



## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Foothills Resorts Private Limited

### 1. Report on the Financial Statements

We have audited the accompanying financial statements of M/s Foothills 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 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.

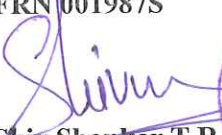
5.2 As required by Section 143(3) of the Act, we report that:

- 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 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 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 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:

- a. The company is not holding any inventory and hence commenting on paragraph 3(ii) of 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 given an advance of Rs.8,55,71,996/- to one company covered under 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. Further, no interest has been stipulated on the said advance.
- c. There are no overdue amounts in respect of the loans granted to the company 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 rules 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 except for 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 for which liability belongs to | Amount (Rs.) |
|-------------------|----------------|---------------------------------------|--------------|
| Finance Act, 1994 | Service Tax    | Financial year 2014 – 2015            | 4,326        |

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.

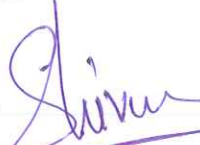

8. Based on our audit procedures performed and according to the information and explanations given by the management, the company has not taken any loans from banks and financial institutions. Also, the company does not have any debentures. Hence commenting on of paragraph 3(viii) of the Order does not 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. Foothills 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**

**FOOTHILLS RESORTS PRIVATE LIMITED**

'The Falcon House', No1, Main Guard Cross Road, Bangalore - 560001

CIN: U55101KA1994PTC016246

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

| Particulars  | Note no. | As at<br>31 March 2016<br>Rs. | As at<br>31 March 2015<br>Rs. |
|--|----------|-------------------------------|-------------------------------|
| <b>EQUITY AND LIABILITIES</b>                                  |          |                               |                               |
| <b>Shareholders' funds</b>                                     |          |                               |                               |
| Share capital  | 2        | 56,206,940                    | 56,206,940                    |
| Reserves and surplus   | 3        | 41,382,122                    | 41,419,225                    |
|  |          | <b>97,589,062</b>             | <b>97,626,165</b>             |
| <b>Current liabilities</b>                                     |          |                               |                               |
| Other current liabilities                                      |          |                               |                               |
| Total outstanding dues to micro & small enterprises            |          |                               |                               |
| Total outstanding dues to other than micro & small enterprises | 4        | 40,054                        | 36,338                        |
|  |          | <b>40,054</b>                 | <b>36,338</b>                 |
| <b>Total</b>   |          | <b>97,629,116</b>             | <b>97,662,503</b>             |
| <b>ASSETS</b>  |          |                               |                               |
| <b>Non-current assets</b>                                      |          |                               |                               |
| Non-current Investments  | 5        | 11,398,480                    | 11,398,480                    |
| Long-term loans and advances                                   | 6        | 85,571,996                    | 85,571,996                    |
|  |          | <b>96,970,476</b>             | <b>96,970,476</b>             |
| <b>Current assets</b>  |          |                               |                               |
| Cash and cash equivalents                                      | 7        | 658,640                       | 692,027                       |
|  |          | <b>658,640</b>                | <b>692,027</b>                |
| <b>Total</b>   |          | <b>97,629,116</b>             | <b>97,662,503</b>             |

