

## INDEPENDENT AUDITOR'S REPORT

### To The Members of Babji Realtors Private Limited Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Babji Realtors 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 profit, total comprehensive income, 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 skepticism 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

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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.

- 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) One of the directors of the Company has been disqualified to be a director of the Company as per the list of disqualified directors issued by the Ministry of Corporate Affairs. Other than the above, based on 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:

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In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.

- 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 Babji Realtors 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

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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 has maintained proper records showing 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, 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 confirmations 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.

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- (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 is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company.
- (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 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



**Babji Realtors Private Limited**  
**Balance Sheet as at March 31, 2019**

		As at March 31, 2019	Rs. In Millions As at March 31, 2018
<b>ASSETS</b>	<b>Note</b>		
<b>Non-Current Assets</b>			
Property, plant and equipment	2	60.20	65.72
Investment property	3	3,958.82	4,076.66
Financial assets			
- Loans and advances	4.1	25.75	25.75
- Other financial assets	4.2	5.66	5.33
Deferred tax assets (net)	5.1	85.73	22.91
Income tax assets (net)	5.2	145.45	128.21
Other non-current assets	6	1.58	1.62
<b>Total Non current Assets</b>		<b>4,283.19</b>	<b>4,326.20</b>
<b>Current Assets</b>			
Inventories		2.66	2.15
Financial assets			
- Trade receivables	7.1	77.86	109.05
- Cash and cash equivalents	7.2	34.72	62.93
- Other Bank Balances	7.3	236.71	374.63
Other financial assets	7.4	76.15	74.64
Other current assets	8	2.52	8.93
<b>Total Current Assets</b>		<b>430.62</b>	<b>632.33</b>
<b>Total Assets</b>		<b>4,713.81</b>	<b>4,958.53</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	9	42.43	42.43
Other equity	10	1,590.01	1,256.25
<b>Total Equity</b>		<b>1,632.44</b>	<b>1,298.68</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
- Borrowings	11.1	1,881.52	2,197.68
- Other financial liabilities	11.2	4.28	31.42
Provisions	12	1.67	1.48
Other non-current liabilities	13	0.65	5.91
<b>Total Non current Liabilities</b>		<b>1,888.12</b>	<b>2,236.49</b>
<b>Current Liabilities</b>			
Financial Liabilities			
- Borrowings	14.1	358.33	118.50
-Trade payables			
-Total outstanding dues of Micro, Small and Medium Enterprises	14.2	8.17	-
-Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	14.2	57.29	51.70
-Other financial liabilities	14.3	727.56	1,193.13
Other current liabilities	15	41.84	59.94
Provisions	16	0.07	0.09
<b>Total Current Liabilities</b>		<b>1,193.26</b>	<b>1,423.36</b>
<b>Total Liabilities</b>		<b>3,081.38</b>	<b>3,659.85</b>
<b>Total Equity &amp; Liabilities</b>		<b>4,713.81</b>	<b>4,958.53</b>

See accompanying notes to the financials statements

In terms of our report attached  
For Deloitte Haskins & Sells LLP  
Chartered Accountants

