



## INDEPENDENT AUDITOR'S REPORT

To the Members of Northland Holding Company Private Limited

### 1. Report on the Financial Statements

We have audited the accompanying financial statements of Northland Holding Company Private Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, 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 Indian accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian accounting standards) Rules, 2015. 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, 2017;
- 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 Indian accounting standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian accounting standards) Rules, 2015.
- e. On the basis of the written representations received from the directors as on 30<sup>th</sup> May taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 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 : 27<sup>th</sup> May, 2017

**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. In our opinion and according to information and explanations given to us, having regard to the 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:
  - a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. Further the company has not found out any material discrepancies during such physical verification.
3. In respect of loans secured or unsecured, granted by the Company to Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013:

During the period covered by our audit, company has not granted any loan to any person covered under the register maintained under section 189 of the Companies Act, 2013. Hence, 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 Companies (Auditor's Report) Order, 2016 ('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 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 other than those stated below:

Statute	Nature of dues	Period	Amount (in Rs.)
Income - tax Act, 1961	Interest on delayed remittance of TDS	Financial Year – 2014- 15	1,10,496
Income - tax Act, 1961	Interest on delayed remittance of TDS	Financial Year – 2015- 16	74,307

- 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 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) and term loans during the financial year. Hence commenting on paragraph 3(ix) of the Order does not arise.
10. According to information given to us, no material 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: 27<sup>th</sup> May, 2017**

**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. Northland Holding Company Private Limited ("the Company") as of March 31, 2017 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, 2017 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 :27<sup>th</sup> May, 2017**

**NORTHLAND HOLDING COMPANY PRIVATE LIMITED**  
THE FALCON HOUSE, NO.1, MAIN GUARD CROSS ROAD, BANGALORE-560001  
CIN : U45202KA2009PTC049345  
**BALANCE SHEET AS AT 31 MARCH, 2017**

₹ In hundreds

Particulars	Note No.	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>I. ASSETS</b>				
<b>Non Current assets</b>				
Property, plant and equipment	5	2,798,812.22	2,800,265.00	2,810,041.81
Capital work in progress		9,853,357.05	7,670,876.15	5,465,790.37
Other Non current Assets	6	623,562.66	632,220.21	636,727.76
Deferred Tax Asset		105,046.05	-	-
		<b>13,380,777.99</b>	<b>11,103,361.37</b>	<b>8,912,559.94</b>
<b>Current assets</b>				
Inventories		56,984.97	50,555.97	44,534.66
Financial asset				
i. Trade receivables	8	284,051.53	61,369.70	54,510.06
ii. Cash and cash equivalents	9	96,429.55	74,045.72	51,876.87
Other Current Assets	10	63,441.24	19,246.00	35,803.54
Income Tax Assets(net)		25,417.04	20,661.58	7,704.32
		<b>526,324.34</b>	<b>225,878.97</b>	<b>194,429.45</b>
<b>Total</b>		<b>13,907,102.32</b>	<b>11,329,240.34</b>	<b>9,106,989.39</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity Share Capital	11	300,000.00	300,000.00	300,000.00
Other Equity	12	(3,058,694.63)	(2,834,164.46)	(2,344,210.37)
		<b>(2,758,694.63)</b>	<b>(2,534,164.46)</b>	<b>(2,044,210.37)</b>
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
Financial Liabilities				
i. Borrowings	13	9,244.19	1,265,521.52	-
Other non-current liabilities	14	4,994,631.11	4,988,535.70	4,988,535.70
Provisions	15	48,758.38	25,965.77	38,431.54
		<b>5,052,633.68</b>	<b>6,280,022.99</b>	<b>5,026,967.24</b>
<b>Current liabilities</b>				
Financial Liabilities				
i. Borrowings	16	8,934,978.19	6,121,977.69	5,197,914.24
ii. Trade Payables	17	94,106.76	46,360.82	79,370.49
Other current liabilities	18	2,582,033.10	1,412,951.81	844,664.43
Provisions	19	2,045.21	2,091.49	2,283.36
		<b>11,613,163.27</b>	<b>7,583,381.81</b>	<b>6,124,232.52</b>
<b>Total</b>		<b>13,907,102.32</b>	<b>11,329,240.34</b>	<b>9,106,989.39</b>

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

for **MSSV & Co.**

Chartered Accountants

Firm Registration No.001987S

**Shiv Shankar I.R.**

Partner

Membership No.220517

For and on behalf of the Board

*Uzma Irfan*  
**Uzma Irfan**  
Director

DIN : 01216604

*Faiz Rezwan*

**Faiz Rezwan**

Director

DIN : 01217423

Place: Bangalore

Date: 27th May, 2017

Place: Bangalore

Date: 27th May, 2017

Place: Bangalore

Date: 27th May, 2017

**NORTHLAND HOLDING COMPANY PRIVATE LIMITED**  
THE FALCON HOUSE, NO.1, MAIN GUARD CROSS ROAD, BANGALORE-560001  
CIN : U45202KA2009PTC049345  
**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH, 2017**

₹ in hundreds

Particulars	Note No.	Year ended 31 Mar 2017	Year ended 31 Mar 2016
<b>Income</b>			
Revenue from operations	20	1,458,061.63	956,271.08
Other income	21	2,866.04	3,641.42
		<b>1,460,927.66</b>	<b>959,912.50</b>
<b>Expenses</b>			
Cost of sales	22	727,536.83	554,493.54
Employee Benefit Expense	23	843,409.35	701,296.54
Finance costs	24	34,241.19	54,603.75
Depreciation and amortization expense	5	27,156.48	28,053.54
Other expenses	25	159,991.38	111,419.23
		<b>1,792,335.23</b>	<b>1,449,866.60</b>
<b>Profit / (Loss) before tax</b>		<b>(331,407.56)</b>	<b>(489,954.09)</b>
Tax expense:			
Current tax		-	-
MAT		-	-
Deferred Tax		(105,611.94)	-
<b>Total Tax expense</b>		<b>(105,611.94)</b>	<b>-</b>
<b>Profit / (Loss) after tax</b>		<b>(225,795.62)</b>	<b>(489,954.09)</b>
<b>Other comprehensive income</b>			
Items that may be reclassified to profit or loss		-	-
Items that will not be reclassified to profit or loss		-	-
Remeasurements of post- Employment benefit obligations		1,831.35	-
Income tax relating to these items		(565.89)	-
<b>Other Comprehensive income for the year, net of tax</b>		<b>1,265.46</b>	<b>-</b>
<b>Total Comprehensive Income</b>		<b>(224,530.16)</b>	<b>(489,954.09)</b>
<b>Earnings per Equity Share (equity shares, par value Rs 10 each)</b>			
- basic	34	(7.48)	(16.33)
- diluted	34	(7.48)	(16.33)
Weighted average number of equity shares considered for computing earnings per share		3,000,000	3,000,000

