



## INDEPENDENT AUDITOR'S REPORT

To the Members of

Prestige Garden Resorts Private Limited

### 1. Report on the Financial Statements

We have audited the accompanying financial statements of Prestige Garden Resorts 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 Profit 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 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 : 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:

- a. The company has maintained proper records showing full particulars including situation of fixed assets.
- b. In our opinion and according to information and explanations given to us, having regard to nature of fixed assets, 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.
- c. According to the information and explanation given to us and on basis of our examination of the records of the company, the title deeds of the immovable are held in the name of the Company.

2. In respect of its inventories:

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

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, the company has not granted any loan. However, in the earlier years, the company has granted an unsecured loan of Rs. 4,00,00,000/- to one company covered in the register maintained under section 189 of the Companies Act, 2013.

- a. Based on information and explanation provided to us, based on our opinion the loan granted are not prejudicial to the interest of the Company.



- b. According to the information and explanations given to us, the terms of arrangement do not stipulate any repayment schedule and the loans are repayable on demand. Company has received the demanded amount of Rs.65,00,000/- and the balance loan along with interest is not called for repayment.
- c. There are no overdue amounts in respect of the loans granted to the person covered under the register maintained under section 189 of the Companies Act, 2013.
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 delays in remittance of Income Tax (TDS) and Service Tax 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 mentioned below:

Name of Statute	Nature of dues	Period	Amount (Rs.)
Finance Act, 1994	Service tax	Financial Year 2014-15	34,405/-
Income Tax Act, 1961	Interest on TDS	Financial Year 2013-14	8,855/-



- 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. 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 does not have any debentures. Hence commenting on paragraph 3(viii) of the Order does not arise.
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. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Hence commenting on of paragraph 3(xi) of the Order does not arise.
12. In our opinion and according to the information and explanations given to us, 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 Garden Resorts 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.



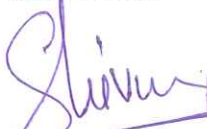
**Opinion**

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 GARDEN RESORTS PRIVATE LIMITED**  
The Falcon House' #1, Main Guard Cross Road, Bangalore - 560 001  
CIN: U85110KA1996PTC020094

**BALANCE SHEET AS AT MARCH 31, 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	9,500,000	9,500,000
Reserves and surplus	3	80,680,248	78,264,078
		<b>90,180,248</b>	<b>87,764,078</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities (Net)	4	6,090,329	8,052,628
<b>Current liabilities</b>			
Trade payables	5	-	-
Total outstanding dues to micro & small enterprises		4,482,857	812,327
Total outstanding dues to other than micro & small enterprises	6	192,350	1,298,505
Other current liabilities	7	1,331,688	148,878
Short-term provisions		<b>6,006,895</b>	<b>2,259,710</b>
<b>Total</b>		<b>102,277,472</b>	<b>98,076,416</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
- Property, Plant and Equipment	8	36,291,552	33,840,164
		<b>36,291,552</b>	<b>33,840,164</b>
<b>Current assets</b>			
Cash and cash equivalents	9	347,710	433,027
Short-term loans and advances	10	42,410,853	46,500,000
Other current assets	11	23,227,357	17,303,225
		<b>65,985,920</b>	<b>64,236,252</b>
<b>Total</b>		<b>102,277,472</b>	<b>98,076,416</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.0019875

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



For and on behalf of the Board

  
**Irfan Razack**  
Director  
DIN: 00209022

  
**Rezwan Razack**  
Director  
DIN: 00209060

Place: Bangalore  
Date: 25 May 2016

Place: Bangalore  
Date: 25 May 2016



**PRESTIGE GARDEN RESORTS PRIVATE LIMITED**

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

CIN: U85110KA1996PTC020094

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

Particulars	Note no.	Year ended 31 March 2016 Rs.	Year ended 31 March 2015 Rs.
<b>Income</b>			
Revenue from operations		-	-
Other income	12	6,582,368	7,331,233
<b>Total Revenue</b>		<b>6,582,368</b>	<b>7,331,233</b>
<b>Expenses</b>			
Depreciation and amortization expense	8	1,455,468	1,415,277
Finance Cost	13	41,280	8,855
Other Expenses	14	3,522,825	3,309,886
<b>Total Expenses</b>		<b>5,019,573</b>	<b>4,734,018</b>
<b>Profit / (loss) before tax</b>		<b>1,562,795</b>	<b>2,597,215</b>
Tax expense:			
- Current tax		1,108,924	881,000
- Income tax pertaining to earlier years		-	32,251
- Deferred tax charge/ (credit)		(1,962,299)	(311,262)
<b>Profit / (loss) after tax</b>		<b>2,416,170</b>	<b>1,995,226</b>
<b>Earnings per equity share (par value Rs 10 each)</b>			
- basic and diluted	18	2.54	2.10
Weighted average number of equity shares considered for computing earnings per share		950,000	950,000

