

## INDEPENDENT AUDITOR'S REPORT

### To The Members of Prestige Mysore Retail Ventures Private Limited Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Prestige Mysore Retail Ventures Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing prescribed under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report etc., but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and

changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

W,

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS prescribed under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid/provided for the remuneration to its directors during the year. Accordingly, reporting on compliance with the requirements of section 197 of the Act is not applicable.

WJ

- h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/100018)



**Sathya P. Koushik**

Partner  
(Membership No. 206920)

**BENGALURU**, May 24, 2019  
SPK/SMG/RM/2019

**"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Report on the Internal Financial Controls Over Financial Reporting 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 of Prestige Mysore Retail Ventures Private Limited ("the Company") as of March 31, 2019 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. 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of

aw

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, to the best of our information and according to the explanations given to us, 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, 2019, based on the criteria for internal financial control over financial reporting 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 **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



**Sathya P. Koushik**

Partner

(Membership No. 206920)

**BENGALURU**, May 24, 2019  
SPK/SMG/RM/2019

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**  
**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements'**  
**section of our report of even date)**

- (i) (a) The Company is in the process of updating its records to include full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us and having regard to our comments in clause (i)(a) above, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the confirmation directly received by us from lender, immovable properties of land and buildings whose title deeds have been pledged as security for loan are held in the name of the Company.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year and does not have any unclaimed deposits. Hence, reporting under clause (v) of the Order is not applicable to the Company.
- (vi) Having regard to the nature of the Company's business, reporting under clause (vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service tax, Value Added Tax, Goods and Services Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Value Added Tax, Goods and Services Tax, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
  - (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2019 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us and confirmation given by bank, the Company has not defaulted in the repayment of loans or borrowings to bank. The Company has not taken any loans or borrowings from financial institutions and government. There were no debentures which were due for payment.

(w)

- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has not paid/provided for the remuneration to its directors during the year. Accordingly, reporting under clause (xi) of the Order is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding Company or persons connected with them and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/100018)



**Sathya P. Koushik**

Partner

(Membership No. 206920)

**BENGALURU**, May 24, 2019  
SPK/SMG/RM/2019



**Prestige Mysore Retail Ventures Private Limited**  
**Balance Sheet as at March 31, 2019**

Particulars	Notes	As at March 31, 2019	Rs. in Millions As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and equipment	4	48.13	67.84
Investment property	5	2,079.42	2,226.68
Investment property under development		52.72	42.25
Intangible assets	6	0.46	0.68
Financial assets			
Loans	7	7.19	7.32
Other non current assets	8	17.16	15.67
<b>Total Non-Current Assets</b>		<b>2,205.08</b>	<b>2,360.44</b>
<b>Current assets</b>			
Inventories	9	0.67	0.28
Financial assets			
Trade receivables	10	18.53	24.34
Cash and cash equivalents	11 a	2.48	0.87
Other Bank balances	11 b	46.30	36.00
Other financial assets	12	8.61	6.21
Other current assets	13	1.35	22.82
<b>Total Current Assets</b>		<b>77.94</b>	<b>90.52</b>
<b>TOTAL ASSETS</b>		<b>2,283.02</b>	<b>2,450.96</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	14	431.90	431.90
Other equity	15	592.90	756.04
<b>Total Equity</b>		<b>1,024.80</b>	<b>1,187.94</b>
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	16	969.42	650.19
Other financial liabilities	17	60.66	40.01
Provisions	18	0.67	0.46
Other non-current liabilities	19	5.17	34.99
<b>Total Non-Current Liabilities</b>		<b>1,035.92</b>	<b>725.65</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	20	-	170.63
Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises		7.90	-
Total outstanding dues of creditors other than micro enterprises and small		9.68	14.74
Other financial liabilities	22	198.69	348.93
Other current liabilities	23	6.01	3.03
Provisions	24	0.02	0.04
<b>Total Current Liabilities</b>		<b>222.30</b>	<b>537.37</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,283.02</b>	<b>2,450.96</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

*Sathya P. Koushik*  
**Sathya P. Koushik**  
 Partner



Place: Bengaluru  
 Date: May 24, 2019

**For and on behalf of the Board of Directors**

*Irfan Razack*  
**Irfan Razack**  
 Director  
 DIN : 00209022

*Sameera Noaman*  
**Sameera Noaman**  
 Managing Director  
 DIN : 0001191723

Place: Bengaluru  
 Date: May 24, 2019

Place: Bengaluru  
 Date: May 24, 2019



**Prestige Mysore Retail Ventures Private Limited**  
**Statement of Profit and Loss For the year ended March 31, 2019**

Particulars	Notes	Rs. in Millions	
		For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations	25	209.18	41.43
Other income	26	3.22	1.45
<b>Total Income - (I)</b>		<b>212.40</b>	<b>42.88</b>
<b>EXPENSES</b>			
Employee benefits expense	27	19.50	4.76
Finance Costs	28	99.57	20.60
Depreciation and amortization expense	4&5	174.75	41.38
Other expenses	29	81.79	35.16
<b>Total Expenses - (II)</b>		<b>375.61</b>	<b>101.90</b>
<b>Loss before tax (III = I-II)</b>		<b>(163.21)</b>	<b>(59.02)</b>
Tax expense			
- Current tax		-	-
- Deferred Tax		-	-
<b>Total Tax Expenses - (IV)</b>		<b>-</b>	<b>-</b>
<b>Loss for the year (V = III - IV)</b>		<b>(163.21)</b>	<b>(59.02)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		-	-
Remeasurements of the defined benefit liabilities / (asset)		0.06	(0.01)
Tax impact on the above		-	-
<b>Total other comprehensive income (VI)</b>		<b>0.06</b>	<b>(0.01)</b>
<b>Total comprehensive income for the year (V + VI)</b>		<b>(163.15)</b>	<b>(59.03)</b>
<b>(Loss) per share (Equity shares, par value of Rs 10 each)</b>			
Basic and Diluted EPS (in Rs.)	31	<b>(3.73)</b>	<b>(1.35)</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

