



## INDEPENDENT AUDITOR'S REPORT

To the Members of

Prestige Bidadi Holdings Private Limited

### 1. Report on the Financial Statements

We have audited the accompanying financial statements of Prestige Bidadi Holdings Private Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, 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. 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, 2016;
- 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, 2016 ("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, 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the company has disclosed the impact of pending litigations on its financial statements in Note 21 to the financial statements.
  - 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 : 25<sup>th</sup> May, 2016**



**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:

The company is not holding any fixed asset and hence commenting on paragraph 3(i) of the Companies (Auditor's Report) Order, 2016 ('the Order') does not arise.

2. In respect of its inventories:

In our opinion and according to information and explanations given to us, having regard to the nature of inventories, the procedure of physical verification by way of verification of title deeds and site visits by the management were reasonable and adequate in relation to size of the company and nature of its business.

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, commenting on paragraph 3(iii) of the Order does not arise.

4. The Company has not made any loans, investments, guarantees, and security during the financial year in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are to be complied with hence commenting on paragraph 3(iv) of the Order does not arise.

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 been prescribed to the Company.



## 7. In respect of statutory dues:

- a. Undisputed statutory dues including Provident Fund, , Employees' State Insurance, Sales Tax, Wealth Tax, Duty of Customs, Duty of Excise, Cess and other material statutory dues applicable to it have generally been regularly deposited with the appropriate authorities though there have been slight delays in remittance of Income Tax (TDS) in a few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Wealth Tax, Duty of Customs, Duty of Excise, 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	Tax deducted at source	Financial Year 2014-15	5,00,000
Income-tax Act, 1961	Interest on TDS	Financial Year 2015-16	45,000
Income-tax Act, 1961	Interest on TDS	Financial Year 2014-15	3,644

- 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.

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to debenture holders. The Company did not have any dues to banks and financial institutions during the year.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the financial year. Hence commenting on of paragraph 3(ix) of the Order does not arise.
10. According to information given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. During the period covered under our audit, the company has not paid any managerial remuneration or provided as per the provisions of section 197 read with the schedule V to the Companies Act, 2013. Hence, commenting on the paragraph 3(xi) of the Order does not arise.



12. The Company is not a Nidhi Company. Hence commenting on of paragraph 3(xii) of the Order does not arise.
13. According to information given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to information given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. According to information given to us and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him. Hence commenting on of paragraph 3(xv) of the Order does not arise.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for MSSV & Co.,  
Chartered Accountants  
FRN: 001987S

  
Shiv Shankar T R  
Partner  
Membership No: 220517



Place of Signature : Bangalore  
Date : 25<sup>th</sup> May, 2016



**ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT****Referred to in paragraph 5.2(f) of our report of even date****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143  
of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting M/s. Prestige Bidadi Holdings Private Limited "the Company" as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ['ICAI']. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance 168 Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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





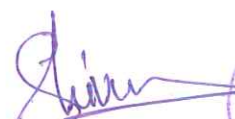
**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for MSSV & Co.,

**Chartered Accountants**

**FRN: 001987S**

  
**Shiv Shankar T R**  
**Partner**



**Membership No: 220517**

**Place of Signature : Bangalore**

**Date : 25<sup>th</sup> May, 2016**

**PRESTIGE BIDADI HOLDINGS PRIVATE LIMITED**  
The Falcon House' #1, Main Guard Cross Road, Bangalore - 560 001

CIN: U45201KA2007PTC041392

**BALANCE SHEET AS AT 31 MARCH, 2016**

Particulars	Note No.	As at 31 March 2016 Rs.	As at 31 March 2015 Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	93,750,000	93,750,000
Reserves and surplus	3	96,671,326	148,293,246
		<b>190,421,326</b>	<b>242,043,246</b>
<b>Non-current liabilities</b>			
Long-term borrowings	4	519,203,000	-
		519,203,000	-
<b>Current liabilities</b>			
Short-term borrowings	5	348,072,200	329,572,200
Other current liabilities			
Total outstanding dues to micro & small enterprises		-	-
Total outstanding dues to other than micro & small enterprises	6	167,899,331	644,141,979
		<b>515,971,531</b>	<b>973,714,179</b>
<b>Total</b>		<b>1,225,595,857</b>	<b>1,215,757,425</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Inventories	7	1,225,350,457	1,215,249,618
Cash and bank balances	8	204,639	507,807
Short-term Loans and advances	9	40,761	-
		<b>1,225,595,857</b>	<b>1,215,757,425</b>
<b>Total</b>		<b>1,225,595,857</b>	<b>1,215,757,425</b>