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

for **MSSV & Co.**

Chartered Accountants

Firm Registration No.0019879

Shiv Shankar T.R

Partner

Membership No.220517

For and on behalf of the Board

*Uzma Irfan*  
Uzma Irfan  
Director  
DIN : 01216604

Faiz Rezwan

Director

DIN : 01217423

Place: Bangalore

Date: 27th May, 2017

Place: Bangalore

Date: 27th May, 2017

Place: Bangalore

Date: 27th May, 2017

**NORTHLAND HOLDING COMPANY PRIVATE LIMITED**  
THE FALCON HOUSE, NO.1, MAIN GUARD CROSS ROAD, BANGALORE-560001  
CIN : U45202KA2009PTC049345

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2017**

₹ in hundreds

Particulars	Note No.	Year Ended 31 March, 2017	Year Ended 31 March, 2016
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Loss before taxation		(331,407.56)	(489,954.09)
Adjustments for non-cash & non-operating items:			
Depreciation	5	27,156.48	28,053.54
Interest on borrowings	24	34,069.48	53,646.21
Gratuity Other Comprehensive Income		1,831.35	
<b>Operating profit before working capital changes</b>		<b>(268,350.26)</b>	<b>(408,254.35)</b>
Adjustments for			
Increase / (Decrease) in Current Liabilities	18	428,126.36	96,849.37
Increase / (Decrease) in Trade Payables	17	47,745.94	(33,009.66)
Increase / (Decrease) in Long-term/Short-term Provisions	12,16	22,746.33	(12,657.64)
(Increase) / Decrease in Inventories		(6,429.00)	(6,021.31)
(Increase) / Decrease in Trade receivables	8	(222,681.83)	(6,859.65)
(Increase) / Decrease in Short-term/Long-term Loans & Advances	10	(35,537.70)	21,065.09
<b>Cash generated from operations</b>		<b>(34,380.15)</b>	<b>(348,888)</b>
Income tax refund / (payment) - Net		(4,755.46)	(12,957)
<b>Net Cash from operating activities - A</b>		<b>(39,135.61)</b>	<b>(361,845)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Expenditure incurred on Capital Work-in-progress		(1,378,525.25)	(1,749,653.88)
Purchase of fixed assets	5	(25,703.70)	(18,276.72)
<b>Net Cash From / used in Investing Activities -B</b>		<b>(1,404,228.95)</b>	<b>(1,767,930.60)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from/ (Repayment of) short term borrowings (unsecured, net)	10,11,13	1,523,439.72	2,195,398.33
Decrease in overdrawn balances from banks	16	39,378.86	(5,813.37)
Finance costs	15,22	(97,070.20)	(37,640.12)
<b>Net Cash From / used in Financing Activities -C</b>		<b>1,465,748.38</b>	<b>2,151,944.84</b>
<b>Net Increase / (Decrease) in cash and cash equivalents (A+B+C)</b>		<b>22,383.83</b>	<b>22,168.85</b>
Cash & Cash equivalents opening balance		74,045.72	51,876.87
<b>Cash &amp; Cash equivalents closing balance</b>		<b>96,429.55</b>	<b>74,045.72</b>

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

for **MSSV & Co.**

Chartered Accountants

Firm Registration No.0019875

**Shiv Shankar T.R**

Partner

Membership No.220517



For and on behalf of the Board

*Uzma Irfan*  
**Uzma Irfan**  
Director  
DIN : 01216604

*Faiz Rezwan*

**Faiz Rezwan**

Director

DIN : 01217423

Place: Bangalore

Date: 27th May, 2017

Place: Bangalore

Date: 27th May, 2017

Place: Bangalore

Date: 27th May, 2017

**NORTHLAND HOLDING COMPANY PRIVATE LIMITED**  
**THE FALCON HOUSE, NO.1, MAIN GUARD CROSS ROAD, BANGALORE-560001**  
**CIN : U45202KA2009PTC049345**  
**STATEMENT OF CHANGES IN EQUITY**

₹ in hundreds

Particulars	Equity share capital			Total equity
		Securities premium	Retained Earnings	
As at 1 April 2015	300,000.00	-	(2,344,210.37)	(2,044,210.37)
Profit for the period	-	-	(489,954.09)	(489,954.09)
Other Comprehensive Income / (Loss) for the year, net of income tax	-	-	-	-
<b>Total Comprehensive Income for the year</b>	<b>300,000.00</b>	<b>-</b>	<b>(489,954.09)</b>	<b>(189,954.09)</b>
As at 31 March 2016	300,000.00	-	(2,834,164.46)	(2,534,164.46)
Profit for the period	-	-	(225,795.62)	(225,795.62)
Other Comprehensive Income / (Loss) for the year, net of income tax	-	-	1,265.46	1,265.46
<b>Total Comprehensive Income for the year</b>	<b>300,000.00</b>	<b>-</b>	<b>(224,530.16)</b>	<b>75,469.84</b>
As at 31 March 2017	300,000.00	-	(3,058,694.63)	(2,758,694.63)

This is the statement of changes in equity referred to in our report of even date

For MSSV & Co  
Chartered Accountants  
Firm Registration No.0019875

Shiv Shankar T.R.  
Partner  
Membership No.220517



For and on behalf of the Board

*Uzma Irfan*  
Uzma Irfan  
Director  
DIN : 01216604

*Falaz Rezwan*  
Falaz Rezwan  
Director  
DIN : 01217423

Place: Bangalore  
Date: 27th May, 2017

Place: Bangalore  
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Date: 27th May, 2017



**NORTHLAND HOLDING COMPANY PRIVATE LIMITED**  
THE FALCON HOUSE, NO.1, MAIN GUARD CROSS ROAD, BANGALORE-560001  
CIN : U45202KA2009PTC049345  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**1 Corporate Information**

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

The Company is a private limited company incorporated and domiciled in India and has its registered office at Bangalore, Karnataka, India.