*Sathya P. Koushik*

**Sathya P. Koushik**  
Partner



Place: Bengaluru  
Date: May 24, 2019

**For and on behalf of the Board of Directors**

*Irfan Razack*

**Irfan Razack**  
Director  
DIN : 00209022

Place: Bengaluru  
Date: May 24, 2019

*Sameera Noaman*

**Sameera Noaman**  
Director  
DIN : 0001191723

Place: Bengaluru  
Date: May 24, 2019



**Prestige Mysore Retail Ventures Private Limited**  
**Statement of cash flows for the year ended March 31, 2019**

Particulars	Rs. in Millions	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Cash flow from operating activities</b>		
(Loss) before tax	(163.21)	(59.02)
<b>Adjustments:</b>		
Depreciation and amortization expense	174.75	41.38
Interest expense	96.95	19.97
Interest Income	(2.64)	(1.45)
Provision for Expected credit loss	2.59	-
Liabilities no longer required written back	(0.10)	0.00
<b>Operating profit/ (loss) before working capital changes</b>	<b>108.34</b>	<b>0.88</b>
<b>Changes in working capital</b>		
(Increase)/decrease in other Inventory	(0.39)	(0.28)
(Increase)/decrease in Trade Receivables	3.22	(24.34)
(Increase)/decrease in other assets	19.88	(33.82)
Increase/(decrease) in Trade payables	2.84	14.74
Increase/(decrease) in other liabilities	7.47	76.73
Increase/(decrease) in provision	0.25	0.46
<b>Cash (used in)/generated from operations</b>	<b>141.61</b>	<b>34.37</b>
Income taxes (paid)/ refund (net)	(14.98)	(1.60)
<b>Net cash (used in)/generated from operating activities</b>	<b>126.63</b>	<b>32.77</b>
<b>Cash flow from investing activities</b>		
Purchase of property plant and equipment, including investment properties under development	(165.25)	(358.27)
Interest income received	1.98	0.42
Investments in fixed deposits	(2.16)	(36.00)
<b>Net cash used in investing activities</b>	<b>(165.43)</b>	<b>(393.85)</b>
<b>Cash flow from financing activities</b>		
Proceeds from borrowings (net of repayments)	24.95	233.87
Proceeds from Intercompany Deposits	103.50	138.60
Interest paid on bank borrowings/ Intercompany Deposits	(79.90)	(10.89)
(Increase)/decrease in Other Bank Balance (not considered as cash and cash equivalents)	(8.14)	0.00
<b>Net cash generated from financing activities</b>	<b>40.41</b>	<b>361.58</b>
<b>Net increase in Cash and cash equivalents</b>	<b>1.61</b>	<b>0.50</b>
Cash and cash equivalents at the beginning of the year (Refer Note 11 a)	0.87	0.37
<b>Cash and cash equivalents at the end of the year (Refer Note 11 a)</b>	<b>2.48</b>	<b>0.87</b>

**Reconciliation of liabilities from financing activities**

Particulars	Rs. in Millions				
	As at March 31, 2018	Proceeds	Repayment/ Adjustments*	Fair Value Changes	As at March 31, 2019
Non-Current borrowings (including current maturities)	709.20	162.91	136.17	-	1,008.29
Current borrowings	170.63	-	(170.63)	-	-
<b>Total liabilities from financing activities</b>	<b>879.83</b>	<b>162.91</b>	<b>(34.46)</b>	<b>-</b>	<b>1,008.29</b>

\* Adjustments include reclassification from Borrowings (Current) to Borrowings (Non-current).

See accompanying notes forming part of the financial statements

In terms of our report attached

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants



**Sathya P. Koushik**  
Partner

Place: Bengaluru  
Date: May 24, 2019



**For and on behalf of the Board of Directors**



**Irfan Razack**  
Director  
DIN : 00209022

Place: Bengaluru  
Date: May 24, 2019



**Sameera Noaman**  
Managing Director  
DIN : 0001191723

Place: Bengaluru  
Date: May 24, 2019



**Prestige Mysore Retail Ventures Private Limited**  
**Statement of changes in Equity for the year ended March 31, 2019**

Particulars	Equity share capital	Other Equity				Total equity
		Equity component of compound financial instrument (Refer Note 15)	Reserves and surplus (Refer Note 15)		Total	
			Compulsorily convertible debentures	Securities premium		
Balance as at April 1, 2017	431.90	651.17	181.08	(17.17)	815.08	1,246.98
Loss for the year	-	-	-	(59.02)	(59.02)	(59.02)
Other Comprehensive (Loss) for the year, net of income tax	-	-	-	(0.01)	(0.01)	(0.01)
Balance as at March 31, 2018	431.90	651.17	181.08	(76.20)	756.04	1,187.95
Balance as at April 1, 2018	431.90	651.17	181.08	(76.20)	756.04	1,187.95
Loss for the year	-	-	-	(163.21)	(163.21)	(163.21)
Other Comprehensive Income for the year, net of income tax	-	-	-	0.06	0.06	0.06
Balance as at March 31, 2019	431.90	651.17	181.08	(239.35)	592.90	1,024.80

See accompanying notes forming part of the financial statements

In terms of our report attached

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

*Sathya P. Koushik*

Sathya P. Koushik  
Partner



Place: Bengaluru  
Date: May 24, 2019

For and on behalf of the Board of Directors

*Jefan Razack*

Jefan Razack  
Director  
DIN : 00209022

Place: Bengaluru  
Date: May 24, 2019

*Sameera Noaman*

Sameera Noaman  
Managing Director  
DIN : 0001191723

Place: Bengaluru  
Date: May 24, 2019





## **1 Corporate information**

Prestige Mysore Retail Ventures Private Limited ("the Company") was incorporated on 26 December 2007 as a private limited company under the provisions of Chapter IX of the Companies Act, 1956 ("Act") on conversion of a partnership firm, Prestige Mysore Retail Mall. The registered office of the Company is at Bangalore, India.

The Company is engaged in the business of real estate development including operation of the mall. The Company capitalised the mall and commenced operations on Jan 8, 2018. Since the operations for the year 2018-19 are for the full year, the figures for the current year are strictly not comparable with those of the previous year.

The financial statements are approved for issue by the Company's Board of Directors on May 24, 2019.

During FY 2016-17, Prestige Retail Ventures Limited (earlier known as Prestige Retail Ventures) had purchased the equity shares held by Prestige Estates Projects Limited. During the year, Prestige Retail Ventures Limited purchased the equity shares held by CapitaRetail Mysore Mall (Mauritius) Limited on June 11, 2018. Consequently, the Company has become a wholly owned subsidiary of Prestige Retail Ventures Limited.

## **2 Significant accounting policies**

### **2.1 Statement of compliance**

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

### **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.

Appendix B to Ind AS 21 'The Effects of Changes in Foreign Exchange Rates': On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment effective from April 1, 2018, had no impact on financials statements of the Company.

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 millions as per the requirement of Schedule III, unless otherwise stated. 0 represents amount less than Rs. 0.50 Millions due to rounding off.

### **2.3 Use of Estimates**

The preparation of the financial statements in conformity with Ind AS requires the Management to make judgments, 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.

Significant accounting judgments, estimates and assumptions used by management are as below:

- Useful lives of Investment Property, Property Plant and Equipment and Intangible Assets.
- Fair value measurements.