Accompanying notes forming part of the Financials Statements

1 to 21

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**

*Badrunissa Irfan*

**Badrunissa Irfan**

Director

DIN: 01191458

*Sameera Noaman*

**Sameera Noaman**

Director

DIN:01191723

Place: Bangalore

Date: 25 May 2016

Place: Bangalore

Date: 25 May 2016

**FOOTHILLS RESORTS PRIVATE LIMITED**

'The Falcon House', No1, Main Guard Cross Road, Bangalore - 560001

CIN: U55101KA1994PTC016246

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

| Particulars  | Note no. | Year ended<br>31 March 2016<br>Rs. | Year ended<br>31 March 2015<br>Rs. |
|--|----------|------------------------------------|------------------------------------|
| Other income   |          | -                                  | 11,229                             |
| <b>Total Revenue</b>   |          | -                                  | <b>11,229</b>                      |
| <b>Expenses</b>  |          |                                    |                                    |
| Other Expenses   | 9        | 37,103                             | 68,961                             |
| <b>Total Expenses</b>  |          | <b>37,103</b>                      | <b>68,961</b>                      |
| <b>Profit / (loss) before tax</b>  |          | <b>(37,103)</b>                    | <b>(57,732)</b>                    |
| Tax expense:   |          |                                    |                                    |
| - Current tax  |          | -                                  | -                                  |
| - Deferred tax charge/ (credit)  |          | -                                  | -                                  |
| <b>Profit / (loss) after tax</b>   |          | <b>(37,103)</b>                    | <b>(57,732)</b>                    |
| <b>Earning per share (equity shares, par value Rs 10 each)</b>                       |          |                                    |                                    |
| - basic and diluted  | 13       | (0.0066)                           | (0.0103)                           |
| Weighted average number of equity shares considered for computing earnings per share |          | 5,620,694                          | 5,620,694                          |

Accompanying notes forming part of the Financials Statements

1 to 21

This is the statement of profit and loss 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

*Badrunissa Irfan*

Badrunissa Irfan

Director

DIN: 01191458

*Sameera Noaman*

Sameera Noaman

Director

DIN: 01191458

Place: Bangalore

Date: 25 May 2016

Place: Bangalore

Date: 25 May 2016



**FOOTHILLS RESORTS PRIVATE LIMITED**

'The Falcon House', No1, Main Guard Cross Road, Bangalore - 560001

CIN: U55101KA1994PTC016246

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

| Particulars   | Note no. | Year ended<br>31 March 2016<br>Rs. | Year ended<br>31 March 2015<br>Rs. |
|---|----------|------------------------------------|------------------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                            |          |                                    |                                    |
| Net Loss before taxation  |          | (37,103)                           | (57,732)                           |
| Adjustments for non cash & non operating items:                       |          |                                    |                                    |
| Depreciation  |          | -                                  | -                                  |
| Operating profit before working capital changes                       |          | (37,103)                           | (57,732)                           |
| Adjustments for   |          |                                    |                                    |
| Increase / (Decrease) in Current and Non Current Liabilities          |          | 3,716                              | 11,625                             |
| <b>Cash generated from operations</b>                                 |          | <b>(33,387)</b>                    | <b>(46,107)</b>                    |
| Income tax refund / (payment) - Net                                   |          | -                                  | -                                  |
| <b>Net Cash from operating activities - A</b>                         |          | <b>(33,387)</b>                    | <b>(46,107)</b>                    |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                            |          |                                    |                                    |
| Net Cash From / used in Investing Activities -B                       |          | -                                  | -                                  |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                            |          |                                    |                                    |
| Net Cash From / used in Financing Activities -C                       |          | -                                  | -                                  |
| <b>Net Increase / (Decrease) in cash and cash equivalents (A+B+C)</b> |          | <b>(33,387)</b>                    | <b>(46,107)</b>                    |
| Cash & Cash equivalents opening balance                               |          | 692,027                            | 738,134                            |
| <b>Cash &amp; Cash equivalents closing balance</b>                    |          | <b>658,640</b>                     | <b>692,027</b>                     |

Accompanying notes forming part of the Financials Statements

1 to 21

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

*Badrunissa Irfan Sameera Noaman*

Badrunissa Irfan

Director

DIN: 01191458

Sameera Noaman

Director

DIN: 01191458

Place: Bangalore

Date: 25 May 2016

Place: Bangalore

Date: 25 May 2016

**FOOTHILLS RESORTS PRIVATE LIMITED**

'The Falcon House', No1, Main Guard Cross Road, Bangalore - 560001

CIN: U55101KA1994PTC016246

**NOTES FORMING PART OF ACCOUNTS**

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

**i) Corporate Information**

M/s. Foothills Resorts Private Limited ("the Company") was incorporated on September 15, 1994 as a private limited company under the Companies Act, 1956 (the "Act"). The registered office of the Company is situated at The Falcon House, No.1, Main Guard Cross Road, Bangalore - 560 001, 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. Investments**

Long term investments are carried at cost, and provision is made to recognize any decline, other than temporary, in the value of such investment.

