



INDEPENDENT AUDITOR'S REPORT

To the Members of
Prestige Shantiniketan Leisures Private Limited

1. Report on the Financial Statements

We have audited the accompanying financial statements of Prestige Shantiniketan Leisures Private Limited ("the Company"), which comprise the Balance Sheet as at 31st 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 31st 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.

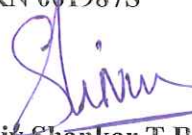
5.2 As required by Section 143(3) of the Act, we report that:

- 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 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st 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 : 25th May, 2016

ANNEXURE A 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. According to information and explanations given to us, 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. 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:

Company is not holding any inventory 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, 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.

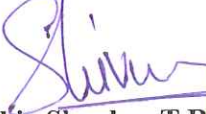


5. During the year covered under our audit, the company has not accepted any deposits from the public. Hence commenting on the compliance of Section 73 to 76 of the Companies Act, 2013 read with rule framed thereunder and the directives issued by the Reserve Bank of India does not arise.
6. According 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, 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) 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, 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
- 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. Based on our audit procedures performed and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank. Also, the company does not have any debentures.



9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments), however company has availed term loans during the financial year and the same has been utilized for the purpose for which it has been obtained.
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. Company has not paid/provided for managerial remuneration. Hence commenting on of paragraph 3(xi) of the Order does not arise.
12. 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. Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. 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: 25th 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 Shantiniketan Lesiures 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 : 25th May, 2016

BALANCE SHEET AS AT MARCH 31, 2016

Particulars	Note no.	As at 31 March 2016 Rs.	As at 31 March 2015 Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	6,300,000	6,300,000
Reserves and surplus	3	(8,814,655)	(2,906,210)
		(2,514,655)	3,393,790
Non-current liabilities			
Long-term borrowings	4	461,407,618	-
Other long-term liabilities	5	-	-
Total outstanding dues to micro & small enterprises		1,500,000	1,500,000
Total outstanding dues to other than micro & small enterprises		462,907,618	1,500,000
Current liabilities			
Short-term borrowings	6	663,000,000	630,000,000
Trade payables	7	-	-
Total outstanding dues to micro & small enterprises		29,887,887	14,621,102
Total outstanding dues to other than micro & small enterprises		413,875,454	293,389,776
Other current liabilities	8	1,106,763,341	938,010,878
Total		1,567,156,304	942,904,668
ASSETS			
Non-current assets			
Fixed assets			
- Property, Plant and Equipment	9	9,341	3,981
- Capital work-in-progress		1,449,665,089	845,920,951
		1,449,674,430	845,924,932
Long-term loans and advances	10	115,683,279	90,559,219
		115,683,279	90,559,219
Current assets			
Trade receivables	11	-	752,720
Cash and bank balances	12	364,711	4,550,376
Short-term loans and advances	13	1,433,884	1,117,421
		1,798,595	6,420,517
Total		1,567,156,304	942,904,668

Accompanying notes forming part of the Financial Statements

1-23

This is the Balance Sheet referred to in our report of even date

for **MSSV & Co.,**
 Chartered Accountants
 Firm registration number: 0019875

Shiv Shankar T R
 Partner
 Membership No. 220517



For and on behalf of the Board

Noaman Razack
 Director
 DIN: 00189329

Mohamed Sadiq Zaid
 Director
 DIN: 01217079

Place: Bangalore
 Date: 25 May 2016

Place: Bangalore
 Date: 25 May 2016

PRESTIGE SHANTINIKETAN LEISURES PRIVATE LIMITED

'The Falcon House', No.1, Main Guard Cross Road, Bangalore - 560001

CIN: U70101KA2007PTC041737

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.
Income			
Revenue from operations		-	-
Other income		-	-
Total Revenue		-	-
Expenses			
Operating and administrative	14	5,906,015	223,171
Depreciation	9	2,430	2,654
		5,908,445	225,825
Profit / (loss) before tax		(5,908,445)	(225,825)
Tax expense:			
- current tax/ minimum alternate tax		-	-
- deferred tax charge/ (credit)		-	-
Profit / (loss) after tax		(5,908,445)	(225,825)
Earnings per share (equity shares, par value Rs 10 each)			
- basic and diluted	16	(9.38)	(0.36)
Weighted average number of equity shares considered for computing earnings per share		630,000	630,000