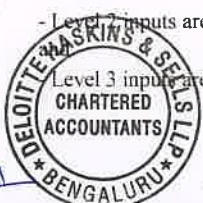
### **2.4 Fair value measurement**

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.

Level 3 inputs are unobservable inputs for the asset or liability.



## **2.5 Revenue Recognition**

Rental income from property leased under operating lease is recognized in the income statement on a straight-line basis over the term of the lease. Revenue from maintenance and marketing services is recognized as and when the services are rendered based on the terms of contract with lessees. Interest income, including income arising from other financial instruments, is recognized as it accrues in the Statement of Profit and Loss, using the effective interest method.

## **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.

### **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 Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## **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, 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 Statement of Profit and 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 for assets recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation.



**Prestige Mysore Retail Ventures Private Limited**

**Notes to the Financial Statements for the year ended March 31, 2019**

at the end of the reporting period. The defined benefit obligation is calculated by actuary 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. This cost is included in the employee benefit expenses in the Statement of Profit and 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 Statement of Profit and 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 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 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 tax asset is realised or the deferred tax liability is settled.

Deferred 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 simultaneously.

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, respectively.

**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 under Deferred tax 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**

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. Cost of the asset 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.

*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 as per the provisions of Schedule II of the Companies Act, 2013:





Particulars	Useful life
Office Equipments	5 Years
Furniture and fixtures	10 Years
IT Equipments	3-6 Years

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in Statement of Profit and Loss.

## **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 borrowing costs.

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 as prescribed under Part C of Schedule II to the Companies Act, 2013.

Particulars	Useful life
Building (Structure)	60 Years
Plant and Machinery	15 Years
Electrical Installations	10 Years

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**

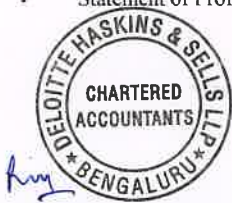
At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order 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 group 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 Statement of Profit and Loss.

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 Statement of Profit and Loss.





**2.16 Inventories**

Inventory comprising stock of operating supplies are 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 to make the sale.

**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 but are disclosed.

**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 Statement of Profit and Loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

**Subsequent measurement**

**2.18b Non-derivative financial instruments**

**a. 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 Statement of Profit and 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 Statement of 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.

**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 Statement of Profit and 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 recognised as an impairment gain or loss in Statement of Profit and Loss.



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

Assets and liabilities are classified as current to the extent they are expected to be realised / are contractually repayable within 12 months from the Balance sheet date and as non-current, in other cases.

**Current versus non-current classification**

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.

**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 profit attributable to owners of the Company 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.

**2.23 Statement of cash flows**

Statement of Cash flows is prepared under Ind AS 7 'Statement of Cashflows' specified under Section 133 of the Act. Cash flows are reported using the indirect method, whereby profit / (loss) before tax and is adjusted for the effects of transactions of non-cash nature.

**3 Recent accounting pronouncements**

**Standards issued but not yet effective**

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019.

Ind AS 116 'Leases': On March 30, 2019, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 – Leases and related amendments to other Ind ASs. Ind AS 116 replaces Ind AS 17 'Leases' and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019.

Amendment to Ind AS 19 'Employee Benefits': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019, though early application is permitted.



**Prestige Mysore Retail Ventures Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2019**

Amendment to Ind AS 12 'Income Taxes': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

The Company is evaluating the effect of the above on its financial statements.



4 Property, plant and equipment

Rs. in Millions				
Particulars	IT Equipments*	Furniture & Fixtures*	Office Equipments*	Total
Gross Carrying Value				
At April 1, 2017	-	-	0.02	0.02
Additions	1.91	52.75	18.84	73.50
Disposals	-	-	-	-
At March 31, 2018	1.91	52.75	18.86	73.52
At April 1, 2018	1.91	52.75	18.86	73.52
Additions	-	0.19	1.66	1.85
Disposals	-	-	-	-
At March 31, 2019	1.91	52.94	20.52	75.37
Accumulated depreciation				
At April 1, 2017	-	-	0.01	0.01
Depreciation for the year	0.50	3.09	2.08	5.67
Disposals	-	-	-	-
At March 31, 2018	0.50	3.09	2.09	5.68
At April 1, 2018	0.50	3.09	2.09	5.68
Depreciation for the year	0.72	12.88	7.96	21.56
Disposals	-	-	-	-
At March 31, 2019	1.22	15.97	10.05	27.24
Net Carrying Value as at March 31, 2019	0.69	36.97	10.47	48.13
Net Carrying Value as at March 31, 2018	1.41	49.66	16.77	67.84

\*Owned unless otherwise stated

5 Investment property

Rs. in Millions					
Particulars	Land *	Building*			Total
		Structure	Plant & Machinery	Electrical Installations	
Gross Carrying Value					
At April 1, 2017	612.00	-	-	-	612.00
Additions	0.20	1,136.02	398.60	115.33	1,650.15
Disposals	-	-	-	-	-
At March 31, 2018	612.20	1,136.02	398.60	115.33	2,262.15
At April 1, 2018	612.20	1,136.02	398.60	115.33	2,262.15
Additions	-	0.88	4.27	0.34	5.49
Disposals	-	-	-	-	-
At March 31, 2019	612.20	1,136.90	402.87	115.67	2,267.64
Accumulated Depreciation					
At April 1, 2017	-	-	-	-	-
Depreciation for the year	-	12.55	16.21	6.71	35.47
At March 31, 2018	-	12.55	16.21	6.71	35.47
At April 1, 2018	-	12.55	16.21	6.71	35.47
Depreciation for the year	-	55.20	69.34	28.21	152.75
At March 31, 2019	-	67.75	85.55	34.92	188.22
Net Carrying Value as at March 31, 2019	612.20	1,069.15	317.32	80.75	2,079.42
Net Carrying Value as at March 31, 2018	612.20	1,123.47	382.39	108.62	2,226.68

\* Owned unless otherwise stated.

Assets pledged as security and restriction on titles

Note: Land and Building with carrying amount of Rs. 2,079.42 Millions ( March 31, 2018: 2,226.68 Millions) have been pledged to secure borrowing of the Company (See Note 16).

Notes:

(i) Investment property includes freehold land and Forum City Centre mall which became operational from January 8, 2018 which is leased out to various tenants.

(ii) Cinemas has not yet commenced operations. In view of these, Company does not have suitable data for future incomes and consequent fair value measurement. Accordingly, Fair value for the investment property has not been determined.