The financial statements are approved for issue by the Company's Board of Directors on May 19, 2017

**2 Significant accounting policies**

**2.1 Statement of compliance**

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("the Act") (to the extent notified). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendments Rules, 2016.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 - First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Sec 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1 April 2015. Refer Note 4 for the details of first-time adoption exemptions availed by the Company.

**2.2 Basis of preparation and presentation**

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**2.3 Use of Estimates**

The preparation of the financial statements in conformity with Ind AS requires the Management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities), income and expenses and accompanying disclosures. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**2.4 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.



## 2.5 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below:

### a. Recognition of Revenue from Real Estate Developmental Projects:

Revenue from real estate developmental projects under development is recognised based on 'Percentage Completion Method'.

The Percentage Completion Method is applied when the stage of completion of the project reaches a reasonable level of development. Reasonable level of development is achieved when the following threshold are met:

- i. All critical approvals necessary for commencement of the project have been obtained.
- ii. The expenditure incurred on construction and development costs is not less than 25 % of the construction and development costs.
- iii. Atleast 25% of the saleable project area is secured by contracts or agreements with buyers.
- iv. Atleast 10 % of the total revenue as per the agreements of sale or any other legally enforceable documents are realised at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

For computation of revenue, the stage of completion is arrived at with reference to the entire project costs incurred including land costs, borrowing costs and construction and development costs as compared to the estimated total costs of the project. The percentage completion method is applied on a cumulative basis in each reporting period and the estimates of saleable area and costs are revised periodically by the management. The effect of such changes to estimates is recognised in the period such changes are determined. The changes to estimates also include changes arising out of cancellation of contracts. In such cases any revenues attributable to such contracts previously recognised are reversed.

When it is probable that total project costs will exceed total eligible project revenues, the expected loss is recognised as an expense immediately when such probability is determined.

Further, in cases where the Company has entered into agreements with land owners/possessor to develop properties on such land in lieu of which, the Company has agreed to transfer certain percentage of constructed area or certain percentage of the revenue proceeds, the revenue from the development and transfer of constructed area/revenue sharing arrangement in exchange of such development rights/ land is being accounted on Gross basis.

The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

### b. Recognition of revenue from sale of plots and completed units

Revenue from sale of plots and completed units is recognised upon transfer of all significant risks and rewards of ownership in the property to the buyer and are net of adjustments on account of cancellation.

### c. Recognition of revenue from contractual projects

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

If the outcome of contractual contract can be reliably measured, revenue associated with the construction contract is recognised by reference to the stage of completion of the contract activity at year end (the percentage of completion method). The stage of completion on a project is measured on the basis of proportion of the contract work/ based upon the contracts/ agreements entered into by the Company with its customers.



**d. Recognition of Revenue from rental and allied services:**

Facility and hire charges, property maintenance income and other related services are recognised on accrual basis as per the terms and conditions of relevant agreements.

The Company's policy for recognition of revenue from operating leases is described in note 3.9 below.

**e. Recognition of Revenue from hospitality services:**

Revenues from the room rentals during a guest's stay at the hotel is recognised based on occupation and revenue from sale of food and beverages and other allied services, as the services are rendered.

Membership fee is recognised on a straight line basis over the period of membership.

**f. Share in profits of Limited liability partnership (LLP) and partnership firms**

Share of profit / loss from partnership firm is recognised based on the financial information provided and confirmed by the respective firms.

**g. Dividend income**

Revenue is recognised when the shareholders' or unit holders' right to receive payment is established, which is generally when shareholder approve the dividend.

**h. Interest income**

Interest income, including income arising from other financial instruments, is recognised using the effective interest rate method except for interest on delayed payment by customers are accounted on receipt basis.

**2.6 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

**a. The Company as lessor**

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease except where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line

**b. The Company as lessee**

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease except where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

**2.7 Borrowing Cost**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. 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 upto 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.

**2.8 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 / realisation is recorded to the Statement of Profit and 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.

**2.9 Employee Benefits**

Employee benefits include provident fund and employee state insurance scheme, gratuity and compensated absences.

**a. Short-term obligations**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.



The cost of short-term compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

**b. Other Long-term employee benefit obligations**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefit are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**c. Post-employment obligations**

The Company operates the following post-employment schemes:

**i. Defined Contribution Plan:**

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made. The Company has no further payment obligations once the contributions have been paid.

**ii. Defined Benefit Plan:**

The liability or assets recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The defined benefit obligation is calculated by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in the employee benefit expenses in the statement of profit or loss.

Remeasurement gains and loss arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**2.10 Income Taxes**

Income tax expense represents the sum of the tax currently payable and deferred tax.

**a. Current tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

**b. Deferred tax**

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability





Deferred income assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability

Current tax and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity,

**c. Minimum Alternate Tax (MAT)**

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 entity will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the entity.

**2.11 Property, plant and equipment's**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition and installation, including interest on borrowing for the project / property, plant and equipment's up to the date the asset is put to use. Any cost incurred relating to settlement of claims regarding titles to the properties is accounted for and capitalised as incurred.

Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

*Transition to Ind AS*

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

*Depreciation method, estimated useful lives and residual values*

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on property, plant and equipment's is provided using written-down value method over the useful lives of assets estimated by the Management. The Management estimates the useful lives for the fixed assets as follows:

Particulars	As at	As at	As at
	31 March 2017	31 March 2016	1 April 2015
Building *	58 Years	58 Years	58 Years
Plant and machinery *	20 Years	20 Years	20 Years
Office Equipment*	20 Years	20 Years	20 Years
Furniture and fixtures *	15 Years	15 Years	15 Years
Vehicles*	10 Years	10 Years	10 Years
Computers and Accessories*	6 Years	6 Years	6 Years

\* For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, 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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in statement of profit and loss.