Sathya P. Koushik  
Partner



For and on behalf of Board of Directors

*Zayd Noaman*  
Zayd Noaman  
Director  
DIN No. 07584056

*Faiz Rezwan*  
Faiz Rezwan  
Director  
DIN No. 01217423



Place: Bangalore  
Date: May 24, 2019

Place: Bangalore  
Date: May 24, 2019

Place: Bangalore  
Date: May 24, 2019

**Babji Realtors Private Limited****Statement of Profit and Loss for the period ended March 31, 2019**

	Note	Year ended March 31, 2019	Rs. In Millions Year ended March 31, 2018
<b>Income</b>			
Revenue from Operations	17	1,131.28	1,096.66
Other income	18	50.90	101.95
<b>Total Revenue (I)</b>		<b>1,182.18</b>	<b>1,198.61</b>
<b>Expenses</b>			
Employee benefits expense	19	35.95	38.66
Finance costs	20	284.84	292.83
Depreciation and amortisation expense	2 & 3	211.06	233.10
Other expenses	21	305.28	300.69
<b>Total Expenses (II)</b>		<b>837.13</b>	<b>865.29</b>
<b>Profit Before Tax III = (I-II)</b>		<b>345.05</b>	<b>333.33</b>
Tax Expense			
Current Tax	30	74.32	22.91
Deferred tax	30	(62.88)	(22.91)
<b>Profit for the year (IV)</b>		<b>333.61</b>	<b>333.33</b>
<b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss		0.20	0.38
(ii) Income tax relating to items that will not be reclassified		(0.06)	-
<b>Total other comprehensive income (V)</b>		<b>0.14</b>	<b>0.38</b>
<b>Total comprehensive income for the year (IV+V)</b>		<b>333.75</b>	<b>333.71</b>
<b>Earnings per share [(nominal value of share Rs. 10 each)]</b>			
- Basic and Diluted (Rs.)	23	67.48	67.47

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



For and on behalf of Board of Directors

Zayd Noaman

Director

DIN No. 07584056

*Zayd Noaman*

Place: Bangalore

Date: May 24, 2019

*Faiz Rezwan*

Faiz Rezwan

Director

DIN No. 01217423

Place: Bangalore

Date: May 24, 2019



**Babji Realtors Private Limited**  
**Statement of cash flows for the year ended March 31, 2019**

Particulars	For the year ended March 31, 2019 Rs. In Millions	For the year ended March 31, 2018 Rs. In Million
<b>Cash flows from operating activities</b>		
Profit before tax	345.05	333.33
<b>Adjustments:</b>		
Depreciation	211.06	233.10
Provision for doubtful debts written back	-	(2.77)
Provisions / Liabilities no longer required written back	-	(78.49)
Finance Costs	275.21	289.79
Interest income	(15.92)	(15.46)
<b>Operating profit before working capital changes</b>	<b>815.40</b>	<b>759.51</b>
<b>Changes in Working Capital</b>		
Increase in other financial and current liabilities	(19.08)	80.66
(Decrease)/increase in trade payables	13.76	7.64
Increase in provisions	0.38	0.69
Decrease/ (increase) in trade receivables	31.20	36.29
Decrease/(increase) in inventories	(0.51)	(2.15)
(Increase) in other assets	7.25	(48.27)
<b>Cash (used in)/ generated from operations</b>	<b>848.39</b>	<b>834.37</b>
Income taxes paid, net of refunds	(91.56)	(33.73)
<b>Net cash (used in)/ generated from operating activities</b>	<b>756.83</b>	<b>800.64</b>
<b>Cash flows from investing activities</b>		
Purchases of fixed assets and investment property, including capital work in progress	(518.58)	(91.39)
(Increase) in fixed deposit (not considered as cash and cash equivalents)	91.50	(27.21)
Interest income received	13.28	17.65
<b>Net cash (used in) / generated from investing activities</b>	<b>(413.80)</b>	<b>(100.95)</b>
<b>Cash flows from financing activities</b>		
Repayment of long term borrowings	(297.79)	(314.26)
Proceeds from Inter Corporate Deposits (net of repayments)	239.83	-
(Increase) / decrease in other bank balances (not considered as cash and cash equivalents)	46.42	(0.24)
Interest Expense paid	(359.69)	(270.59)
Refund of Application money received for allotment	-	(73.50)
<b>Net cash generated from/(used in) financing activities</b>	<b>(371.23)</b>	<b>(658.59)</b>
Net increase in cash and cash equivalents	(28.21)	41.11
Cash and cash equivalents at the beginning of the year	62.93	21.82
<b>Cash and cash equivalents at the end of the year</b>	<b>34.72</b>	<b>62.93</b>
<b>Components of cash and cash equivalents (refer note 7.2)</b>		
Cash on hand	0.71	0.09
Balances with banks	-	-
- in current accounts	34.01	62.84
	<b>34.72</b>	<b>62.93</b>