Accompanying notes forming part of the Financial Statements

1-23

This is the Statement of Profit and Loss referred to in our of even date

for **MSSV & Co.,**

Chartered Accountants

Firm registration number: 0019875

Shiv Shankar T R

Partner

Membership No. 220517



For and on behalf of the Board

Noaman Razack

Noaman Razack

Director

DIN: 00189329

Mohmed Sadiq Zaid

Mohmed Sadiq Zaid

Director

DIN: 01217079

Place: Bangalore

Date: 25 May 2016

Place: Bangalore

Date: 25 May 2016

PRESTIGE SHANTINIKETAN LEISURES PRIVATE LIMITED
 'The Falcon House', No.1, Main Guard Cross Road, Bangalore - 560001
 CIN: U70101KA2007PTC041737

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.
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/ (loss) before tax		(5,908,445)	(225,825)
Adjustments:			
Depreciation	9	2,430	2,654
Operating profit before working capital changes		(5,906,015)	(223,171)
(Increase) in long term & short term loans & advances	13	(25,440,523)	(45,639,412)
(Increase) / Decrease in Trade receivables	11	752,720	(752,720)
(Decrease) / increase in current & non-current liabilities	7	135,752,463	107,255,829
Cash generated from operations		105,158,645	60,640,526
Income taxes refund / (paid) - Net		-	-
Net cash generated from operating activities - A		105,158,645	60,640,526
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets, including capital work in progress		(603,744,138)	(127,056,166)
Capital expenditure in fixed assets	9	(7,790)	-
Net cash generated from investing activities - B		(603,751,928)	(127,056,166)
Cash flow from financing activities			
Proceeds from long term borrowings	4	461,407,618	-
Inter corporate deposit received / (repaid)	6	33,000,000	70,000,000
Net cash generated from financing activities - C		494,407,618	70,000,000
Net decrease in cash and cash equivalents (A+B+C)		(4,185,665)	3,584,360
Cash and cash equivalents at the beginning of the year	12	4,550,376	966,016
Cash and cash equivalents at the end of the year		364,711	4,550,376

Accompanying notes forming part of the Financial Statements

1-23

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

for **MSSV & Co.,**
 Chartered Accountants
 Firm registration number: 0019875


Shiv Shankar T R
 Partner
 Membership No. 220517



For and on behalf of the Board


Noaman Razack
 Director
 DIN: 00189329


Mohmed Sadiq Zaid
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 DIN: 01217079

Place: Bangalore
 Date: 25 May 2016

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PRESTIGE SHANTINIKETAN LEISURES PRIVATE LIMITED
'The Falcon House', No.1, Main Guard Cross Road, Bangalore - 560001
CIN: U70101KA2007PTC041737
NOTES FORMING PART OF ACCOUNTS

1 Significant accounting policies

A. Basis for preparation of financial statements

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:

B. 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 revenue and expenses during the reported period. Actual results could differ from those estimates.

C. Fixed Assets

Fixed assets are carried at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes freight, duties, taxes and other incidental expenses related to the acquisition or construction of the respective assets.

The cost of the fixed assets not ready for their intended use on each balance sheet date, are disclosed as capital work-in-progress.

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. 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:

Computers*	6 Years
Office Equipment*	20 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.



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NOTES FORMING PART OF ACCOUNTS

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 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

H. Borrowing Costs

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.

I. Earning Per Share

The basic 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.



PRESTIGE SHANTINIKETAN LEISURES PRIVATE LIMITED

'The Falcon House', No.1, Main Guard Cross Road, Bangalore - 560001

CIN: U70101KA2007PTC041737

NOTES FORMING PART OF ACCOUNTS**J. Impairment of assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to 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 profit and loss account. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to a maximum of its depreciable historical cost.