In respect of leasehold improvement plant & machinery and leasehold improvement furniture & fixtures, depreciation has been provided over lower of leasable period or useful lives.

**2.12 Capital work-in-progress**

Projects under which tangible assets are not yet ready for their intended use are carried at cost comprising direct cost, related incidental expenses and attributable interest.





Depreciation is not provided on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

### 2.13 Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

Investment properties are depreciated using written-down value method over the useful lives. Investment properties generally have a useful life of 58-60 years. The useful life has been determined based on internal assessment and independent technical evaluation carried out by external valuers, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement.

For transition to Ind AS, the Company has elected to continue with the carrying value of its investment property recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

The fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit and loss in the period in which the property is derecognised.

### 2.14 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets, comprising of software are amortized on the basis of written down value method over a period of 6 years, which is estimated to be the useful life of the asset.

### 2.15 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 2.16 Inventories

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

Inventory also comprises stock of food and beverages and operating supplies and is carried at the lower of cost and net realisable value. Cost includes all expenses incurred in bringing the goods to the point of sale and is determined on a Weighted Average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make



## **2.17 Provisions and contingencies**

A provision is recognised 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.

## **2.18 Financial Instruments**

### **2.18a Initial recognition**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

### **2.18b Subsequent measurement**

#### **a. Non-derivative financial instruments**

##### **Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

##### **Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

##### **Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

##### **Investments in Subsidiaries, joint ventures and associates**

Investments in subsidiaries, joint ventures and associates are carried at cost in the financial statements

#### **b. Share Capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are recognized as a deduction from equity, net of any tax effects.

### **2.18c Derecognition of financial instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

### **2.18d Impairment of financial assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit and loss.



## 2.19 Operating cycle and basis of classification of assets and liabilities

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

## 2.20 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## 2.21 Earnings per share

Basic earnings per share has been computed by dividing net income by the weighted average number of shares outstanding during the year. Diluted earnings per share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive.

## 2.22 Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

## 3 Recent accounting pronouncements

### Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from April 1, 2017.

### Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

### Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

Ind AS 102 Share based payment is not applicable to the Company, hence the amendment has no impact on the Company.



#### 4 First-time adoption - mandatory exceptions, optional exemptions

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note have been applied in preparing the financial statements for the year ended 31 March, 2017, the comparative information presented in these financial statements for the year ended 31 March, 2016 and in the preparation of an opening Ind AS balance sheet at 1 April, 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exemptions applied in the transition for previous GAAP to Ind AS.

##### Ind AS optional exemptions

###### 4.1 Deemed Cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment's covered by Ind AS 16 *Property, plant and equipment's* as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 *Intangible Assets* and Investment property covered by Ind AS Investment properties.

The Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

###### 4.2 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to apply this exemption for such contracts/ arrangements.

##### Ind AS Mandatory exemptions

###### 4.3 Estimates

As entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

- a. Investment in equity instruments carried at FVPL;
- b. Investment in debt instruments carried at FVPL; and
- c. Impairment of financial assets based on expected credit loss method.

###### 4.4 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initial accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.



**NORTHLAND HOLDING COMPANY PRIVATE LIMITED**  
 THE FALCON HOUSE, NO.1, MAIN GUARD CROSS ROAD, BANGALORE-560001  
 CIN : U45202KA2009PTC049345  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**5. Property, Plant and Equipment**

	₹ in hundreds					
Particulars	Land	Plant & Machinery	Computers	Furniture & Fixtures	Vehicles	Total
<b>Cost - As at 1 April 2015</b>	2,650,218.93	117,873.55	2,656.52	15,686.26	23,606.55	2,810,041.82
Additions	-	11,789.04	2,567.29	2,074.79	1,845.60	18,276.72
Adjustments/Deletions	-	-	-	-	-	-
<b>As at 31 March 2016</b>	<b>2,650,218.93</b>	<b>129,662.59</b>	<b>5,223.81</b>	<b>17,761.05</b>	<b>25,452.15</b>	<b>2,828,318.54</b>
Additions	-	4,355.22	4,469.16	534.77	16,344.55	25,703.70
Adjustments/Deletions	-	-	-	-	-	-
<b>As at 31 March 2017</b>	<b>2,650,218.93</b>	<b>134,017.81</b>	<b>9,692.97</b>	<b>18,295.82</b>	<b>41,796.70</b>	<b>2,854,022.24</b>
<b>Depreciation- As at 1 April 2015</b>	-	-	-	-	-	-
Charge for the period	-	17,070.65	1,641.53	3,113.25	6,228.11	28,053.54
Deletion	-	-	-	-	-	-
<b>As at 31 March 2016</b>	-	<b>17,070.65</b>	<b>1,641.53</b>	<b>3,113.25</b>	<b>6,228.11</b>	<b>28,053.54</b>
Charge for the period	-	16,130.58	2,654.78	2,723.45	5,647.68	27,156.48
Deletion	-	-	-	-	-	-
<b>As at 31 March 2017</b>	-	<b>33,201.23</b>	<b>4,296.30</b>	<b>5,836.70</b>	<b>11,875.79</b>	<b>55,210.01</b>
<b>Net Block</b>						
<b>As at 31 March 2017</b>	<b>2,650,218.93</b>	<b>100,816.59</b>	<b>5,396.66</b>	<b>12,459.13</b>	<b>29,920.92</b>	<b>2,798,812.22</b>
<b>As at 31 March 2016</b>	<b>2,650,218.93</b>	<b>112,591.94</b>	<b>3,582.28</b>	<b>14,647.80</b>	<b>19,224.05</b>	<b>2,800,265.00</b>
<b>As at 1 April 2015</b>	<b>2,650,218.93</b>	<b>117,873.55</b>	<b>2,656.52</b>	<b>15,686.26</b>	<b>23,606.55</b>	<b>2,810,041.81</b>