(iii) Investment Property has been pledged as security for bank loans (See Note 16).

iv) Amounts recognised in profit and loss (including maintenance and marketing income) for investment properties

Rs. in Millions		
	For the year ended March 31, 2019	For the year ended March 31, 2018
Rental income derived from investment properties	209.18	41.43
Expenses (including repairs and maintenance) generating rental income	77.44	33.57
Profit arising from investment properties before depreciation	131.74	7.86
Less: Depreciation	152.75	35.47
Profit/ (Loss) arising from investment properties before indirect expenses	(21.01)	(27.61)



6 Intangible assets

Particulars	Rs. in Millions	
	Softwares	Total
Gross Carrying Value		
At April 1, 2017	-	-
Additions	0.92	0.92
Disposals	-	-
At March 31, 2018	0.92	0.92
At April 1, 2018	0.92	0.92
Additions	0.22	0.22
Disposals	-	-
At March 31, 2019	1.14	1.14
Accumulated amortisation		
At April 1, 2017	-	-
Amorisation for the year	0.24	0.24
At March 31, 2018	0.24	0.24
At April 1, 2018	0.24	0.24
Amorisation for the year	0.44	0.44
At March 31, 2019	0.68	0.68
Net Carrying Value as at March 31, 2019	0.46	0.46
Net Carrying Value as at March 31, 2018	0.68	0.68





7 Loans (non-current)

Particulars	Rs. in Millions	
	As at	As at
	March 31, 2019	March 31, 2018
To Others - unsecured, considered good		
Carried at amortised cost		
Security Deposits	7.19	7.32
	<u>7.19</u>	<u>7.32</u>

8 Other non-current assets

Particulars	Rs. in Millions	
	As at	As at
	March 31, 2019	March 31, 2018
To Others - unsecured, considered good		
Capital advances	0.58	14.07
Tax payments (Income Tax)	16.58	1.60
	<u>17.16</u>	<u>15.67</u>

9 Inventories

Particulars	Rs. in Millions	
	As at	As at
	March 31, 2019	March 31, 2018
Diesel stock	0.28	0.27
Others	0.39	0.01
	<u>0.67</u>	<u>0.28</u>

10 Trade receivables

Particulars	Rs. in Millions	
	As at	As at
	March 31, 2019	March 31, 2018
<i>Unsecured</i>		
Dues from related parties- Considered good	0.04	1.62
<b>Dues from Others</b>		
Considered good	18.49	22.73
Considered doubtful	2.59	-
Provision for expected credit loss	(2.59)	-
	<u>18.53</u>	<u>24.34</u>

11 a Cash and cash equivalents

Particulars	Rs. in Millions	
	As at	As at
	March 31, 2019	March 31, 2018
Cash on hand	0.02	0.03
<b>Balances with banks</b>		
- in current accounts	2.46	0.84
	<u>2.48</u>	<u>0.87</u>
The balances that meet the definition of cash and cash equivalents	<u>2.48</u>	<u>0.87</u>

11 b Other Bank balances

Particulars	Rs. in Millions	
	As at	As at
	March 31, 2019	March 31, 2018
<b>In earmarked balances</b>		
- Bank balance in escrow account	8.14	-
- in Fixed Deposits*	38.16	36.00
	<u>46.30</u>	<u>36.00</u>

\*Fixed deposits pertain to debt service reserve deposit against lien towards term loans.

12 Other financial assets (Current)

Particulars	Rs. in Millions	
	As at	As at
	March 31, 2019	March 31, 2018
Unbilled revenue	6.93	5.18
Interest accrued and due on fixed deposit	1.68	1.03
	<u>8.61</u>	<u>6.21</u>

13 Other current assets ( Current)

Particulars	Rs. in Millions	
	As at	As at
	March 31, 2019	March 31, 2018
To others - unsecured, considered good		
Prepaid expenses	0.47	5.73
Balances with government authorities	-	16.50
Other advances	0.19	0.37
Gift Vouchers	0.69	0.22
	<u>1.35</u>	<u>22.82</u>



14 Equity share capital

Particulars	Rs. in Millions	
	As at March 31, 2019	As at March 31, 2018
<b>Authorised capital</b>		
45,000,000 Equity shares of Rs.10 each (March 31, 2018: 45,000,000)	450.00	450.00
<b>Issued, subscribed and fully paid up capital</b>		
43,190,186 Equity shares of Rs.10 each (March 31, 2018: 43,190,186)	431.90	431.90
	<b>431.90</b>	<b>431.90</b>

a Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2019		As at March 31, 2018	
	No of shares	Amount	No of shares	Amount
<b>Equity shares</b>				
At the beginning of the year	43,190,186	431.90	43,190,186	431.90
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>43,190,186</b>	<b>431.90</b>	<b>43,190,186</b>	<b>431.90</b>

b List of persons holding more than 5 percent equity shares in the Company

Name of the share holder	As at March 31, 2019		As at March 31, 2018	
	No of shares	% of holding	No of shares	% of holding
Prestige Retail Ventures Limited (formerly known as Prestige Retail Ventures)	43,190,185	99.99%	22,026,994	51.00%
CapitaRetail Mysore Mall (Mauritius) Limited	-	-	21,163,191	49.00%

During the year, Prestige Retail Ventures Limited purchased the equity shares held by CapitaRetail Mysore Mall (Mauritius) Limited (formerly known as Pinnacle Three Limited, Mauritius) on the June 11, 2018 and consequently, the Company has become wholly owned subsidiary of Prestige Retail Ventures Limited

c Shares reserved for issue under options and other capital commitments

For details of shares reserved for issue on conversion of compulsorily convertible debentures. Please refer note 15.3 regarding terms of conversion of compulsorily convertible debentures into equity shares.

d Rights and restrictions attached to shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting. In event of liquidation of the Company, the holders of equity shares would be entitled to receive 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.

e There have been no buy back of shares or bonus shares issued 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.

15 Other equity

Particulars	Note No.	Rs. in Millions	
		As at March 31, 2019	As at March 31, 2018
Securities premium account	15.1	181.08	181.07
Retained earnings	15.2	(239.35)	(76.20)
Equity component of compound financial instrument (Compulsorily Convertible Debentures)	15.3	651.17	651.17
		<b>592.90</b>	<b>756.04</b>

15.1 Securities premium account

Particulars	Rs. in Millions	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening balance	181.08	181.08
Add: Additions during the year	-	-
Less : Utilised for Issue expenses	-	-
	<b>181.08</b>	<b>181.08</b>

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.



15.2 Retained earnings

Particulars	Rs. in Millions	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening balance	(76.20)	(17.17)
Add: Net loss for the year	(163.21)	(59.02)
Add: Other comprehensive income arising from remeasurements of the defined benefit liabilities / (asset) (net of tax)	0.06	(0.01)
	<b>(239.35)</b>	<b>(76.20)</b>

The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013.