Current investments are stated at lower of cost or net realizable value.

**C. 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.

**D. 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 (excluding retirement benefits) 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.





**FOOTHILLS RESORTS PRIVATE LIMITED**

'The Falcon House', No1, Main Guard Cross Road, Bangalore - 560001

CIN: U55101KA1994PTC016246

**NOTES FORMING PART OF ACCOUNTS****E. 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.

**F. 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.

**2 Share capital**

| Particulars   | Rs.                    |                        |
|---|------------------------|------------------------|
|   | As at<br>31 March 2016 | As at<br>31 March 2015 |
| <b>Authorised capital</b>   |                        |                        |
| 5,622,000 (P.Y. 5,622,000) equity shares of Rs 10 each                | 56,220,000             | 56,220,000             |
| <b>Issued, subscribed and paid up capital</b>                         |                        |                        |
| 5,620,694 (P.Y. 5,620,694) Equity shares of Rs 10 each, fully paid up | 56,206,940             | 56,206,940             |
|   | <u>56,206,940</u>      | <u>56,206,940</u>      |

Of the above 5,620,694 equity shares (P.Y. 5,620,694) of Rs. 10 each are held by the Holding Company M/s. Prestige Estates Projects Limited





**FOOTHILLS RESORTS PRIVATE LIMITED**

'The Falcon House', No1, Main Guard Cross Road, Bangalore - 560001

CIN: U55101KA1994PTC016246

**NOTES FORMING PART OF ACCOUNTS****List of persons holding more than 5 percent shares in the Company**

| Name of the share holder          | As at<br>31 March 2016 |           | As at<br>31 March 2015 |           |
|-----------------------------------|------------------------|-----------|------------------------|-----------|
|                                   | No of shares           | % holding | No of shares           | % holding |
| Prestige Estates Projects Limited | 5,620,694              | 100.00%   | 5,620,694              | 100.00%   |
|                                   | 5,620,694              | 100.00%   | 5,620,694              | 100.00%   |

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

| Particulars                               | No of shares     | Amount            | No of shares     | Amount            |
|---|------------------|-------------------|------------------|-------------------|
| <b>Equity Shares</b>                      |                  |                   |                  |                   |
| At the beginning of the year              | 5,620,694        | 56,206,940        | 5,620,694        | 56,206,940        |
| Issued during the year                    |                  |                   |                  |                   |
| <b>Outstanding at the end of the year</b> | <b>5,620,694</b> | <b>56,206,940</b> | <b>5,620,694</b> | <b>56,206,940</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<br>31 March 2016 | As at<br>31 March 2015 |
| <b>Deficit in statement of profit and loss</b> |                        |                        |
| Opening balance                                | (823,675)              | (765,943)              |
| Add: Net loss for the year                     | (37,103)               | (57,732)               |
|  | <b>(860,778)</b>       | <b>(823,675)</b>       |
| <b>Securities Premium</b>                      |                        |                        |
| Opening balance                                | 42,242,900             | 42,242,900             |
| Add: Additions during the year                 |                        | -                      |
|  | <b>42,242,900</b>      | <b>42,242,900</b>      |
|  | <b>41,382,122</b>      | <b>41,419,225</b>      |



**FOOTHILLS RESORTS PRIVATE LIMITED**  
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**NOTES FORMING PART OF ACCOUNTS**