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**6 Other Non current Assets**

Particulars	₹ In hundreds		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Capital Advances	611,167.66	621,730.21	635,927.76
Security Deposits	12,395.00	10,490.00	800.00
	<b>623,562.66</b>	<b>632,220.21</b>	<b>636,727.76</b>

**7 Deferred Tax (Asset) / Liability (Net)**

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Deferred tax relates to the following</b>			
<i>Deferred Tax Assets</i>			
Impact of difference in carrying amount of Property, plant and equipment as per tax accounts and books.	3,426.62	-	-
Carried forward losses	95,805.61	-	-
Expenses disallowed now which will be allowed on payment basis	6,379.72	-	-
<i>Deferred tax liabilities</i>			
Impact of difference in carrying amount of Property, plant and equipment as per tax accounts and books.	-	-	-
Impact of fair valuation of financial assets (net)	(565.89)	-	-
	<b>105,046.06</b>	<b>-</b>	<b>-</b>

**8 Trade receivables**

Particulars	₹ In hundreds		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Other receivables(unsecured, considered good)	284,051.53	61,369.70	54,510.06
	<b>284,051.53</b>	<b>61,369.70</b>	<b>54,510.06</b>

**9 Cash and cash equivalents**

Particulars	₹ In hundreds		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
a) Cash on Hand	771.21	828.99	581.34
a) Balances with banks - in current accounts	95,658.34	73,216.73	51,295.53
	<b>96,429.55</b>	<b>74,045.72</b>	<b>51,876.87</b>

Details of Specified Bank Notes (SBN) held and transacted during the period from 8 November, 2016 to 30 December, 2016 are as follows

	Specified Bank Notes	Other Denomination notes	Total
Closing cash in hand as on 8 November, 2016	140,000	2,100	142,100
Add: Permitted receipts	-	957,222	957,222
Less: Permitted payments	-	362,552	362,552
Less: Amount deposited in Banks	140,000	462,570	602,570
Closing cash in hand as on 30 December, 2016	<b>-</b>	<b>134,200</b>	<b>134,200</b>



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**10 Other Current Assets**

Particulars	₹ in hundreds		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Advances to related parties		-	5,765.63
Advances to staff	843.70	701.21	2,607.97
Prepaid expenses	17,018.38	13,759.98	5,139.31
Other advances	45,579.16	4,784.81	22,290.63
	<b>63,441.24</b>	<b>19,246.00</b>	<b>35,803.54</b>

**11 Equity Share Capital**

Particulars	₹ in hundreds		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Authorised capital</b>			
30,00,000 (P.Y. 30,00,000) equity shares of Rs 10 each	300,000.00	300,000.00	300,000.00
<b>Issued, subscribed and paid up capital</b>			
30,00,000 (P.Y. 30,00,000) equity shares of Rs 10 each, fully paid up	300,000.00	300,000.00	300,000.00
	<b>300,000.00</b>	<b>300,000.00</b>	<b>300,000.00</b>

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

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No of shares	Amount (Rs.)	No of shares	Amount (Rs.)	No of shares	Amount (Rs.)
<b>Equity Shares</b>						
At the beginning of the year	3,000,000	300,000.00	3,000,000	300,000.00	3,000,000	300,000.00
Shares issued during the year	-	-	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>3,000,000</b>	<b>300,000.00</b>	<b>3,000,000</b>	<b>300,000.00</b>	<b>3,000,000</b>	<b>300,000.00</b>

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

Name of the share holder	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
Prestige Hospitality Ventures	3,000,000	100.00%	-	-	-	-
Downhills Holiday Resorts Pvt Ltd	-	-	1,079,856	36.00%	1,079,856	36.00%
Foothills Resorts Pvt Ltd	-	-	1,139,848	37.99%	1,139,848	37.99%
Pennar Hotels and Resorts Pvt Ltd	-	-	779,896	26.00%	779,896	26.00%
	<b>3,000,000</b>	<b>100.00%</b>	<b>2,999,600</b>	<b>99.99%</b>	<b>2,999,600</b>	<b>99.99%</b>

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

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

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

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



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**12 Other Equity**

Particulars	₹ In hundreds		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Deficit in Statement of Profit and Loss			
Opening balance	(2,834,164.46)	(2,344,210.37)	(1,676,919.65)
Add: Net profit/ (loss) for the year/period	(224,530.16)	(489,954.09)	(667,290.72)
	<b>(3,058,694.63)</b>	<b>(2,834,164.46)</b>	<b>(2,344,210.37)</b>

**13 Borrowings**

Particulars	₹ In hundreds		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Term Loan - from banks	9,244.19	1,265,521.52	-
	<b>9,244.19</b>	<b>1,265,521.52</b>	<b>-</b>

**14 Other non current liabilities**

Particulars	₹ In hundreds		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Loans and advances from related parties (Unsecured)	4,962,619.66	4,962,619.66	4,962,619.66
Lease Deposits	1,800.00	1,800.00	1,800.00
- Retention Creditors	30,211.45	24,116.04	24,116.04
	<b>4,994,631.11</b>	<b>4,988,535.70</b>	<b>4,988,535.70</b>

**15 Provisions**

Particulars	₹ In hundreds		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Provision for Gratuity	23,980.01	6,976.60	23,146.49
Provision for Compensated absences	24,778.37	18,989.17	15,285.05
	<b>48,758.38</b>	<b>25,965.77</b>	<b>38,431.54</b>

**16 Borrowings**

Particulars	₹ In hundreds		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Inter Corporate Deposits from related parties (unsecured, repayable on demand)	8,879,913.82	6,106,292.18	5,176,415.37
Overdrawn Bank balances	55,064.37	15,685.51	21,498.87
	<b>8,934,978.19</b>	<b>6,121,977.69</b>	<b>5,197,914.24</b>

a Unsecured loans are subject to interest rates ranging from 0% to 15% per annum.

There are no continuing defaults in repayment of principal and interest existing as on the balance sheet date.