15.3 Equity component of compound financial instrument (Compulsorily Convertible Debentures) :

Particulars	Rs. in Millions	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening balance	651.17	651.17
Add: Additions during the year	-	-
	<b>651.17</b>	<b>651.17</b>

Details of conversion and other conditions attached

(i) The Compulsorily convertible debentures (CCD's) shall, upon the approval by the Board of Directors, be mandatorily and fully converted into equity shares on expiry of 5 years from the date of allotment unless otherwise agreed to by the Board. The debentures shall be converted at a conversion ratio of 100 Compulsorily convertible debentures (CCDs) of Rs.10 each into 1 equity share of Rs.10 each unless otherwise agreed to by the Board.

(ii) No interest shall be payable on the CCDs.

(iii) Conversion dates of CCDs based on the descending order of maturity:

Date of conversion	No of shares	Value of each CCD
		(in Rs)
25-Mar-23	10,399,851	10
11-Jun-22	6,260,000	10
24-Nov-21	5,880,000	10
18-Oct-21	2,598,300	10
26-Sep-21	2,000,000	10
15-Sep-21	3,500,000	10
30-Aug-21	1,250,000	10
5-Jul-21	4,900,000	10
1-Jul-21	829,200	10
3-Jun-21	750,000	10
24-May-21	2,000,000	10
15-Mar-21	7,500,000	10
16-Feb-21	1,500,000	10
7-Jan-21	500,000	10
2-Jan-21	1,000,000	10
29-Dec-20	3,069,300	10
23-Dec-20	3,430,000	10
23-Oct-20	2,500,000	10
28-May-20	250,000	10
23-May-19	4,999,851	10

15.4 The Company does not have any application money pending allotment as at the end of the year.

Non-current liabilities

Financial liabilities

16 Borrowings (Non-Current)

Particulars	Rs. in Millions	
	As at March 31, 2019	As at March 31, 2018
<b>Carried at amortised cost</b>		
<b>Term loans (Secured)</b>		
- From banks (refer note A below)	695.29	650.19
<b>Unsecured:</b>		
Intercompany Deposits (refer note B below)	274.13	-
	<b>969.42</b>	<b>650.19</b>
Aggregate amount of loans guaranteed by director and shareholders	695.29	650.19

Note:

A. Term loan from Axis Bank is secured by:

- 1) Exclusive equitable mortgage on land situated at Municipal No. 8 (old), New No. N-5, Haider Ali Road, Naziabad Mohalla, Mysore measuring approximately 3.86 acres along with building constructed thereon.
  - 2) First charge on the present and future current assets and movable fixed assets of the project.
  - 3) Exclusive charge on the Escrow of the rentals to be paid by lessees.
  - 4) Corporate guarantee of Prestige Estates Projects Limited.
  - 5) Personal guarantee of Mr. Irfan Razack, Mr. Rezwan Razack and Mr. Noaman Razack.
  - 6) In addition, the Company shall maintain Debt Service Reserve Account (DSRA equivalent to 3 EMI's).
- In addition, the Company has certain capital/gearing ratios to be maintained against its credit facilities.





**Repayment terms and interest terms:**

The above term loan is repayable in 141 monthly installments commencing from November, 2018. The term loan carries an interest rate of base rate plus 0.30% per annum on outstanding loan amount. The number of installments outstanding as at March 31, 2019 are 137 (as at March 31 2018: Nil).

**Default in repayment of principal, interest and other terms**

There is no default in the payment of interest to bank during the current year.

B. The Inter-Corporate Deposits have been taken from Ultimate Holding Company (Prestige Estates Projects Limited) and Holding Company (Prestige Retail Ventures Limited) for the purpose of working capital requirements. The Ultimate Holding Company and Holding Company will not demand repayment of deposit and interest in the next 12 months. The rate of interest on the loan shall be 10% per annum and may be revised at later date as may be mutually decided by the parties.

**17 Other financial liabilities (non-current)**

Particulars	Rs. in Millions	
	As at March 31, 2019	As at March 31, 2018
Interest accrued on intercorporate deposits	28.32	-
Lease deposits	32.34	40.01
	<b>60.66</b>	<b>40.01</b>

**18 Provisions (Non-Current)**

Particulars	Rs. in Millions	
	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
- Gratuity	0.45	0.20
- Compensated absences	0.22	0.26
	<b>0.67</b>	<b>0.46</b>

**19 Other non-current liabilities**

Particulars	Rs. in Millions	
	As at March 31, 2019	As at March 31, 2018
Lease Deposit - Rent received in Advance	5.17	34.99
	<b>5.17</b>	<b>34.99</b>

**Current liabilities****Financial liabilities****20 Borrowings (Current)**

Particulars	Rs. in Millions	
	As at March 31, 2019	As at March 31, 2018
Carried at amortised cost		
Loans repayable on demand		
Unsecured:		
Interest free loans from related parties *	-	2.03
Intercorporate Deposits**	-	168.60
	<b>-</b>	<b>170.63</b>

\* The above loans from related parties are interest free and are repayable on demand.

\*\* The Inter-Corporate Deposits have been taken from Ultimate Holding Company (Prestige Estates Projects Limited) and Holding Company (Prestige Retail Ventures Limited) for the purpose of working capital requirements. The loan is repayable on demand along with interest at any time starting from date of execution of agreement and/or as may be extended to further period upon mutual agreement between the parties. The rate of interest on the loan shall be 10% per annum and may be revised at later date as may be mutually decided by the parties.



21 Trade payables

Particulars	Rs. in Millions	
	As at March 31, 2019	As at March 31, 2018
-Total outstanding dues of micro enterprises and small enterprises	7.90	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises	9.68	14.74
	<b>17.58</b>	<b>14.74</b>

22 Other financial liabilities (Current)

Particulars	Rs. in millions	
	As at March 31, 2019	As at March 31, 2018
<b>Carried at amortised cost</b>		
Current maturities of long-term debt (Refer Note 16)	38.87	59.01
Dues of related parties	5.86	2.32
Interest accrued on intercorporate deposits	-	8.55
Interest accrued but not due on borrowings	-	2.71
<b>Capital Creditors</b>		
Total outstanding dues of micro enterprises and small enterprises	0.17	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	74.98	234.10
Retention creditors	29.42	31.28
Expenses Payable	6.22	6.24
Lease deposits from Customers	43.17	4.72
	<b>198.69</b>	<b>348.93</b>

23 Other current liabilities

Particulars	Rs. in Millions	
	As at March 31, 2019	As at March 31, 2018
Withholding and other taxes and duties payable	2.45	3.03
Lease Deposits - Rent received in Advance	3.56	-
	<b>6.01</b>	<b>3.03</b>