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



**Shriv Shankar T.R.**

Partner

Membership No.220517

Place: Bangalore

Date: 25 May 2016

**For and on behalf of the Board****Irfan Razack**

Director

DIN: 00209022

Place: Bangalore

Date: 25 May 2016

**Rezwan Razack**

Director

DIN: 00209060

**PRESTIGE GARDEN RESORTS PRIVATE LIMITED**

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

CIN: U85110KA1996PTC020094

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

Particulars	Note no.	Year ended 31 March 2016 Rs.	Year ended 31 March 2015 Rs.
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before taxation		1,562,795	2,597,215
Adjustments for non cash & non operating items:			
Depreciation		1,455,468	1,415,277
Interest Earned		(6,582,368)	(7,321,233)
Operating profit before working capital changes		(3,564,105)	(3,308,741)
Adjustments for			
Increase / (Decrease) in Current and Non Current Liabilities		2,564,375	1,192,631
(Increase) / Decrease in Loans & Advances		(5,089)	11,656
Cash generated from operations		(1,004,819)	(2,104,454)
Income tax refund / (payment) - Net		(2,331,878)	(1,451,479)
Net Cash from operating activities - A		(3,336,697)	(3,555,933)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets		(3,906,856)	(1,601,854)
Interest received		658,236	732,123
Inter corporate Deposit (paid)/ recovered		6,500,000	4,500,000
Net Cash From / used in Investing Activities -B		3,251,380	3,630,269
Net Cash From / used in Financing Activities -C		-	-
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)		(85,317)	74,336
Cash & Cash equivalents opening balance		433,027	358,691
Cash & Cash equivalents closing balance		347,710	433,027

Accompanying notes forming part of the Financial Statements

1 to 22

The notes referred to above form an integral part of the Cash flow statement

In terms of our report attached

for MSSV & Co.

Chartered Accountants

Firm Registration No.001987S

Shiv Shankar T.R

Partner

Membership No.220517



For and on behalf of the Board



Irfan Razack

Director

DIN: 00209022



Rezwan Razack

Director

DIN: 00209060

Place: Bangalore

Date: 25 May 2016

Place: Bangalore

Date: 25 May 2016

**PRESTIGE GARDEN RESORTS PRIVATE LIMITED**  
The Falcon House' #1, Main Guard Cross Road, Bangalore - 560 001  
CIN: U85110KA1996PTC020094  
**NOTES FORMING PART OF ACCOUNTS**

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

**i) Corporate Information**

Prestige Garden Resorts Project Limited was incorporated on April 15, 1996. 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. Fixed Assets**

Fixed assets are stated at cost, including expenses incurred to bring the asset to present condition. Any cost incurred relating to settlement of claims regarding titles to the properties is accounted for and capitalized as incurred, wherever the asset is held.

**C. 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:

Building *	58 Years
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\* 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.

**D. 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.





**E. 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.

**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.

**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 upto 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

**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.



**PRESTIGE GARDEN RESORTS PRIVATE LIMITED**  
The Falcon House' #1, Main Guard Cross Road, Bangalore - 560 001  
CIN: U85110KA1996PTC020094

**2 Share capital**

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Authorised capital 5,000,000 (P.Y. 5,000,000) equity shares of Rs 10 each	50,000,000	50,000,000
Issued, subscribed and paid up capital 950,000 (P.Y. 950,000) Equity shares of Rs 10 each, fully paid up	9,500,000	9,500,000
	<b>9,500,000</b>	<b>9,500,000</b>

**List of persons holding more than 5 percent 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	949,990	99.999%	949,990	99.999%
	949,990	99.999%	949,990	99.999%

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

Particulars	As at 31 March 2016		As at 31 March 2015	
	No of shares	Amount	No of shares	Amount
<b>Equity Shares</b>				
At the beginning of the year	950,000	9,500,000	950,000	9,500,000
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>950,000</b>	<b>9,500,000</b>	<b>950,000</b>	<b>9,500,000</b>