**4 Other current liabilities**

| Particulars  | Rs.                    |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2016 | As at<br>31 March 2015 |
| Total outstanding dues to micro & small enterprises            | -                      | -                      |
| Total outstanding dues to other than micro & small enterprises |                        |                        |
| Withholding and other taxes and duties payable                 | 4,526                  | 7,826                  |
| Other payables   | 35,528                 | 28,512                 |
|  | <b>40,054</b>          | <b>36,338</b>          |

**5 Non-Current Investments**

| Particulars   | Rs.                    |                        |
|---|------------------------|------------------------|
|   | As at<br>31 March 2016 | As at<br>31 March 2015 |
| <b>Trade Investments (Unquoted, At cost fully paid up )</b> |                        |                        |
| <b>Equity Instruments in Associate Company</b>              |                        |                        |
| Northland Holding Company Private Limited                   | 11,398,480             | 11,398,480             |
| -1,139,848 (P.Y. - 1,139,848) Equity Shares of Rs. 10 each  |                        |                        |
|   | <b>11,398,480</b>      | <b>11,398,480</b>      |

**6 Long-term loans and advances**

| Particulars                       | Note no. | Rs.                    |                        |
|-----------------------------------|----------|------------------------|------------------------|
|                                   |          | As at<br>31 March 2016 | As at<br>31 March 2015 |
| <b>Unsecured, considered good</b> |          |                        |                        |
| Advance paid to related parties*  | 12       | 85,571,996             | 85,571,996             |
|                                   |          | <b>85,571,996</b>      | <b>85,571,996</b>      |

\* Includes Rs.855,71,996/- advance paid to associate company towards operations.



**FOOTHILLS RESORTS PRIVATE LIMITED**

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**NOTES FORMING PART OF ACCOUNTS****7 Cash and bank balances**

| Particulars  | Rs.                    |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2016 | As at<br>31 March 2015 |
| <b>Cash and cash equivalents</b>   |                        |                        |
| Balances with banks  |                        |                        |
| - in current accounts  | 658,640                | 692,027                |
|  | <b>658,640</b>         | <b>692,027</b>         |
| Of the above, the balances that meet the definition of Cash & cash equivalents as per AS-3 Cash Flow Statements is | 658,640                | 692,027                |

**8 Other Income**

| Particulars  | Note no. | Rs.                         |                             |
|--------------|----------|-----------------------------|-----------------------------|
|              |          | Year ended<br>31 March 2016 | Year ended<br>31 March 2015 |
| Other Income |          | -                           | 11,229                      |
|              |          | <b>-</b>                    | <b>11,229</b>               |

**9 Other Expenses**

| Particulars            | Note no. | Rs.                         |                             |
|------------------------|----------|-----------------------------|-----------------------------|
|                        |          | Year ended<br>31 March 2016 | Year ended<br>31 March 2015 |
| Rates and taxes        |          | -                           | 11,658                      |
| Audit Fee              | 14       | 16,578                      | 11,236                      |
| Legal and professional |          | 20,525                      | 46,067                      |
|                        |          | <b>37,103</b>               | <b>68,961</b>               |





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**NOTES FORMING PART OF ACCOUNTS****10 Contingent liabilities and capital commitments**

| Particulars  | Year ended<br>31 March 2016 | Year ended<br>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                                       | -                           | -                           |
| <b>Capital commitment</b>  | -                           | -                           |
| Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for | -                           | -                           |

- 11 In the opinion of the Management all the current assets have value of realization in the ordinary course of business which is at least equal to the amount at which they are stated in the balance sheet.