**Reconciliation of liabilities from financing activities**

	As at 31 March 2018	Proceeds	Repayment	Fair value Changes	As at 31 March 2019
Long-term borrowings (including current portion)	2,623.35	-	(57.96)	-	2,565.40
	<b>2,623.35</b>	<b>-</b>	<b>(57.96)</b>	<b>-</b>	<b>2,565.40</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  
Partner



Place: Bangalore  
Date: May 24, 2019

For and on behalf of Board of Directors

*Zaid Noaman*  
Zaid Noaman  
Director  
DIN No. 07584056

*Faiz Rezwan*  
Faiz Rezwan  
Director  
DIN No. 01217423

Place: Bangalore  
Date: May 24, 2019

Place: Bangalore  
Date: May 24, 2019



**Babji Realtors Private Limited**  
**Statement of changes in equity for the year ended March 31, 2019**

Particulars	Share capital	Other Equity				Total	Total equity
		Compulsorily Convertible debentures (CCD)	Securities premium	Retained earnings			
<b>Balance as at April 1, 2017</b>	42.43	703.29	913.30	(694.05)		922.54	964.97
Profit for the year	-	-	-	333.33		333.33	333.33
Other comprehensive income (net of taxes)	-	-	-	0.38		0.38	0.38
<b>Balance as at March 31, 2018</b>	<b>42.43</b>	<b>703.29</b>	<b>913.30</b>	<b>(360.34)</b>		<b>1,256.25</b>	<b>1,298.68</b>
<b>Balance as at April 1, 2018</b>	42.43	703.29	913.30	(360.34)		1,256.25	1,298.68
Profit for the year	-	-	-	333.61		333.61	333.61
Other comprehensive income (net of taxes)	-	-	-	0.14		0.14	0.14
<b>Balance as at March 31, 2019</b>	<b>42.43</b>	<b>703.29</b>	<b>913.30</b>	<b>(26.59)</b>		<b>1,590.01</b>	<b>1,632.44</b>

See accompanying notes forming part of financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

  
**Sathya P. Koushik**  
 Partner



Place: Bangalore  
 Date: May 24, 2019

For and on behalf of the Board of Directors

**Zayd Noaman**

Director

DIN No. 07584056



Place: Bangalore

Date: May 24, 2019

  
**Faiz Rezwan**  
 Director

DIN No. 01217423

Place: Bangalore  
 Date: May 24, 2019



**Babji Realtors Private Limited**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**1 Corporate information and significant accounting policies**

**1.1 Corporate Information**

Babji Realtors Private Limited ("the Company") was incorporated on 1 December 2004 as a private limited company under the provisions of Chapter IX of the Companies Act, 1956 ("the Act"). The registered office of the Company is at Hyderabad, India.

The Company is engaged in the business of real estate development and leasing of commercial space. The Company has capitalised the mall and commenced operations on 3 September 2014.

On 1 December 2008, the existing shareholder of the Company Prestige Estates Projects Limited, entered into a joint venture agreement with CapitaRetail Hyderabad Mall (Mauritius) Limited (formerly known as Pinnacle Three Limited, Mauritius) an affiliate of CapitaLand Retail India Investments Pte. Limited, Singapore for constructing, developing & establishing a retail mall. 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 has purchased the equity shares held by CapitaRetail Hyderabad Mall (Mauritius) Limited.

Also, subsequent to the year end, Prestige Retail Ventures Limited has acquired the equity shares held by the remaining shareholders of the company on April 10, 2019. Consequently, the Company has become a wholly owned subsidiary of Prestige Retail Ventures Limited.

**1.2 Significant accounting policies**

**(a) Statement of Compliance**

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

**(b) 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 is effective from April 1, 2018. The above amendment did not have any impact on the Company's financial statements.

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 rupees 0.5 Millions due to rounding off.