2 Share capital

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Authorised		
10,00,000 Equity Shares of Rs. 10/- each	10,00,000	10,00,000
	10,00,000	10,00,000
Issued, subscribed and paid up		
6,30,000 Equity shares of Rs.10/- each fully paid up	6,30,000	6,30,000
(P.Y 6,30,000 equity Shares of Rs 10/- each fully paid up)		
	6,30,000	6,30,000

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

Name of the share holder	As at		As at	
	31 March 2016		31 March 2015	
	No of shares	% holding	No of shares	% holding
Prestige Estates Projects Limited	620,000	98.41%	620,000	98.41%

(b) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at		As at	
	31 March 2016		31 March 2015	
	No of shares	Value of shares	No of shares	Value of shares
At beginning of the year	630,000	6,30,000	630,000	6,30,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	630,000	6,30,000	630,000	6,30,000

(c) Equity shares of Rs.10 each issued, no special rights or restrictions are attached with these shares

3 Reserves and surplus

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Deficit in Statement of profit and loss		
Opening balance	(2,906,210)	(2,680,385)
Add: Net loss for the period	(5,908,445)	(225,825)
Closing Balance	(8,814,655)	(2,906,210)



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NOTES FORMING PART OF ACCOUNTS

4 Long term borrowings

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Term loans (Secured)		
- From financial institutions	461,407,618	-
	461,407,618	-

4a. Details of securities and repayment terms:

(i) Security Details :

- a) Exclusive equitable mortgage of project including project land and escrow of rental receivables of the proposed project
- b) Corporate Guarantee of Prestige Estates Projects Limited
- c) Personal Guarantees of Mr. Irfan Razack, Mr. Rezwan Razack, Mr. Noaman Razack.

(ii) Repayment and other terms :

- a) Repayment in 90 instalments commencing from the end of 31st month from the date of first disbursement
- b) The loan carries interest @ 12.25% per annum

5 Other long-term liabilities

Particulars	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		
Other Advances	1,500,000	1,500,000
	1,500,000	1,500,000

6 Short-term borrowings

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Loans repayable on demand		
Unsecured:		
- Inter Corporate Deposit	663,000,000	630,000,000
	663,000,000	630,000,000

Intercompany deposit received from Prestige Estates Projects Limited having an outstanding balance of Rs.66,30,00,000 (Previous year: Rs.63,00,00,000) is repayable on demand.



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7 Trade payables

Particulars	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		
- Dues to Retention Creditors	29,080,379	14,185,024
- Others	807,508	436,078
	29,887,887	14,621,102
	29,887,887	14,621,102

8 Other current liabilities

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Withholding and other taxes and duties payable	6,046,911	12,454,728
Capital creditors	108,065,862	67,435,154
Interest accrued but not due	299,762,681	213,499,894
	413,875,454	293,389,776



NOTES FORMING PART OF ACCOUNTS

9. Property, Plant and Equipment		Gross block			Accumulated depreciation			Net block		(Amount in Rs.)
		As at 1 April 2015	Additions during the Year	Deletions during the Year	As at 31 March 2016	As at 1 April 2015	Charge for the Year	Deletions	As at 31 March 2016	
<i>Tangible assets:</i>										
Computer		28,723	-	-	28,723	24,742	1,592	-	26,334	3,981
Office Equipment		-	7,790	-	7,790	-	838	-	838	-
Total		28,723	7,790	-	36,513	24,742	2,430	-	27,172	3,981
Previous year		28,723	-	-	28,723	22,088	2,654	-	24,742	6,635

Note:

1) Capital work in progress includes:
 Borrowing cost capitalised during the year

(Amount in Rs.)

	31 March 2016	31 March 2015
	122,563,865	109,226,670



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10 Long-term loans and advances

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Unsecured, considered good		
Capital advance	99,683,279	74,559,219
Other loans and advances		
- Deposits towards joint development	16,000,000	16,000,000
	115,683,279	90,559,219

11 Trade receivables (unsecured, considered good)

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Other receivables	-	752,720
	-	752,720

12 Cash and bank balances

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Cash and cash equivalents		
Balances with banks		
- in current accounts	364,711	4,550,376
	364,711	4,550,376
Of the above, the balances that meet the definition of Cash & cash equivalents as per AS-3 Cash Flow Statements is	364,711	4,550,376

13 Short-term loans and advances

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Unsecured, considered good		
Advance paid to related parties	1,433,884	1,117,421
	1,433,884	1,117,421