Accompanying notes forming part of the Financial Statements

1 to 22

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

**for MSSV & Co.**

Chartered Accountants

Firm Registration No.001987S

**Shiv Shankar T.R.**

Partner

Membership No.220517



**For and on behalf of the Board**

*Almas Rezwan* *Uzma Irfan*

**Almas Rezwan**

Director

DIN: 01217463

**Uzma Irfan**

Director

DIN: 01216604

Place: Bangalore

Date: 25 May 2016

Place: Bangalore

Date: 25 May 2016

**PRESTIGE BIDADI HOLDINGS PRIVATE LIMITED**  
The Falcon House' #1, Main Guard Cross Road, Bangalore - 560 001  
CIN: U45201KA2007PTC041392

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2016**

Particulars	Note No.	Year ended 31 Mar 2016 Rs.	Year ended 31 March 2015 Rs.
Revenue from operations		-	-
Other income		-	-
<b>Total Revenue</b>		-	-
<b>Expenses</b>			
Finance costs	10	51,085,064	41,507,967
Other expenses	11	536,856	269,211
<b>Total expenses</b>		<b>51,621,920</b>	<b>41,777,178</b>
Loss before tax		<b>(51,621,920)</b>	<b>(41,777,178)</b>
Tax expense:			
- Current tax		-	-
- Deferred tax charge/ (credit)		-	-
<b>Loss after tax</b>		<b>(51,621,920)</b>	<b>(41,777,178)</b>
<b>Earnings Per Share (equity shares, par value Rs 10 each)</b>			
- basic and diluted	16	(5.51)	(4.46)
Weighted average number of equity shares considered for computing earnings per share		9,375,000	9,375,000

Accompanying notes forming part of the Financial Statements

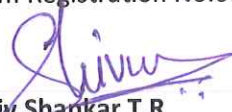
1 to 22

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



Place: Bangalore

Date: 25 May 2016

For and on behalf of the Board

**Almas Rezwan**

Director

DIN: 01217463

**Uzma Irfan**

Director

DIN: 01216604

Place: Bangalore

Date: 25 May 2016



**PRESTIGE BIDADI HOLDINGS PRIVATE LIMITED**

The Falcon House' #1, Main Guard Cross Road, Bangalore - 560 001

CIN: U45201KA2007PTC041392

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2016**

Particulars	Note No.	Year ended 31 March 2016 Rs.	Year ended 31 March 2015 Rs.
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Loss before taxation		(51,621,920)	(41,777,178)
Adjustments for non-cash & non-operating items:			
Finance costs	10	50,445,461	41,504,323
Operating profit before working capital changes		(1,176,459)	(272,855)
Adjustments for			
Increase / (decrease) in current/non-current liabilities	6	(2,440,563)	3,590,974
(Increase) / decrease in inventories	7	(10,100,839)	(82,977,408)
(Increase) / decrease in short term loans & advances	9	(40,761)	-
Cash generated from operations		(13,758,622)	(79,659,289)
Income tax refund / (payment)		-	-
Net Cash from operating activities - A		(13,758,622)	(79,659,289)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net Cash From / used in Investing Activities -B		-	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from/ (Repayment of) short term borrowings (Net)	5	18,500,000	84,000,000
Financial Expenses	10	(5,044,546)	(4,150,432)
Net Cash From / used in financing activities -C		13,455,454	79,849,568
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)		(303,168)	190,279
Cash & Cash equivalents opening balance	8	507,807	317,528
Cash & Cash equivalents closing balance		204,639	507,807

Accompanying notes forming part of the Financial Statements

1 to 22

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

for MSSV & Co.