**(c) Use of Estimates**

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

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

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

**(d) Fair value measurement**

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

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

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





**Babji Realtors Private Limited**

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**(e) 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 in accordance with IND AS 17. Revenue from maintenance and marketing services is recognized as and when the services are rendered based on the terms of contract with lessees. Revenue from sale of beverages is recognised on transfer of all the significant risks and rewards of ownership to the buyer which normally takes place on despatch of goods.

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.

**(f) 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.

**(i) 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.

**(ii) 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.

**(g) Borrowing Costs**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset, is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

A qualifying asset is an asset that necessarily takes 12 months or more to get ready for its intended use or sale and includes the real estate properties developed by the Company.

**(h) 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.

**(i) Employee Benefits**

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

**(a) Short-term obligations**

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

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

- (i) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (ii) 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 is considered as defined contribution plan and is charged as an expense based on the amount of contribution required to be made. The Company has no further payment obligations once the contributions have been paid.

**(ii) Defined benefit plan:**

The liability or assets recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated by actuary using the projected unit credit method. The defined benefit plan is not funded.

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 benefits expense in the Statement of Profit and Loss.

Remeasurements 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.



**Babji Realtors Private Limited****NOTES FORMING PART OF FINANCIAL STATEMENTS**

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.

**(d) Other Defined Contribution Plan**

The Company's contribution to employee state insurance scheme is 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.

**(e) Income Taxes**

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

**(i) Current tax**

Current 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 tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit and 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.

**(ii) 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 substantively 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 tax 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 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 are recognised in Statement of Profit and Loss, except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity, respectively.

**(iii) 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 (Net) in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the entity.

**1.3 Property, plant and equipment****Recognition and Measurement:**

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure directly attributable to the acquisition of the asset.

**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 is provided using written-down value method over the useful lives of assets as prescribed under Part C of Schedule II to the Companies Act, 2013 as follows:

Assets Category	Useful Life
Building (Structure)	60 Years
Vehicles	20 Years
Electrical Fittings	20 Years
Plant and Machinery*	20 Years
Office Equipments*	20 Years
Furniture and Fixtures	20 Years
Computers*	6 Years

\* For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers, taking in to account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

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

**1.4 Capital work-in-progress**

Assets which 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.

**1.5 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

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.



**Babji Realtors Private Limited**

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

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.

**1.6 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 3 years, which is estimated to be the useful life of the asset.

**1.7 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.

**1.8 Inventories**

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

**1.9 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.

**1.10 Financial Instruments**

**(a) 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.

**(b) Subsequent measurement**

**(i) Non-derivative financial instruments**

**Financial assets carried at amortised cost**

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

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

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

**Financial assets at fair value through profit or loss (FVTPL)**

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.

**(ii) 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





**Babji Realtors Private Limited**

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**(c) 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.

**(d) 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.

**1.11 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.

**1.12 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.

**1.13 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.

**1.14 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.

**1.15 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.

**1.16 Recent accounting pronouncements**

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.

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 these transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

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



**Babji Realtors Private Limited**  
**Notes to the financial statements for the year ended March 31, 2019**  
**Non Current Assets**  
**2 Property, plant and equipment**

( Rs.in Millions )