24 Provision (Current)

Particulars	Rs. in Millions	
	As at March 31, 2019	As at March 31, 2018
<b>Provision for employee benefits</b>		
- Gratuity	0.00	0.00
- Compensated absences	0.02	0.04
	<b>0.02</b>	<b>0.04</b>



25 Revenue from operations

Particulars	Rs. in Millions	
	As at March 31, 2019	As at March 31, 2018
Facility rentals	131.50	26.42
Maintenance and Marketing Income	77.59	14.83
Other operating revenues	0.09	0.18
	<b>209.18</b>	<b>41.43</b>

26 Other income

Particulars	Rs. in Millions	
	As at March 31, 2019	As at March 31, 2018
Interest income on deposits with banks	2.64	1.45
Interest income on refundable deposits	0.48	-
Liabilities no longer required written back	0.10	-
	<b>3.22</b>	<b>1.45</b>

27 Employee benefits expense

Particulars	Rs. in Millions	
	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages	16.28	3.85
Contribution to provident and other funds	1.14	0.11
Gratuity Expense	0.32	0.17
Staff welfare expenses	1.76	0.62
	<b>19.50</b>	<b>4.76</b>

28 Finance costs

Particulars	Rs. in Millions	
	As at March 31, 2019	As at March 31, 2018
Interest on long term borrowings	74.99	16.39
Interest on lease deposits	2.37	0.62
Interest on Intercompany deposits	21.96	3.58
Others	0.25	0.01
	<b>99.57</b>	<b>20.60</b>

29 Other expenses

Particulars	Rs. in Millions	
	Year ended March 31, 2019	Year ended March 31, 2018
Power and fuel (Net of recoveries: Rs.29.61 Millions, PY: Rs.6.20 Millions)	31.22	7.45
Security expenses and housekeeping	26.37	5.49
Business promotion	8.67	12.13
Repairs and maintenance to investment properties	2.40	0.01
Repairs and maintenance - Others	2.44	1.28
Rates and taxes	6.33	7.21
Legal and professional charges (also refer 29a)	0.71	1.34
Insurance	0.61	0.13
Miscellaneous expenses	0.45	0.12
Provision for Expected Credit Loss	2.59	-
	<b>81.79</b>	<b>35.16</b>

29a Auditor's remuneration (included in legal and professional fees, excluding service tax/GST)

Particulars	Rs. in Millions	
	Year ended March 31, 2019	Year ended March 31, 2018
For statutory audit fees	0.53	0.53
For reimbursement of out of pocket expenses	0.03	0.04
	<b>0.56</b>	<b>0.57</b>

The Company avails input credit for service tax/GST. Hence no service tax/GST expense is accrued.

30 Contingent liabilities and capital commitments  
Capital commitment

Particulars	Rs. in Millions	
	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	19.84	16.84



31 Loss per share

Particulars	Rs. in Millions	
	Year ended March 31, 2019	Year ended March 31, 2018
Net (loss) for the year attributable to equity shareholders	(163.21)	(59.02)
Weighted average number of equity shares of Rs 10 each used for calculation of basic and diluted earnings per share	4,37,54,436	4,37,54,436
Loss per share, basic and diluted (Rs.)	(3.73)	(1.35)

32 Related parties

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

*Ultimate Holding Company (wef June 11, 2018)*  
Prestige Estates Projects Limited

*Holding Company (wef June 11, 2018)*  
Prestige Retail Ventures Limited

*Enterprises having Joint Control upto June 11, 2018*  
Prestige Estates Projects Limited  
Prestige Retail Ventures Limited  
CapitaRetail Mysore Mall (Mauritius) Limited (formerly known as Pinnacle Three Limited, Mauritius)

*Other group entities with whom transactions have taken place during the year*  
Prestige Shantiniketan Leisure Private Limited  
Prestige Property Management & Services  
Prestige Fashions Private Limited

*Key management personnel*  
Ms. Sameera Noaman, Managing Director  
Mr. Irfan Razack, Director  
Mr. Bharadwaja V Bindigavanele, Director (Upto June 11, 2018)  
Mr. Michelle Yain Fuong Lee, Director (Upto June 11, 2018)

*Relative of key management personnel*  
Mr. Rezwan Razack  
Mr. Noaman Razack  
Ms. Badrunissa Irfan  
Ms. Almas Rezwan

(ii) Related party transactions entered during the year

Particulars	Rs. in Millions	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>Intercompany Deposits received during the year</b>		
<i>Enterprises having Joint Control (up to June 10, 2018)</i>		
Prestige Estates Projects Limited	-	151.00
<i>Holding Company (wef June 11, 2018)</i>		
Prestige Retail Ventures Limited	51.00	-
<i>Ultimate Holding Company (wef June 11, 2018)</i>		
Prestige Estates Projects Limited	52.50	-
<b>Interest on Intercompany Deposit</b>		
<i>Enterprises having Joint Control (up to June 10, 2018)</i>		
Prestige Estates Projects Limited	-	9.25
<i>Holding Company (wef June 11, 2018)</i>		
Prestige Retail Ventures Limited	0.95	-
<i>Ultimate Holding Company (wef June 11, 2018)</i>		
Prestige Estates Projects Limited	21.01	-
<b>Sale of DG and accessories during the year (Investment property under development)</b>		
<i>Enterprises having Joint Control (up to June 10, 2018)</i>		
Prestige Estates Projects Limited	-	10.51
<b>Other group entities</b>		
Prestige Property Management & Services		
Security expenses and housekeeping	0.36	2.89
Prestige Fashions Private Limited		
Facility Rentals	3.30	0.75
Maintenance and Marketing Income	1.54	0.37
Power and fuel (recoveries)	1.15	0.28
Staff Welfare	0.03	0.10
Prestige Shantiniketan Leisure Private Limited		
Purchase of Escalator (Investment property under development)	-	3.94



**Prestige Mysore Retail Ventures Private Limited**  
**Notes to the financial statements for the year ended March 31, 2019**