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</b>		
Opening balance	44,482,500	44,482,500
<b>Closing Balance (A)</b>	<b>44,482,500</b>	<b>44,482,500</b>
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	33,781,578	31,786,352
Add: Net profit (loss) for the year	2,416,170	1,995,226
<b>Closing Balance (B)</b>	<b>36,197,748</b>	<b>33,781,578</b>
<b>Total (A+B)</b>	<b>80,680,248</b>	<b>78,264,078</b>



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**4 Deferred tax liabilities**

	Rs.	
Particulars	As at 31 March 2016	As at 31 March 2015
<b>Tax effect of :</b>		
Differences in book balance and tax balance of fixed assets	6,306,629	8,269,373
Other temporary disallowances under Income tax Act, 1961	(216,300)	(216,745)
	<b>6,090,329</b>	<b>8,052,628</b>

**5 Trade Payables**

	Rs.	
Particulars	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		
Retention Creditors	286,140	110,887
Capital Creditors	3,496,717	-
Others	700,000	701,440
	<b>4,482,857</b>	<b>812,327</b>

**6 Other current liabilities**

	Rs.	
Particulars	As at 31 March 2016	As at 31 March 2015
<b>Others payable</b>		
Withholding and other taxes and duties payable	136,252	43,260
Other	56,098	1,255,245
	<b>192,350</b>	<b>1,298,505</b>

**7 Short-term Provisions**

	Rs.	
Particulars	As at 31 March 2016	As at 31 March 2015
Provision for Income tax	1,331,688	148,878
	<b>1,331,688</b>	<b>148,878</b>





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**8 Property, Plant and Equipment**

	Rs.		
Particulars	Land	Building	Total
<b>Cost - As at 1 April 2014</b>	5,348,046	46,339,030	51,687,076
Additions	-	1,601,854	1,601,854
Adjustments/Deletions	-	-	-
<b>As at 31 March 2015</b>	5,348,046	47,940,884	53,288,930
Additions	-	3,906,856	3,906,856
Adjustments/Deletions	-	-	-
<b>As at 31 March 2016</b>	5,348,046	51,847,740	57,195,786
<b>Depreciation- As at 1 April 2014</b>	-	18,033,489	18,033,489
Charge for the period	-	1,415,277	1,415,277
Deletion	-	-	-
<b>As at 31 March 2015</b>	-	19,448,766	19,448,766
Charge for the period	-	1,455,468	1,455,468
Deletion	-	-	-
<b>As at 31 March 2016</b>	-	20,904,234	20,904,234
<b>Net Block</b>			
<b>As at 31 March 2015</b>	5,348,046	28,492,118	33,840,164
<b>As at 31 March 2016</b>	5,348,046	30,943,506	36,291,552

**9 Cash and cash equivalents**

	Rs.	
Particulars	As at 31 March 2016	As at 31 March 2015
<b>Balances with banks</b>		
- in current accounts	347,710	433,027
	<b>347,710</b>	<b>433,027</b>
Of the above, the balances that meet the definition of Cash & cash equivalents as per AS-3 Cash Flow Statements is	347,710	433,027

**10 Short-term loans and advances (Unsecured, considered good)**

	Rs.	
Particulars	As at 31 March 2016	As at 31 March 2015
Loans and advances to related parties*	40,000,000	46,500,000
Advance Income Tax	2,405,764	-
Other advances	5,089	-
	<b>42,410,853</b>	<b>46,500,000</b>

\* Includes Rs. 40,000,000/- advance paid to associate company towards operations.



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**11 Other Current Assets**

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Interest accrued but not due	23,227,357	17,303,225
	<b>23,227,357</b>	<b>17,303,225</b>

**12 Other Income**

Particulars	Rs.	
	Year ended 31 March 2016	Year ended 31 March 2015
Interest Income	6,582,368	7,321,233
Other Income	-	10,000
	<b>6,582,368</b>	<b>7,331,233</b>

**13 Finance Costs**

Particulars	Rs.	
	Year ended 31 March 2016	Year ended 31 March 2015
Interest on TDS	41,280	8,855
	<b>41,280</b>	<b>8,855</b>

**14 Other Expenses**

Particulars	Rs.	
	Year ended 31 March 2016	Year ended 31 March 2015
Audit Fee	16,603	11,236
Property tax	212,635	214,635
Legal & Professional charges	-	20,226
Maintenance charges	3,282,351	3,044,422
Rates & Taxes	11,236	19,367
	<b>3,522,825</b>	<b>3,309,886</b>

**15 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 companies under the same management	472,180,000	805,540,000
<b>Capital commitment</b>		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	-	-

\*The above guarantee is given on behalf of holding company M/s. Prestige Estates Projects Limited for working capital loan availed by them.