Particulars	Vehicles*	Furniture and fixtures*	Plant and machinery *	Office equipments*	Electrical fittings*	Computers*	Total
<b>Gross carrying value</b>							
As at 1 April 2017	0.00	47.23	6.61	6.46	38.22	25.52	124.04
Additions	-	0.06	-	0.01	0.75	0.38	1.20
Disposals	-	1.06	-	-	-	-	1.06
As at 31 March 2018	0.00	46.23	6.61	6.47	38.97	25.90	124.18
As at 1 April 2018	0.00	46.23	6.61	6.47	38.97	25.90	124.18
Additions	-	2.35	1.30	0.34	2.56	-	6.55
Disposals	-	-	-	-	-	-	-
As at 31 March 2019	0.00	48.58	7.91	6.81	41.53	25.90	130.73
<b>Accumulated depreciation</b>							
As at April 1, 2017	0.00	14.90	1.69	1.64	9.33	15.90	43.46
Charge for the year	-	5.66	0.69	0.67	4.07	3.92	15.01
Disposals	-	-	-	-	-	-	-
As at March 31, 2018	0.00	20.56	2.38	2.31	13.40	19.82	58.47
As at April 1, 2018	0.00	20.56	2.38	2.31	13.40	19.82	58.47
Charge for the year	-	4.77	0.67	0.60	3.57	2.43	12.04
Disposals	-	-	-	-	-	-	-
As at March 31, 2019	0.00	25.33	3.05	2.91	16.97	22.25	70.51
<b>Net carrying value</b>							
As at March 31, 2019	0.00	23.24	4.86	3.90	24.55	3.65	60.20
As at March 31, 2018	0.00	25.68	4.23	4.16	25.57	6.08	65.72



CHARTERED ACCOUNTANTS  
 BANGALORE  
 \* BANGALORE

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**Babji Realtors Private Limited**
**Notes to the financial statements for the year ended March 31, 2019**
**3 Investment Property**
**(Rs.in Millions)**

Particulars	Land - freehold*	Building*		Total
		Structure	Plant and machinery	
<b>Gross carrying value</b>				
As at April 1, 2017	1,171.74	2,516.33	1,011.52	4,699.61
Additions	82.46	15.77	1.07	99.30
Disposals	-	-	-	-
<b>As at March 31, 2018</b>	<b>1,254.20</b>	<b>2,532.10</b>	<b>1,012.59</b>	<b>4,798.91</b>
<b>As at April 1, 2018</b>	<b>1,254.20</b>	<b>2,532.10</b>	<b>1,012.59</b>	<b>4,798.91</b>
Additions	72.15	5.64	3.42	81.21
Disposals	-	-	-	-
<b>As at March 31, 2019</b>	<b>1,326.35</b>	<b>2,537.74</b>	<b>1,016.01</b>	<b>4,880.12</b>
<b>Accumulated depreciation</b>				
As at April 1, 2017	-	243.07	261.07	504.14
Charge for the year	-	113.67	104.44	218.11
Disposals	-	-	-	-
<b>As at March 31, 2018</b>	<b>-</b>	<b>356.74</b>	<b>365.51</b>	<b>722.25</b>
<b>As at April 1, 2018</b>	<b>-</b>	<b>356.74</b>	<b>365.51</b>	<b>722.25</b>
Charge for the year	-	108.79	90.23	199.02
Disposals	-	-	-	-
<b>As at March 31, 2019</b>	<b>-</b>	<b>465.53</b>	<b>455.74</b>	<b>921.27</b>
<b>Net Carrying Value</b>				
As at March 31, 2019	1,326.35	2,072.21	560.27	3,958.82
As at March 31, 2018	1,254.20	2,175.36	647.08	4,076.66

\* Owned unless otherwise stated

**Note:**

1) The Company had entered into a Development Agreement ('the agreement') with Andhra Pradesh Housing Board ('APHB') for construction of a shopping mall, service offices and service apartments ('the project'). As per the agreement APHB has allotted 5.72 acres of land to the Company for the project (refer note 34 for further details).



**Babji Realtors Private Limited**

**Notes to the financial statements for the year ended March 31, 2019 (Continued)**

**3 Investment property (Continued)**

1. The freehold land and building have been pledged as security for bank loans under a mortgage.

2. As at March 31, 2019 and March 31, 2018, the fair values of the properties are Rs. 9,339 Millions and Rs. 7,809 Millions respectively. These valuations are based on valuations performed by Jones Lang LaSalle Property Consultants India Private Limited, an accredited independent valuer. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

3. The fair value of the Company's investment properties have been arrived at using discounted cash flow method. Under discounted cash flow method, cash flow projections based on reliable estimates of cash flow are discounted. The main inputs used are rental growth rate, expected vacancy rates, terminal yields and discount rates which are based on comparable transactions and industry data.