**17 Trade Payables**

Particulars	₹ In hundreds		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Creditors			
Payable for materials	62,978.87	30,562.24	64,193.69
Payable for services	31,127.90	15,798.58	15,176.80
	<b>94,106.76</b>	<b>46,360.82</b>	<b>79,370.49</b>



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**18 Other current liabilities**

Particulars	₹ In hundreds		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Interest accrued but not due on borrowings	1,580,492.91	839,537.98	368,099.98
Advance received from Customers	412,582.60	222,068.44	121,858.44
Withholdings and other taxes and duties payable	76,707.75	48,537.57	75,275.24
Capital Creditors	334,174.92	196,693.88	226,840.70
Other Payables	178,074.92	106,113.94	52,590.07
	<b>2,582,033.10</b>	<b>1,412,951.81</b>	<b>844,664.43</b>

**19 Provisions**

Particulars	Note No.	₹ In hundreds		
		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Provision for Gratuity		-	-	199.82
Provision for Compensated absences		2,045.21	2,091.49	2,083.54
		<b>2,045.21</b>	<b>2,091.49</b>	<b>2,283.36</b>



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**20 Revenue from Operations**

Particulars	₹ In hundreds	
	Year ended 31 Mar 2017	Year ended 31 Mar 2016
<b>Sale of services:</b>		
Golf Services	421,150.99	344,679.00
Membership Fees	107,047.67	83,944.71
Villa Maintenance & Rental	364,338.80	141,901.66
Facility Services	850.07	3,680.43
Tournament sponsorship fees	45,523.85	25,353.85
(A)	<b>938,911.39</b>	<b>599,559.65</b>
<b>Sale of goods:</b>		
Golf	43,014.99	47,534.69
Restaurant	476,135.25	309,176.74
(B)	<b>519,150.24</b>	<b>356,711.43</b>
(A) + (B)	<b>1,458,061.63</b>	<b>956,271.08</b>

**21 Other Income**

Particulars	₹ In hundreds	
	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Miscellaneous income	2,866.04	3,641.42
	<b>2,866.04</b>	<b>3,641.42</b>

**22 Cost of Sales**

Particulars	₹ In hundreds	
	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Opening Stock	50,555.97	44,534.66
Add: Purchases and other operating expenses	733,965.82	560,514.85
Less: Closing Stock	(56,984.97)	(50,555.97)
	<b>727,536.83</b>	<b>554,493.54</b>

**23 Employee Benefit Expense**

Particulars	₹ In hundreds	
	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Salaries & Wages	686,120.69	572,813.25
Employers' Contribution to PF	51,490.82	42,715.16
Employers' Contribution to ESIC	13,927.55	11,174.62
Staff welfare expenses	91,870.30	74,593.51
	<b>843,409.35</b>	<b>701,296.54</b>

**24 Finance Costs**

Particulars	₹ In hundreds	
	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Interest on borrowings	838,025.13	509,078.12
Interest - Others	171.71	957.54
	838,196.84	510,035.66
Less: Apportioned to Capital Work-in-progress	(803,955.65)	(455,431.91)
	<b>34,241.19</b>	<b>54,603.75</b>





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**25 Other Expenses**

Particulars	Note No.	₹ In hundreds	
		Year ended 31 Mar 2017	Year ended 31 Mar 2016
Insurance		7,627.32	5,562.88
Rates and taxes		21,272.01	10,999.60
Legal and professional		3,190.51	859.73
Auditors' Remuneration	28	2,125.00	2,125.00
Bank Charges & Credit card commission		11,046.79	7,538.45
Business Promotion		19,957.95	6,272.82
General & Administrative expenses		18,417.00	16,265.78
Telephone expenses		6,561.44	7,293.51
Repairs & Maintenance			
Computers		2,609.32	2,461.75
Vehicles		5,850.11	6,235.20
Golf course management fees		61,333.93	45,804.51
		<b>159,991.38</b>	<b>111,419.23</b>

**26 Tax expenses**

**a Income tax recognised in profit or loss**

Particulars	₹ In hundreds	
	Year ended 31 Mar 2017	Year ended 31 Mar 2016
<b>Current tax</b>		
In respect of the current year		
In respect of prior years		
<b>MAT</b>		
In respect of the current year		
<b>Deferred tax</b>		
In respect of the current year	(105,612)	-
	(105,612)	-
	<b>(105,612)</b>	<b>-</b>

**b Reconciliation of tax expense and accounting profit**

Particulars	₹ In hundreds	
	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Profit before tax from continuing operations	(331,407.56)	(489,954.09)
Tax rate	0.31	0.31
Income tax expense calculated at applicable tax rate	(102,404.94)	(151,395.81)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	285.53	-
Effect of expenses that are not deductible in determining taxable profit	-	-
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	(3,492.53)	151,395.81
Income tax expense recognised in profit or loss	<b>(105,611.94)</b>	<b>-</b>



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**27 Contingent liabilities and capital commitments**

Particulars	₹ in hundreds		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Contingent liabilities</b>			
Claims against the Company not acknowledged as debts	-	-	-
Corporate guarantee given on behalf of companies under the same management	40,350,000.00	40,350,000.00	40,350,000.00
<b>Capital commitment</b>			
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	-	10,940,778.17	6,064,869.08

**28 Auditors' Remuneration**

Particulars	₹ In hundreds	
	Year ended 31 Mar 2017	Year ended 31 Mar 2016
<b>Payment to Auditors:</b>		
Statutory audit	1,000.00	1,000.00
Tax audit	500.00	500.00
VAT audit	175.00	175.00
Limited Review	450.00	450.00
	<b>2,125</b>	<b>2,125</b>

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

**29 Fair values**

None of financial assets are measured at fair values.

The fair value of the financial assets and liabilities will approximate to its carrying amounts.

**30 Financial risk management objectives and policies**

The company's risk management is carried out by Board of directors in accordance with the policies laid down. The board of directors of the company identifies, evaluates and manages risk in close co-operation with the holding company's management.

The objectives, policies and process of managing the each type of risk is detailed as below:

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity/real estate risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits.

**Interest rate risk**

The company has sourced its fund requirements from Inter Corporate deposits with fixed rate of interest and are repayable on demand. Hence, the company is not exposed to interest rate risk.