**16 Related party disclosure :**

**(i) List of related parties**

Relationship	Related Parties
Holding Company	Prestige Estates Projects Limited
Entities in which directors are interested	Cessna Garden Developments (Private) Limited Prestige Property management and Services Prestig Golf Resorts Private Limited
Key managerial personnel	Mr. Irfan Razack, Director Mr. Rezwan Razack, Director Mr. Noaman Razack, Director

**(ii) The following transactions were carried out with the related parties in the ordinary course of business, during the period ended March 31, 2016**

Transactions	Holding Company	Entities in which directors are interested	Key managerial personnel	Total
<b>Services Received</b>				
Prestige Property Management and Services	-	3,268,826	-	3,268,826
	-	(3,117,687)	-	(3,117,687)
<b>Inter Corporate Deposits recovered</b>				
Prestige Estates Projects Limited	6,500,000	-	-	6,500,000
	(4,500,000)	-	-	(4,500,000)
<b>Interest income</b>				
Prestige Estates Projects Limited	6,582,369	-	-	6,582,369
	(7,321,233)	-	-	(7,321,233)
<b>Release of Corporate Guarantee provided to</b>				
Prestige Estates Projects Limited	333,360,000	-	-	333,360,000
	(194,460,000)	-	-	(194,460,000)

**(iii) Balance Outstanding**

<b>Trade Payables</b>				
Prestige Estates Projects Limited	4,295	-		
	(4,295)	-		
<b>Advance Recoverable</b>				
Prestige Golf Resorts Private Limited	-	5,089	-	5,089
	-		-	-
<b>Other Liabilities</b>				
Prestige Property Management and Services	-	-	-	-
	-	(737,020)	-	(737,020)
Prestige Golf Resorts Private Limited	-	-	-	-
	-	(386)	-	(386)
<b>Inter Corporate Deposits receivable</b>				
Prestige Estates Projects Limited	40,000,000	-	-	40,000,000
	(46,500,000)	-	-	(46,500,000)
<b>Interest on inter corporate deposits receivable</b>				
Prestige Estates Projects Limited	23,227,357	-	-	23,227,357
	(17,300,451)	-	-	(17,300,451)
<b>Equitable mortgage on reclaimed Land/Building offered to a third party for Loan taken by -</b>				
Prestige Estates Projects Limited	472,180,000	-	-	472,180,000
	(805,540,000)	-	-	(805,540,000)

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) Figures shown in brackets pertain to previous year ended on March 31, 2015.





**17 Auditors' remuneration**

Particulars	Rs.	
	Year ended 31 March 2016	Year ended 31 March 2015
<b>Payment to the auditors (including service tax) :</b>		
For Statutory audit	11,451	11,236
For Limited Review	5,153	-
<b>Total</b>	<b>16,603</b>	<b>11,236</b>

**18 Earnings per share**

Particulars	Figures in rupees except number of shares	
	Year ended 31 March 2016	Year ended 31 March 2015
Net profit/ (loss) for the period available to equity shareholders	2,416,170	1,995,226
Weighted average number of equity shares outstanding		
- Basic	950,000	950,000
- Diluted	950,000	950,000
Nominal Value of shares	10.00	10.00
Basic Earnings per Share	2.54	2.10
Diluted Earnings per Share	2.54	2.10

19 There are no employees employed by the company and accordingly there are no employee costs and provision for employee benefits.

**20 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

21 There are no foreign currency exposure as at March 31, 2015. Therefore no disclosures have been given thereof.

22 Previous year figures have been re-grouped / re-classified wherever necessary to facilitate comparison with those for the current year's presentation/ disclosure.

Signatures to Notes 1 to 22

**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**

**Irfan Razack**

Director

DIN: 00209022

Place: Bangalore

Date: 25 May 2016

**Rezwan Razack**

Director

DIN: 00209060