Details of the Company's investment properties and information about the fair value hierarchy as at March 31, 2019 and March 31, 2018, are as follows:

	Year ended March 31, 2019	Year ended March 31, 2018
<b>Assets for which fair values are disclosed</b>		
Investment property		
Level 1	-	-
Level 2	-	-
Level 3	9,339	7,809

**(4) Amounts recognised in statement of profit and loss for investment properties**

	Year ended March 31, 2019	Year ended March 31, 2018
Rental income derived from investment properties	1,131.28	1,096.66
Expenses (including repairs and maintenance) generating rental income	294.42	283.94
Profit arising from investment properties before depreciation and indirect expenses	836.86	812.72
Less: Depreciation	199.02	218.11
<b>Profit arising from investment properties before indirect expenses</b>	<b>637.84</b>	<b>594.61</b>



**4 Financial assets****4.1 Loans and Advances**

(Rs. In Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Security deposits	25.75	25.75
	<b>25.75</b>	<b>25.75</b>

**4.2 Other non-current financial assets**

(Rs. In Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed deposits*	5.00	5.00
Interest accrued but not due	0.66	0.33
	<b>5.66</b>	<b>5.33</b>

\* Fixed deposits are under lien against bank guarantees.

**5.1 Deferred tax assets (net)**

(Rs. In Millions)

Particulars	As at April 01, 2018	Recognised in Profit and loss account	As at March 31, 2019
Deferred tax assets			
Provision for employee benefit expenses	-	0.50	0.50
Minimum alternate tax credit entitlement	22.91	74.32	97.23
Others	-	(0.00)	(0.00)
Provision for doubtful advances/ debts	-	1.00	1.00
Unabsorbed depreciation and brought forwarded business losses	-	155.00	155.00
	22.91	230.82	253.73
Deferred tax liabilities			
Impact of difference in carrying amount of Property, plant and equipment, Investment property and Intangible assets as per tax accounts and books.	-	(168.00)	(168.00)
	-	(168.00)	(168.00)
<b>Net Deferred Tax Asset</b>	<b>22.91</b>	<b>62.82</b>	<b>85.73</b>

**5.2 Income tax assets (net)**

(Rs. In Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Tax Payments, net of provision for tax	145.45	128.21
	<b>145.45</b>	<b>128.21</b>

**6 Other non-current assets**

(Rs. In Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital advances	1.42	1.42
Prepaid expenses	0.16	0.20
	<b>1.58</b>	<b>1.62</b>





## 7 Financial assets

## 7.1 Trade receivables

Particulars	(Rs. In Millions)	
	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered good	77.86	109.05
Considered doubtful	3.26	3.84
Less: Provision for doubtful trade receivables (Expected Credit Loss)	(3.26)	(3.84)
	<u>77.86</u>	<u>109.05</u>

Movement in provision for doubtful receivables (expected credit loss allowance) is given below:

Particulars	(Rs. In Millions)	
	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	(3.84)	(6.01)
Movement during the year, net	0.58	2.17
Balance at the end of the year	<u>(3.26)</u>	<u>(3.84)</u>

## 7.2 Cash and cash equivalents

Particulars	(Rs. In Millions)	
	As at March 31, 2019	As at March 31, 2018
Cash on hand	0.71	0.09
Balances with banks - in current accounts	34.01	62.84
	<u>34.72</u>	<u>62.93</u>

## 7.3 Other Bank Balances

Particulars	(Rs. In Millions)	
	As at March 31, 2019	As at March 31, 2018
- In Escrow Account	9.08	55.50
- Fixed Deposits*	227.63	319.13
	<u>236.71</u>	<u>374.63</u>

\* Fixed deposits are under lien against bank guarantees of Rs.227.63 Millions (PY- Rs.183.57 Millions)