**(iii) Amount outstanding as at the balance sheet date**

Particulars	Rs. in Millions	
	As at March 31, 2019	As at March 31, 2018
<b>Compulsorily convertible debentures</b>		
<i>Enterprises having Joint Control ( Up to June 10.2018)</i>		
Prestige Retail Ventures Limited	-	305.78
CapitaRetail Mysore Mall (Mauritius) Limited	-	345.38
<i>Holding Company (wef June 11, 2018)</i>		
Prestige Retail Ventures Limited	651.17	-
	<b>651.17</b>	<b>651.16</b>
<b>Intercompany Deposits</b>		
<i>Enterprises having Joint Control ( Up to June 10.2018)</i>		
Prestige Estates Projects Limited	-	179.18
<i>Holding Company (wef June 11, 2018)</i>		
Prestige Retail Ventures Limited	51.86	-
<i>Ultimate Holding Company (wef June 11,2018)</i>		
Prestige Estates Projects Limited	250.59	-
	<b>302.45</b>	<b>179.18</b>
<b>Other group entities</b>		
Prestige Property Management & Services: Payable	1.47	2.19
Prestige Fashions Private Limited : Receivable	0.04	1.62
Prestige Fashions Private Limited- Security Deposit Payable	0.83	0.83
Prestige Garden Constructions Private Limited- Payable	4.39	-
<b>Corporate guarantees given by Ultimate Holding Company (For Term loan)</b>		
Prestige Estates Projects Limited	900	900
<b>Personal Guarantee given by Relatives of Directors</b>	900	900
Mr. Irfan Razack		
Mr. Rezwan Razack		
Mr. Noaman Razack		

**Note:**

- The Company has not written off/ (written back) any amount from/due to related parties during the year
- The above amounts excludes reimbursement of expenses.



*Rm*



### 33 Financial instruments

The fair value of the financial assets and liabilities approximate to its carrying amounts. The carrying value of financial instruments by categories is as follows:

Particulars	March 31, 2019		March 31, 2018	
	Fair Value through profit and loss	Cost/ Amortised Cost	Fair Value through profit and loss	Cost/ Amortised Cost
<b>Financial assets</b>				
<b>Amortised Cost</b>				
Loans	-	7.19	-	7.32
Trade receivables	-	18.53	-	24.34
Cash and cash equivalents	-	2.48	-	0.87
Other Bank Balances	-	46.30	-	36.00
Other financial assets	-	8.61	-	6.21
<b>Total assets</b>	-	<b>83.11</b>	-	<b>74.74</b>
<b>Financial liabilities</b>				
Borrowings	-	969.42	-	820.82
Trade Payable	-	17.58	-	14.74
Other financial liabilities	-	259.35	-	388.94
<b>Total liabilities</b>	-	<b>1,246.35</b>	-	<b>1,224.50</b>

### 34 Financial risk management

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the acquisition and Company's operations. The Company's principal financial assets include cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

#### I 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 risk. The Company has no exposure to commodity prices as it does not deal in derivative instruments whose underlying is a commodity. Financial instruments affected by market risk include loans and borrowings and refundable deposits.

The sensitivity analysis in the following sections relate to the position as at March 31, 2019 and March 31, 2018. The sensitivity analysis have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations; provisions.

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term and short-term debt obligations with floating interest rates.

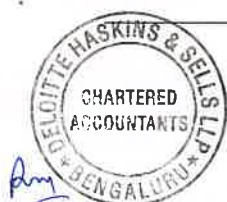
The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. The Company does not have any interest rate swaps.

#### Interest rate sensitivity

The following table demonstrates the sensitivity to a possible change in interest rates on that portion of borrowings outstanding at the balance sheet date. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

#### Effect on profit before tax

Particulars	Rs. in Millions	
	Year ended March 31, 2019	Year ended March 31, 2018
Decrease in interest rate by 50 basis points	3.67	3.55
Increase in interest rate by 50 basis points	(3.67)	(3.55)





## II Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Company has made provision for expected credit loss as on 31st March 2019.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31st March 2019 and 31st March 2018 is the carrying amounts.

## III Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans. The table below summarises the maturity profile of the Company's financial liabilities based on contractual payments:

Particulars	Rs. in Millions				
	As at March 31, 2019				
	Carrying amount	Total	Less than 1 year	1-2 years	2 years and above
Borrowings	969.42	969.42	-	323.06	646.36
Trade Payables	17.58	17.58	17.58	-	-
Other financial liabilities	259.35	259.35	198.69	46.86	13.80

Particulars	Rs. in Millions				
	As at March 31, 2018				
	Carrying amount	Total	Less than 1 year	1-2 years	2 years and above
Borrowings	820.82	820.82	170.63	66.63	583.56
Trade Payables	14.74	14.74	14.74	-	-
Other financial liabilities	388.94	388.94	348.93	1.39	38.62

## 35 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maintain strong credit rating and healthy capital ratios in order to support its business and maximise the shareholder value.

The Company, through its Board of Directors manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using debt equity ratio, which is net debt divided by total capital. The Company's policy is to keep the debt equity ratio below 1.00. The Company includes within net debt, interest bearing loans and borrowings (excluding borrowings from group companies) less cash and cash equivalents, current investments, other bank balances and margin money held with banks. The disclosure below could be different from the debt and equity components which have been agreed with any of the lenders.

Particulars	Note	Rs. in Millions	
		As at March 31, 2019	As at March 31, 2018
Borrowings - Non Current	16	969.42	650.19
Borrowings - Current	20	-	170.63
Current maturities of long term borrowings	22	38.87	59.01
Less: Borrowing from related parties	20	(274.13)	(170.63)
Less: Cash and bank balance	11a & 11b	(48.78)	(36.87)
<b>Net debt</b>		<b>685.38</b>	<b>672.33</b>
Equity		1,024.80	1,187.94
<b>Total capital</b>		<b>1,710.18</b>	<b>1,860.27</b>
Net Debt/Total Capital		0.40	0.36

- 36 The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2019 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company does not have any dues to micro and small enterprises as at 31 March 2019 and 31 March 2018



Particulars	Rs. in Millions	
	For the year ended March 31, 2019	March 31, 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal	7.86	-
- Interest	0.22	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, small, and medium enterprises Development Act, 2006 (the Act) along with the amount of the payment made to the supplier beyond the appointed day during each accounting year:	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the said Act	-	-
The amount of interest accrued and remaining unpaid at the end of each year; and	0.22	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

37 **Employee benefit plans**

- (i) **Defined Contribution Plans :** The Company contributes to provident fund and employee state insurance scheme which are defined contribution plans. During the year, the Company has recognized the following amounts in the Statement of Profit and Loss under defined contribution plan whereby the Company is required to contribute a specified percentage of the payroll costs to fund the benefits:

Particulars	Rs. in Millions	
	As at March 31, 2019	March 31, 2018
Employers' Contribution to Provident Fund	1.14	0.11
Employees' State Insurance (disclosed under staff welfare expenses)	0.23	0.04
	<b>1.37</b>	<b>0.15</b>

Note: The contributions payable to the above plan by the Company is at rates specified in the rules of the schemes.