Chartered Accountants

Firm Registration No.001987S

Shiv Shankar T.R

Partner

Membership No.220517



For and on behalf of the Board

*Almas Rezwana*

Almas Rezwana

Director

DIN: 01217463

*Uzma Irfan*

Uzma Irfan

Director

DIN: 01216604

Place: Bangalore

Date: 25 May 2016

Place: Bangalore

Date: 25 May 2016

**PRESTIGE BIDADI HOLDINGS PRIVATE LIMITED**  
The Falcon House' #1, Main Guard Cross Road, Bangalore - 560 001

CIN: U45201KA2007PTC041392

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

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

**(i). Corporate Information**

Prestige Bidadi Holdings Private Limited ("the Company") was incorporated on 5th Jan 2007. The registered office of the Company is in The Falcon House, No.1, Main Guard Cross Road, Bangalore - 560 001, India. The Company is engaged in the business of real estate development.

**(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.

**B. Inventories**

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

**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.

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.

**C. 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.





**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**D. 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.

**E. Earning 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

**F. 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.





**PRESTIGE BIDADI HOLDINGS PRIVATE LIMITED**  
The Falcon House' #1, Main Guard Cross Road, Bangalore - 560 001

CIN: U45201KA2007PTC041392

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**G. Provisions and contingent liabilities**

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

**H. Operating cycle and basis of classification of assets and liabilities**

a) The real estate development projects undertaken by the Company generally run over a period ranging up to 5 years. Operating assets and liabilities relating to such projects are classified as current based on an operating cycle of 5 years. Borrowings in connection with such projects are classified as short-term (i.e. current) since they are payable over the term of the respective projects.

b) Assets and liabilities, other than those discussed in paragraph (a) above, are classified as current to the extent they are expected to be realized / are contractually repayable within 12 months from the Balance sheet date and as non-current, in other cases

**2 Share capital**

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
<b>Authorised capital</b>		
10,000,000 (P.Y 10,000,000) equity shares of Rs 10 each	100,000,000	100,000,000
<b>Issued, subscribed and paid up capital</b>		
9,375,000 (P.Y 9,375,000) Equity shares of Rs 10 each, fully paid up	93,750,000	93,750,000
	<u>93,750,000</u>	<u>93,750,000</u>

**a) List of persons holding more than 5 percent equity shares in the Company**

Name of the share holder	As at 31 March 2016		As at 31 March 2015	
	No of shares	% holding	No of shares	% holding
Prestige Estates Projects Limited	9,369,000	99.94%	9,369,000	99.94%
	<u>9,369,000</u>	<u>99.94%</u>	<u>9,369,000</u>	<u>99.94%</u>

The company has not issued any bonus shares or any shares pursuant to contract(s) without payment being received in cash



**PRESTIGE BIDADI HOLDINGS PRIVATE LIMITED**  
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**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**b) 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 2016		31 March 2015	
	No of shares	Amount (Rs.)	No of shares	Amount (Rs.)
<b>Equity Shares</b>				
At the beginning of the year	9,375,000	93,750,000	9375000	93,750,000
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>9,375,000</b>	<b>93,750,000</b>	<b>9,375,000</b>	<b>93,750,000</b>

- c) 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.

**3 Reserves and surplus**

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
<b>Securities Premium Account</b>		
Opening balance	282,500,000	282,500,000
Add: Additions during the year	-	-
	<b>282,500,000</b>	<b>282,500,000</b>
<b>Deficit in Statement of Profit and Loss</b>		
Opening balance	(134,206,754)	(92,429,576)
Add: Net loss for the year	(51,621,920)	(41,777,178)
	<b>(185,828,674)</b>	<b>(134,206,754)</b>
	<b>96,671,326</b>	<b>148,293,246</b>



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**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**4 Long-term borrowings**

Particulars	Note No.	Rs.	
		As at 31 March 2016	As at 31 March 2015
<b>Debentures (Unsecured)</b>			
519,203 (P.Y 519,203) Zero Coupon Compulsorily Convertible	4a & 6	519,203,000	-
Debentures (CCD) of Rs. 1,000/- each fully paid up			
		<b>519,203,000</b>	<b>-</b>

4a (i) These debentures are held by holding Company, Prestige Estates Projects Limited.