## 7.4 Other financial assets

Particulars	(Rs. In Millions)	
	As at March 31, 2019	As at March 31, 2018
Interest accrued but not due on deposits	8.20	5.89
Unbilled revenue	67.95	68.75
	<u>76.15</u>	<u>74.64</u>

## 8 Other current assets

Particulars	(Rs. In Millions)	
	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	0.62	1.38
Other advances	1.09	2.13
Gift vouchers in hand	0.81	0.46
Others - Doubtful	4.13	
Less: Provision	(4.13)	4.96
	<u>2.52</u>	<u>8.93</u>



## 9 Equity share capital

(Rs. In Millions)		
Particulars	As at March 31, 2019	As at March 31, 2018
<b>Authorised</b>		
4,500,000 (As at March 31, 2018: 4,500,000) equity shares of Rs 10 each)	45.00	45.00
<b>Issued, subscribed and paid up</b>		
4,242,857 (As at March 31, 2018 : 4,242,857) equity shares of Rs 10 each,	42.43	42.43
fully paid up	<u>42.43</u>	<u>42.43</u>

## (a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2019	As at March 31, 2018
	No of shares	No of shares
Number of shares at the beginning of the year	4,242,857	4,242,857
Number of shares issued during the year	-	-
<b>Balance as at the end of the year</b>	<u>4,242,857</u>	<u>4,242,857</u>

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

Name of the share holder	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2018
	No of shares	%	No of shares	%
Prestige Retail Ventures Limited	2,079,000	49%	1,039,500	24.50%
CapitaRetail Hyderabad Mall (Mauritius) Limited	-	-	1,039,500	24.50%
GB Trading and Investments Private Limited*	1,011,085	24%	1,011,085	24.00%
Verma Realtors Private Limited*	631,929	15%	631,929	15.00%
Meka Housing and Developers Private Limited*	505,543	12%	505,543	12.00%
	<u>4,227,557</u>	<u>100.00%</u>	<u>4,227,557</u>	<u>100.00%</u>

\*Subsequent to year end, these shares have been acquired by Prestige Retail Ventures Limited on April 10, 2019. Consequently, the Company has become wholly owned subsidiary of Prestige Retail Ventures Limited on that date.

## (c) 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 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.

## (d) Buy back of shares and shares allotted as fully paid up pursuant to contract(s) without payment being received in cash

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

## (e) Details of terms and conditions of Compulsorily Convertible Debenture (CCD)

(i) The CCDs shall be convertible into equity shares of Rs 10 each not later than the date mentioned below, mutually agreed between Company and debenture holders. The debentures shall be converted into such number of shares as shall represent 24.5% of the issued, subscribed and paid-up equity share capital of the Company on a "fully diluted basis".

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

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

Particulars	(Rs. In Millions)	Date of conversion
9,328,992 debentures of Rs 10 each	93.29	20/08/2023
24,000,000 debentures of Rs.10 each	240.00	31/03/2020
27,000,000 debentures of Rs.10 each	270.00	31/03/2020
7,900,000 debentures of Rs.10 each	79.00	31/03/2020
2,100,000 debentures of Rs 10 each	21.00	31/03/2020

During the year, the Company has extended the date of conversion for debentures with the value of Rs.93.29 Millions from August 21, 2018 to August 20, 2023.

Default in repayment of principle, interest and other terms. There is no continuing default in payment of interest or principle to banks and debenture holders as on balance sheet date.