**Commodity price**

The Company has no exposure to commodity prices as it does not deal in derivative instruments whose underlying is a commodity.



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**Equity price risk**

The Company's exposure to equity price risk is not material as at all the reporting periods presented in the financial statements.

**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The company's exposure is mainly with regard to capital advance paid to a single party towards acquisition of multiple land units. The credit exposure is controlled by the Board of Directors through continuous review of the status of such advances.

**Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they become due. The company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient funds to meet its liabilities as and when they are due. The Company's Board undertakes this responsibility and supervises the liquidity ratios at regular intervals.

As at March 31, 2017, all the financial liabilities of the company are expected to be settled within 12 months from the end of the reporting period except for the following:

-Inter corporate deposits - INR 88.79 Crores (March 31, 2016 : 61.06 Crores and April 1, 2015 : 51.76 Crores). Though the said Inter Corporate Deposit is repayable on demand, the company doesn't expect to be settled within 12 months.

**31 Capital management**

The company manages its capital in such a way to ensure that there is timely availability of funds for the operations. The capital structure of the Company consists of equity and short term debt (Inter corporate Deposits). Till 31st March 2017, the operations of the company are predominantly funded by means of Inter corporate deposits. The Company is not subject to any externally imposed capital requirements. The Company's Board reviews the capital structure and determines the appropriate composition of debt and equity.

- 32** In the opinion of the Management all the current assets have on 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.

**33 Related party disclosure :**

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

Relationship	Related Parties
Ultimate Holding Company	Prestige Estates Projects Limited
<b>Other Related parties with whom the Company had transactions :-</b>	
Enterprise with significant influence and common management	Prestige Hospitality Ventures
	Pennar Hotels and Resorts Private Limited
	Foothills Resorts Private Limited
	Downhills Holiday Resorts Private Limited
	K2K Infrastructure India Private Limited
	Prestige Fashions Pvt Ltd
	Prestige Golf Resorts Pvt Ltd
Key Management Personnel	Prestige Leisure Resorts Pvt Ltd
	Ms. Uzma Irfan (from 01.10.2014)
	Ms. Fiaz Rezwan (from 01.10.2014)
	Mr. Jagdeesh Reddy (from 26.02.2016)
	Mr. Ranganath Pangal Nayak (from 26.02.2016)
	Mrs. Badrunissa Irfan (from 28.03.2015)
	Mr. Irfan Razack, Director (till 07.10.2014)
	Mr. Rezwan Razack, Director (till 07.10.2014)
	Mr. Noaman Razack, Director (till 07.10.2014)



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(ii) Transactions with Related Parties during the year-

₹ In hundreds

Transactions	Holding Company	Enterprise with significant influence	Key Management Personnel	Total
<b>Purchase of goods</b>				
Prestige Fashions Pvt Ltd	-	5,911	-	5,911
	-	(5,640)	-	(5,640)
<b>Inter corporate deposits received</b>				
Prestige Estates Projects Limited	2,820,000	-	-	2,820,000
	(1,030,000)	-	-	(1,030,000)
<b>Interest expense on Inter Corporate Deposits</b>				
Prestige Estates Projects Limited	838,025	-	-	838,025
	(509,078)	-	-	(509,078)
<b>Services received</b>				
K2k Infrastructure(India) Pvt Ltd	-	13,642	-	13,642
	-	-	-	-
<b>Sale of Services</b>				
Faiz Rezwan	-	-	1,921	1,921
	-	-	(398)	(398)
Irfan Razack	-	-	418	418
	-	-	(1,354)	(1,354)
Noaman Razack	-	-	2,752	2,752
	-	-	(1,276)	(1,276)
Rezwan Razack	-	-	317	317
	-	-	(53)	(53)
Uzma Irfan	-	-	106	106
	-	-	-	-
Prestige Estates Projects Limited	256,904	-	-	256,904
	(171,164)	-	-	(171,164)

(iii) Balance Outstanding

₹ In hundreds

<b>Trade Payables</b>				
Prestige Leisure Resorts Pvt Ltd	-	346	-	346
	-	(346)	-	(346)
<b>Other Payables</b>				
Prestige Golf Resorts Pvt Ltd	-	36,749	-	36,749
	-	(6,223)	-	(6,223)
<b>Refundable deposit received</b>				
Prestige Estates Projects Limited	4,962,620	-	-	4,962,620
	(4,962,620)	-	-	(4,962,620)
<b>Inter corporate deposits taken by the Company</b>				
Prestige Estates Projects Limited	6,637,879	-	-	6,637,879
	(3,864,257)	-	-	(3,864,257)
<b>Interest accrued but not due on inter corporate deposits taken by Company</b>				
Prestige Estates Projects Limited	1,580,493	-	-	1,580,493
	(826,270)	-	-	(826,270)
<b>Unsecured loan taken by the company</b>				
Downhill Holiday Resorts Pvt Ltd	-	816,885	-	816,885
	-	(816,885)	-	(816,885)
Foothill Resorts Pvt Ltd	-	855,720	-	855,720
	-	(855,720)	-	(855,720)
Pennar Hotels & Resorts Pvt Ltd	-	569,430	-	569,430
	-	(569,430)	-	(569,430)
<b>Trade Receivables</b>				
Prestige Estates Projects Limited	91,342	-	-	91,342
	(8,098)	-	-	(8,098)



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

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

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

d) Figures shown in brackets pertain to previous year ending 31 March, 2016

**34 Earnings per share**

Particulars	₹ in hundreds	
	Year ended 31 Mar 2017	Year ended 31 Mar 2016
a) Net profit/ (loss) for the year available to equity shareholders	(224,530)	(489,954)
b) Weighted average number of equity shares - Basic	3,000,000	3,000,000
c) Weighted Average number	3,000,000	3,000,000
d) Nominal Value of shares	10	10
e) Basic Earnings per Share	(7.48)	(16.33)
f) Diluted Earnings per Share	(7.48)	(16.33)

**35 Employee benefits**

The details of employee benefits as required under Indian Accounting Standard 19 'Employee Benefits' is given below:

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

Particulars	₹ In hundreds	
	Year ended 31 March 2017	Year ended 31 March 2016
Employers' Contribution to Provident Fund	51,490.82	42,715.16
Employers' Contribution to ESI	13,927.55	11,174.62
	<b>65,418.37</b>	<b>53,889.78</b>

(ii) **Defined Benefit Plan :** In accordance with Indian Accounting Standard - 19 Actuarial Valuation based on projected unit credit method as on 31 March 2017 has been carried out in respect of the aforesaid defined benefit plan of Gratuity, the details thereon is given below:

Particulars	₹ in hundreds	
	Year ended 31 March 2017	Year ended 31 March 2016

**Components of employer expense:**

Current Service cost	16,194	11,879
Interest cost	2,515	1,815
Expected return on plan assets	(1,974)	(989)
Past Service Cost - Vested/Non Vested Benefit	-	-
Actuarial Losses/(Gains)	-	(3,701)
<b>Total expense/(income) recognized in the Profit &amp; Loss Statement</b>	<b>16,735</b>	<b>9,004</b>

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

Opening Fair Value of Plan Assets	25,474	-
Expected return on plan assets	1,974	989
Actuarial gains/(losses)	(516)	(731)
Contributions by Employer	-	25,374
Benefits paid	(308)	(158)
<b>Closing Fair Value of Plan Assets</b>	<b>26,624</b>	<b>25,474</b>





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

Present Value of DBO at the beginning of the year	32,451	23,346
Current service cost	16,194	11,879
Interest cost	2,515	1,815
Actuarial (gains)/losses	(2,348)	(4,431)
Past Service Cost - Vested/Non Vested Benefit		-
Benefits paid	(308)	(158)
<b>Present value of DBO at the end of the year</b>	<b>48,504</b>	<b>32,451</b>

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

Fair value of plan assets	26,625	25,474
Present Value of Defined Benefit Obligation	(48,504)	(32,451)
<b>Net asset/(liability) recognized in balance sheet</b>	<b>(21,879)</b>	<b>(6,977)</b>

**Actuarial Assumptions:**

Discount Rate	7.25%	7.75%
Expected Return on plan assets	8.00%	8.00%
Salary escalation rate	7.00%	7.00%

**Experience History**

Particulars	₹ In hundreds	
	Year ended 31 March 2017	Year ended 31 March 2016
Present Value of Defined Benefit Obligation	48,504	32,451
Fair Value of Plan Assets	26,625	25,474
Surplus/(Deficit) Recognized	(21,879)	(6,977)
<b>The experience adjustments arising on :</b>		
Experience adjustment on Plan Liabilities: Gain/(Loss)	5,397	4,642
Experience adjustment on Plan Assets	516	(731)

**Note:**

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

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

Leave salary benefit expensed in the Statement of Profit & Loss for the year is Rs.8,769/- (Previous Year - Rs.5,457/-) and outstanding towards leave salary is Rs.26,824/- (P.Y - Rs.21,081/-)

- 36 The net worth of the Company has been completely eroded as at March 31, 2017. The Company however is able to operate uninterrupted with continued financial support from its ultimate Holding Company M/s Prestige Estates Projects Limited. Also based on the turnaround strategy adopted by the Company, the management projects that the company will generate profits in future. Accordingly, the management believes that the Company will continue as a going concern and thereby realise its assets and discharge its liabilities in the normal course of its business. Thus, these financial statements do not include any adjustments relating to the recoverability of recorded asset amounts and in respect of liabilities as might be necessary for compilation on an alternative basis.
- 37 **Dues to Micro, Small and Medium Enterprises**  
There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding at the Balance Sheet date, computed on unit wise basis, determined to the extent such parties identified on the basis of information available with the Company. This has been relied upon by the auditors.
- 38 There is no taxable income under regular computation of income and also in accordance with provisions of Sec 115JB of the Income Tax Act, 1961. Hence, no provision has been made in these accounts.



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39 Capital work-in progress includes investment properties under construction amounting to Rs. 98,53,35,705 as at 31 March 2017 ( 31 March 2016 -Rs. 76,70,87,615 , 1 April 2015 -Rs. 54,65,79,037. The management is of the view that the fair value of investment properties under construction cannot be reliably measured and hence fair value disclosures pertaining to investment properties under construction have not been provided.

**40 First time Ind AS adoption reconciliation**

**a Reconciliation of total equity as at 31 March 2016 and 1 April 2015**

Particulars	₹ In hundreds	
	As at 31 March 2016	As at 1 April 2015
Total equity (shareholders' fund) under previous GAAP	(2,534,164)	(2,044,210)
Impact of Ind AS adoption to equity	-	-
Total equity under Ind AS	<u>(2,534,164)</u>	<u>(2,044,210)</u>

**b Reconciliation of total comprehensive income for the year ended 31 March 2016**

Particulars	₹ In hundreds	
	Year ended 31 Mar 2016	
Profit as per previous GAAP	(489,954)	
Impact of Ind AS adoption on profit/ loss for the year	-	
Profit as per Ind AS	<u>(489,954)</u>	

**c Reconciliation of Cash and cash equivalents as at 31 March 2016 and 1 April 2015**

Particulars	₹ In hundreds	
	As at 31 March 2016	As at 1 April 2015
Cash and cash equivalents for the purpose of statement of cashflows as per previous GAAP	74,046	51,877
Impact of Ind AS adoption	-	-
Cash and cash equivalents for the purpose of statement of cashflows under Ind AS	<u>74,046</u>	<u>51,877</u>

41 Previous periods figures have been regrouped/reclassified wherever necessary to correspond to the current period's classification/ disclosure.

for MSSF & Co.

Chartered Accountants

Firm Registration No.0019875

Shiv Shankar T.R

Partner

Membership No.220517

Place: Bangalore

Date: 27th May, 2017

For and on behalf of the Board

Uzma Irfan

Director

DIN : 01216604

Place: Bangalore

Date: 27th May, 2017

Faiz Rezwan

Director

DIN : 01217423

Place: Bangalore

Date: 27th May, 2017