(ii) The terms of the issue of CCD's which are currently applicable are as follows:

-Date of conversion:

No. of Debentures	Date of Issue	Conversion Date
219,203	18-08-07	31-12-19
300,000	20-02-08	31-12-19

-The CCD's are compulsorily convertible into equity shares.

-Each CCD shall carry a zero coupon rate of interest.

-The CCD's are convertible on or before the conversion date at a conversion price subject to the pricing guidelines under applicable laws prevailing at the time of conversion. During the year ended March 31, 2016, the Company has passed resolution extending the conversion date from 31/12/2015 to 31/12/2019 or earlier date as may be mutually agreed.

**5 Short-term borrowings**

Particulars	Note No.	Rs.	
		As at 31 March 2016	As at 31 March 2015
Inter-Corporate Deposits from related parties (unsecured)	5a & 15	348,072,200	329,572,200
		<b>348,072,200</b>	<b>329,572,200</b>

5a Loans & Advances from related parties include Inter Corporate Deposits received from holding company M/s. Prestige Estates Projects Limited which are repayable on demand





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**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**6 Other current liabilities**

Particulars	Note No.	Rs.	
		As at 31 March 2016	As at 31 March 2015
Total outstanding dues to micro & small enterprises		-	-
Total outstanding dues to other than micro & small enterprises			
Current Maturities of Convertible Debentures (CCD)		-	519,203,000
Interest accrued but not due on borrowings	15	165,624,268	120,223,353
Withholding taxes and duties		2,104,998	4,663,964
Others		170,065	51,662
		<b>167,899,331</b>	<b>644,141,979</b>

**7 Inventories (lower of cost and net realizable value)**

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Work In Progress - projects	1,225,350,457	1,215,249,618
	<b>1,225,350,457</b>	<b>1,215,249,618</b>

**8 Cash and Bank balances**

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Balances with banks		
- in current accounts	204,639	507,807
	<b>204,639</b>	<b>507,807</b>
Of the above, the balances that meet the definition of Cash & cash equivalents as per AS-3 Cash Flow Statements is	204,639	507,807

**9 Short-term Loans and advances (unsecured, considered good)**

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Other Advances	40,761	-
	<b>40,761</b>	<b>-</b>



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**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**10 Finance Costs**

Particulars	Rs.	
	Year ended 31 March 2016	Year ended 31 March 2015
Interest on Inter Corporate Deposit	50,445,461	41,504,323
Interest on delayed payment of TDS	639,603	3,644
	<b>51,085,064</b>	<b>41,507,967</b>

**11 Other Expenses**

Particulars	Note No.	Rs.	
		Year ended 31 March 2016	Year ended 31 March 2015
Printing and stationery		344	180
Rates and taxes		27,267	24,648
Legal and professional		183,773	221,911
Auditors remuneration	14	33,205	22,472
Miscellaneous expenses		5,119	-
Repairs and maintenance		287,148	-
		<b>536,856</b>	<b>269,211</b>

**12 Contingent liabilities and capital commitments**

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
<b>Contingent liabilities</b>		
Claims against the Company not acknowledged as debts	-	-
Corporate guarantee given on behalf of holding company	138,750,000	138,750,000
<b>Capital commitment</b>		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	-	-

**13** There are no employees employed by the Company and accordingly there are no employee costs and provision for

**14 Auditors' Remuneration**

Particulars	Rs.	
	Year ended 31 March 2016	Year ended 31 March 2015
<b>Payment to Auditors (Including</b>		
For statutory audit	22,900	22,472
For limited review	10,305	-
	<b>33,205</b>	<b>22,472</b>



**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**15 Related party disclosure**

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

Relationship	Related Parties
Holding Company	Prestige Estates Projects Limited
<b>Other Related parties with whom the Company had transactions :-</b>	
Companies under Common control	Prestige Property Management & Services
Companies in which director/ relatives are interested	Prestige Golf Resorts Private Limited
Key Management Personnel	Mrs. Almas Rezwan, Director
	Mr. Fiaz Rezwan, Director
	Mrs. Uzma Irfan, Director

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

Rs.