- (ii) **Defined Benefit Plan :** The Company provides gratuity for employees who are in continuous services for a period of 5 years. The amount of gratuity is payable on retirement / termination, computed based on employee's last drawn basic salary per month. The Company's gratuity liability is unfunded.

**Risk exposure**

The defined benefit plan typically expose the Company to actuarial risks such as: Interest rate risk, longevity risk and salary risk.

Interest Risk	A decrease in the bond interest rate will increase the plan liability.
Life expectancy	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants.

Particulars	Rs. in Millions	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>a Components of defined benefit cost</b>		
Current Service cost	0.29	0.16
Interest expenses / (income) net	0.03	0.01
<b>Components of defined benefit cost recognised in profit or loss</b>	<b>0.32</b>	<b>0.17</b>
<b>Remeasurement (gains)/ losses in OCI:</b>		
Return on plan assets (greater) less than discount rate	-	-
Actuarial (Gain) / loss for changes in financial assumptions	0.00	-
Actuarial (Gain) / loss due to experience adjustments	(0.06)	0.01
<b>Components of defined benefit cost recognised in other comprehensive income</b>	<b>(0.06)</b>	<b>0.01</b>
<b>Total components of defined benefit cost for the year</b>	<b>0.26</b>	<b>0.18</b>

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.





- b. The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	Rs. in Millions	
	As at	As at
	March 31, 2019	March 31, 2018
Present value of defined benefit obligation	0.46	0.20
Fair value of plan assets	-	-
<b>Net liability arising from defined benefit obligation</b>	<b>0.46</b>	<b>0.20</b>

- c. Movements in the present value of the defined benefit obligation are as follows.

Particulars	Rs. in Millions	
	As at	As at
	March 31, 2019	March 31, 2018
Opening defined benefit obligation	0.20	0.01
Current service cost	0.29	0.16
Interest cost	0.03	0.01
Actuarial (Gain)/loss (through OCI)	(0.06)	0.01
Benefits paid	-	-
<b>Closing defined benefit obligation</b>	<b>0.46</b>	<b>0.20</b>

- d. Movements in fair value of plan assets are as follows.

Particulars	Rs. in Millions	
	As at	As at
	March 31, 2019	March 31, 2018
Opening Fair Value of Plan Assets	-	-
Expected return on plan asset	-	-
Contributions by Employer	-	-
Benefits paid	-	-
Actuarial Gain / (loss) (through OCI)	-	-
<b>Closing Fair Value of Plan Assets</b>	<b>-</b>	<b>-</b>

- e. Net asset/(liability) recognised in balance sheet

Fair value of plan assets	-	-
Present Value of Defined Benefit Obligation	0.46	0.20
<b>Net asset/(liability) recognised in balance sheet</b>	<b>0.46</b>	<b>0.20</b>

- f. Actuarial Assumptions

Particulars	Rs. in Millions	
	As at	As at
	March 31, 2019	March 31, 2018
Discount rate	7.70%	6.80%
Expected rate of salary increase	6.00%	6.00%
Attrition rate	5.00%	5.00%
Retirement age	58 years	58 years
Mortality Rates	100% of IAL*	100% of IAL*

\* IAL : India Assured Lives Mortality (2006-08) modified Ult.

- g. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.



Particulars	Rs. in Millions	
	Year ended March 31, 2019	Year ended March 31, 2018
Impact on defined benefit obligation:		
Discount rate		
Increase by 100 basis points	(0.06)	(0.03)
Decrease by 100 basis points	0.07	0.03
Salary escalation rate		
Increase by 100 basis points	0.07	0.03
Decrease by 100 basis points	(0.06)	(0.03)
Employee attrition rate		
Increase by 1000 basis points	(0.00)	(0.00)
Decrease by 1000 basis points	0.00	0.00

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

h. Experience history:						Rs. in Millions
Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at
Defined benefit obligation	0.46	0.20	-	-	-	-
Fair value of plan assets	-	-	-	-	-	-
(Surplus)/deficit	0.46	0.20	-	-	-	-
Experience adjustment on liabilities gain/(loss)	(0.06)	0.01	-	-	-	-
Experience adjustment on plan assets gain/(loss)	-	-	-	-	-	-

(iii) Other Employee Benefits - Compensated absences

Leave encashment benefit expensed in the Statement of Profit and Loss for the year is Rs.0.05 millions (March 31, 2018: Rs.0.29 millions)  
Leave encashment benefit outstanding is Rs.0.35 millions (March 31, 2018: Rs. 0.30 millions)

38 Leases :

As lessor, the Company is primarily engaged in the business of real estate development which includes development and operating a mall. The Company has entered into operating lease agreements with its lessees. Total lease rental income recognised in the statement of profit and loss for the year with respect to the same is Rs. 209.09 millions (for the year ended March 31, 2018 : 41.25 millions)

The future minimum lease income under non cancellable operating leases in aggregate are as follows:

Particulars	Rs. in Millions	
	Year ended March 31, 2019	Year ended March 31, 2018
Not later than 1 year	121.69	160.52
Later than 1 year and not later than 5 years	153.24	274.94
Later than 5 years	-	-

39 Deferred tax

In view of the accumulated losses and in accordance with Ind AS 12 - "Income Taxes", the management believes that there is no reasonable certainty supported by convincing evidence for recognising deferred tax asset on carry forward losses.

40 Segment reporting

The Chief Operating Decision Maker reviews the operations of the Company as a real estate development including operation of the mall, which is considered to be the only reportable segment by the Management. Further the Company's operations are in India only.



- 41 There are no foreign currency exposures as at March 31, 2019 (March 31, 2018 - Nil) that have not been hedged by a derivative instruments or otherwise.
- 42 **Appointment of Company Secretary (CS)**  
As per Section 203 of Companies Act 2013, read with rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every Company having paid up capital of more than five crore rupees needs to have a full time CS.  
Since the paid up capital of the Company is Rs. 431.90 millions i.e. more than five crore rupees, the Company was required to have a whole time CS. The Company is presently in the process of appointing a Company Secretary.
- 43 The Company has accumulated losses of Rs. 239.35 Millions and its current liabilities exceeded its current assets by Rs. 144.36 Millions as at the balance sheet date. These financial statements have been prepared on a going concern basis on the basis of the business plans of the Company and the continued financial support expected to be received from the ultimate parent Company. These financial statements, therefore, do not include any adjustments relating to the Company's assets or liabilities that may be necessary if the Company was unable to continue as a going concern.

Signatures to Notes 1 to 43

For and on behalf of the Board of Directors



Irfan Razack  
Director  
DIN : 00209022



Sameera Noaman  
Managing  
DIN : 0001191723

Place: Bengaluru  
Date: May 24, 2019

Place: Bengaluru  
Date: May 24, 2019

