of the Company include acquiring, development and leasing of real estate properties in India constituting a single business and geographical segment. Hence no separate disclosure of segment information as per Accounting standard 17 issued under Companies (Accounting Standard) Rules, 2006 has been made.

**29** There is no taxable income under regular computation of income and also in accordance with provisions of Sec 115JB of the Income Tax Act, 1961. Hence, no provision has been made in these accounts.

**30 Foreign Exchange Transactions**

Particulars	Rs.	
	Year ended 31 March 2015	Year ended 31 March 2014
Earnings in foreign currency	-	8,44,386
Expenditure in foreign currency	136,23,299	285,60,985
Imports on CIF basis of Capital goods	1,21,170	24,30,137

**31 Foreign currency exposure as at 31st March, 2015**

Particulars	Rs.	
	Year ended 31 March 2015	Year ended 31 March 2014
<b>Due to:</b>		
Creditors	2,52,690	99,925



**32** Previous years figures have been regrouped/reclassified wherever necessary to correspond to the current years classification/disclosure.

Signatures to Notes 1 to 32

for MSSV & Co.

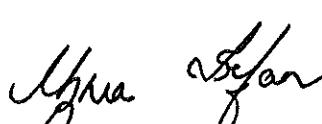
Chartered Accountants


Firm Registration No.0019975

  
  
**Shiv Shankar T.R.**  
 Partner  
 Membership No.220517

Place: Bangalore  
 Date: 28 May 2015

For and on behalf of the Board

  
**Uzma Irfan**  
 Director

  
**Rajeshwar**  
 Director

Place: Bangalore  
 Date: 28 May 2015