**12 Related party disclosure :****(i) List of related parties**

| Relationship  | Related Parties   |
|---|---|
| Holding company   | Prestige Estates Projects Limited                                 |
| Other Related parties with whom the Company had transactions :- |   |
| Associate enterprise  | Northland Holding Company Private Limited                         |
| Key Management Personnel  | Mrs. Badrunissa Irfan<br>Mrs. Almas Rezwan<br>Mrs. Sameera Noaman |

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

| Transactions | Controlling Entity | Other related parties | Key Management Personnel | Total |
|--------------|--------------------|-----------------------|--------------------------|-------|
| Nil          |                    |                       |                          |       |

**iii) Balance Outstanding**

|   |          |              |   |              |
|---|----------|--------------|---|--------------|
| <b>Advance paid to Associate Company</b>  |          |              |   |              |
| Northland Holding Company Private Limited | -        | 85,571,996   | - | 85,571,996   |
|   | -        | (85,571,996) | - | (85,571,996) |
| <b>Payables</b>                           |          |              |   |              |
| Prestige Estates Projects Limited         | 11,658   | -            | - | 11,658       |
|   | (11,658) | -            | - | (11,658)     |



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**NOTES FORMING PART OF ACCOUNTS**

- 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

**13 Earnings per share**

| Particulars  | Figures in rupees except number of shares |                             |
|--|---|-----------------------------|
|  | Year ended<br>31 March 2016               | Year ended<br>31 March 2015 |
| Net profit/ (loss) for the period available to equity shareholders | (37,103)                                  | (57,732)                    |
| Weighted average number of equity shares outstanding               |   |                             |
| - Basic  | 5,620,694                                 | 5,620,694                   |
| - Diluted  | 5,620,694                                 | 5,620,694                   |
| Nominal Value of shares  | 10  | 10                          |
| Basic Earnings per Share   | (0.0066)                                  | (0.0103)                    |
| Diluted Earnings per Share   | (0.0066)                                  | (0.0103)                    |

**14 Auditors' Remuneration**

| Particulars  | Rs.                         |                             |
|--|-----------------------------|-----------------------------|
|  | Year ended<br>31 March 2016 | Year ended<br>31 March 2015 |
| <b>Payment to Auditors (including service tax) :</b> |                             |                             |
| Statutory audit                                      | 8,588                       | 11,236                      |
| Limited Review                                       | 5,140                       | -                           |
|  | <b>13,728</b>               | <b>11,236</b>               |

- 15 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.
- 16 There are no employees employed by the company and accordingly there are no employee costs and provision for employee benefits.



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**NOTES FORMING PART OF ACCOUNTS****17 Segment Reporting**

The operations of the company include real estate development constituting a single segment and has restricted to one geographical area. Hence the disclosure of segment information as per Accounting standard 17 prescribed by the Companies (Accounting Standards) Rules, is not applicable.

**18 Foreign Exchange Transactions**

| Particulars                     | Rs.                         |                             |
|---------------------------------|-----------------------------|-----------------------------|
|                                 | Year ended<br>31 March 2016 | Year ended<br>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 Under a Scheme of Arrangement ('the Scheme') as approved by the Board of Directors on March 29, 2016, the management is in the process of merging the Company with Prestige Estates Projects Limited (holding Company) on a going concern basis, with effect from April 1, 2015 (the Appointed Date) wherein all the assets and liabilities appearing in the books of accounts of the Company shall stand transferred to and vested in Holding Company, as the case may be pursuant to the Scheme and shall be recorded by Holding Company at values as may be determined by the Board of Directors of the Holding Company. The Company is in the process of obtaining the necessary statutory approvals (including the approval of the High Court) for the proposed scheme. Pending final outcome in this regard, management is of the view that no adjustments are required to be made to the carrying value of assets and liabilities.

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

Signatures to Notes 1 to 21 of Financial Statements

for MSSV & Co.

Chartered Accountants

Firm Registration No.001987S

Shiv Shankar T.R

Partner

Membership No.220517



Place: Bangalore

Date: 25 May 2016

For and on behalf of the Board

Badrunissa Irfan

Director

DIN: 01191458

Place: Bangalore

Date: 25 May 2016

Sameera Noaman

Director

DIN: 01191458