Transactions	Holding Company	Other Related Parties	Key Management Personnel	Total
<b>Inter-corporate deposits received</b>				
Prestige Estates Projects Limited	18,500,000	-	-	18,500,000
	(84,000,000)	-	-	(84,000,000)
<b>Interest on Inter-corporate deposits received</b>				
Prestige Estates Projects Limited	50,445,461	-	-	50,445,461
	(41,504,323)	-	-	(41,504,323)
<b>Release of Equitable Mortgage of Land for Bank Guarantee taken by</b>				
Prestige Estates Projects Limited	-	-	-	-
	(138,750,000)	-	-	(138,750,000)
<b>Other Services</b>				
Prestige Property Management & Services	-	287,148	-	287,148
	-	-	-	-

**(iii) Balance Outstanding**

Rs.

<b>Inter corporate deposits received</b>				
Prestige Estates Projects Limited	348,072,200	-	-	348,072,200
	(329,572,200)	-	-	(329,572,200)
<b>Interest expense on Inter corporate deposits</b>				
Prestige Estates Projects Limited	165,624,268	-	-	165,624,268
	(120,223,353)	-	-	(120,223,353)
<b>Payables</b>				
Prestige Estates Projects Limited	3,069	-	-	3,069
	(3,069)	-	-	(3,069)
Prestige Golf Resorts Private Limited	-	91,591	-	91,591
	-	-	-	-
<b>Debentures</b>				
Prestige Estates Projects Limited	519,203,000	-	-	519,203,000
	(519,203,000)	-	-	(519,203,000)
<b>Equitable Mortgage of Land for Bank Guarantee taken by</b>				
Prestige Estates Projects Limited	-	-	-	-
	(138,750,000)	-	-	(138,750,000)

- a) Related party relationships are as identified by the Company on the basis of information available with them and accepted by the auditors.  
b) No amount is / has been written back during the year in respect of debts due from or to related party.  
c) Reimbursement of actual expenses is not disclosed in transactions with Related Parties during the year.  
d) Previous years figures have been given in brackets.





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**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**16 Earnings per share**

Particulars	Figures in rupees except number of shares	
	Year ended 31 March 2016	Year ended 31 March 2015
a) Loss for the year available to equity shareholders	(51,621,920)	(41,777,178)
b) Weighted average number of equity shares - Basic	9,375,000	9,375,000
d) Weighted Average number of Equity shares-Diluted (Refer note below)	9,375,000	9,375,000
e) Nominal Value of shares	10	10
f) Basic Earnings per Share	(5.51)	(4.46)
g) Diluted Earnings per Share	(5.51)	(4.46)

Since the rate of conversion of compulsorily convertible debentures issued has not been finalized, potential equity shares on conversion of debentures have not been considered for EPS calculation.

- 17** 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.

**18 Foreign Exchange Transactions**

Particulars	Rs.	
	Year ended 31 March 2016	Year ended 31 March 2015
Earnings in foreign currency	Nil	Nil
Expenditure in foreign currency	Nil	Nil
Imports on CIF basis	Nil	Nil

- 19** There are no foreign currency exposure as at March 31, 2016 therefore no disclosures have been given thereof.

**20 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.

- 21** There are few cases filed against the company with respect to the lands which was purchased by the company. Further, the company has also filed cases against the parties on the same matter. Presently, the cases are in subjudice. The company is confident of obtaining a favorable verdict. Hence, the company does not foresee liability arising from the above cases.



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**PRESTIGE BIDADI HOLDINGS PRIVATE LIMITED**  
The Falcon House' #1, Main Guard Cross Road, Bangalore - 560 001

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**NOTES FORMING PART OF FINANCIAL STATEMENTS**

- 22 Previous year figures have been regrouped/reclassified wherever necessary to correspond to the current year's classification/disclosure.

Signatures to Notes 1 to 22 of Financial Statements

**for MSSV & Co.**

Chartered Accountants

Firm Registration No.0019878

**Shiv Shankar T.R**

Partner

Membership No.220517



For and on behalf of the Board

**Almas Rezwan**

Director

DIN: 01217463

**Uzma Irfan**

Director

DIN: 01216604

Place: Bangalore

Date: 25 May 2016

Place: Bangalore

Date: 25 May 2016