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14 Operating and administrative

Particulars	Note No	Rs.	
		Year ended 31 March 2016	Year ended 31 March 2015
Bank Charges		368,966	-
Interest on delayed payment of income tax		5,257,903	177
Rates and taxes		22,605	17,795
Legal and professional		169,121	147,364
Auditor's remuneration	17	72,500	56,180
Miscellaneous expenses		8,884	-
Conveyance		-	1,500
Office Expenses		-	155
Printing and Stationery		4,434	-
Telephone expenses		1,602	-
		5,906,015	223,171

15 Contingent liabilities

Particulars	Rs.	
	Year ended 31 March 2016	As at 31 March 2015
Contingent liabilities		
Claims against the Company not acknowledged as debts	-	-
Corporate guarantee given on behalf of companies under the same management	-	-
Capital commitment		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	1,822,711,726	1,668,753,843

16 Earnings/ (Loss) per share

The following table sets forth the computation of basic and diluted earnings per share:

Particulars	Figures in rupees except number of shares	
	Year ended 31 March 2016	Year ended 31 March 2015
Net (loss) for the year attributable to equity shareholders	(5,908,445)	(225,825)
Weighted average number of equity shares outstanding		
- Basic	630,000	630,000
- Diluted	630,000	630,000
Nominal Value of shares	10	10
Basic Earnings per Share	(9.38)	(0.36)
Diluted Earnings per Share	(9.38)	(0.36)

* The potential dilutive equity shares are anti-dilutive in nature.



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17 Auditors' remuneration (excluding service tax)

Particulars	Rs.	
	Year ended 31 March 2016	Year ended 31 March 2015
Statutory audit fees	50,000	50,000
Limited review	22,500	-
	72,500	50,000

18 Related party disclosure:

(i) Names of related parties and description of relationship:

Relationship	Related Parties
Holding company:	Prestige Estates Projects Limited
Companies under Common control	K2K Infrastructures (India) Private Limited Prestige Golf Resorts Private Limited
Key Management Personnel :	Mr. Irfan Razack (Director Upto 27th March 2015) Mr. Rezwan Razack (Director Upto 27th March 2015) Mr. Jagadeesh Reddy (Appointed on 26th Feb 2016) Mr. Ranganath Pangal Nayak (Appointed on 26th Feb 2016) Mr. Noaman Razack, Director Mr. Mohmed Sadiq Zaid, Director Mr. Fiaz Rezwan, Director

(ii) Related party transactions:

Particulars	Rs.	
	For the year ended 31 March 2016	For the year ended 31 March 2015
Intercompany deposit taken		
Prestige Estates Projects Limited	33,000,000	138,185,460
Intercompany deposit Paid		
Prestige Estates Projects Limited	-	68,185,460
Interest expense on intercompany deposit		
Prestige Estates Projects Limited	95,847,541	90,530,036



NOTES FORMING PART OF ACCOUNTS

(ii) Amount outstanding as at the balance sheet date:

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Intercompany deposit		
Prestige Estates Projects Limited	663,000,000	630,000,000
Interest accrued but not due		
Prestige Estates Projects Limited	299,762,681	213,499,894
Trade Payables		
K2K Infrastructures (India) Pvt. Ltd.	621,414	621,414
Other Advances		
Prestige Estates Projects Limited	1,328,704	-
Prestige Golf Resorts Private Limited	105,180	1,117,421

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.

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

20 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 no employees employed by the Company and accordingly there are no employee costs and provision for employee benefits.

22 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	7,305,806	220,625
Imports on CIF basis	Nil	Nil



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- 23** Previous years figures have been regrouped/reclassified wherever necessary to correspond to the current period's classification/disclosure.

Signatures to Notes 1 to 23 of Financial Statements

for **MSSV & Co.,**

Chartered Accountants

Firm registration number: 001987S


Shiv Shankar T R

Partner

Membership No. 220517



For and on behalf of the Board


Noaman Razack

Director

DIN: 00189329


Mohmed Sadiq Zaid

Director

DIN: 01217079

Place: Bangalore

Date: 25 May 2016

Place: Bangalore

Date: 25 May 2016