**Babji Realtors Private Limited**
**Notes to the financial statements for the year ended March 31, 2019**
**10 Other equity**

Particulars	(Rs. In Millions)	
	As at March 31, 2019	As at March 31, 2018
Security Premium	913.30	913.30
Retained Earnings	(26.59)	(360.34)
Equity component of compound financial instrument (Compulsorily convertible debentures)	703.29	703.29
	<u>1,590.01</u>	<u>1,256.25</u>

**10.1 Securities premium**

Opening Balance	913.30	913.30
Add: Additions during the year	-	-
At the end of the year	<u>913.30</u>	<u>913.30</u>

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

**10.2 Retained Earnings**

Opening Balance	(360.34)	(694.05)
Add: Net profit for the year	333.61	333.33
Add: Other comprehensive income arising from measurements of the defined benefit liabilities/asset (net)	0.14	0.38
At the end of the year	<u>(26.59)</u>	<u>(360.34)</u>

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

**Non-current liabilities**
**11 Financial liabilities**
**11.1 Borrowings**

Particulars	(Rs. In Millions)	
	As at March 31, 2019	As at March 31, 2018
<b>Secured:</b>		
<b>Term loans</b>		
- from bank (refer note below)	1,881.52	2,197.68
	<u>1,881.52</u>	<u>2,197.68</u>

**Details of securities, interest and repayment terms of term loan:**
**Term loan secured by;**

Term loan as at March 31, 2019, is secured by :

1. Exclusive charge on current and future receivables from the Sujana Forum Mall situated at S-16, Sy no 1009, Kukatpally, Balanagar Mandal, Hyderabad with landed area of 5.7204 acres and super built up area of 120,551.60 sq mtrs.
2. Equitable mortgage of 5.7204 acres of land situated at Sy no 1009 along with super built up area of 120,551.60 sq mtrs in the name of Sujana Forum Mall.
3. Corporate guarantee of Prestige Estates Projects Limited.

**4) Repayment and interest term**

The loan is repayable in 120 instalments starting from April 2015 to Aug 2024 of Rs.44.77 Millions each. The term loan carries an interest of base rate plus 1.00% per annum on the outstanding amount of the loan. The no. of instalments outstanding as at March 31, 2019 is 65 (As at March 31, 2018 : 84 instalments).

**11.2 Other financial liabilities**

Particulars	(Rs. In Millions)	
	As at March 31, 2019	As at March 31, 2018
Lease deposits	4.28	31.42
	<u>4.28</u>	<u>31.42</u>





**Babji Realtors Private Limited**
**Notes to the financial statements for the year ended March 31, 2019**

12	Provisions	(Rs. In Millions)	
	Particulars	As at March 31, 2019	As at March 31, 2018
	Provision for gratuity (refer note 35)	1.29	1.01
	Provision for compensated absences	0.38	0.47
		<u>1.67</u>	<u>1.48</u>

13	Other non-current liabilities	(Rs. In Millions)	
	Particulars	As at March 31, 2019	As at March 31, 2018
	Rent received in advance	0.65	5.91
		<u>0.65</u>	<u>5.91</u>

**Current Liabilities**

14.1	Borrowings (Current)	(Rs. In Millions)	
	Particulars	As at March 31, 2019	As at March 31, 2018
	<b>Unsecured:</b>		
	- Intercompany deposits *	358.33	118.50
		<u>358.33</u>	<u>118.50</u>

\*The inter-company deposits carry interest at a rate of 15% p.a. as at March 31, 2019 (18% p.a. as at March 31, 2018) and are repayable on demand.

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

There is no default in the payment of interest or principal as on the balance sheet date.

14.2	Trade payables	(Rs. In Millions)	
	Particulars	As at March 31, 2019	As at March 31, 2018
	Total outstanding dues of Micro, Small and Medium Enterprises	8.17	-
	Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	57.29	51.70
		<u>65.46</u>	<u>51.70</u>

14.3	Other financial liabilities	(Rs. in Millions)	
	Particulars	As at March 31, 2019	As at March 31, 2018
	Current maturities of long-term borrowings	325.55	307.18
	Interest accrued but not due on borrowings	12.52	97.00
	Lease deposits	350.93	299.57
	Capital Creditors	0.02	423.78
	Retention creditors	1.74	8.85
	Other payables	36.80	56.75
		<u>727.56</u>	<u>1,193.13</u>

15	Other current liabilities	(Rs. in Millions)	
	Particulars	As at March 31, 2019	As at March 31, 2018
	Advances from customers	20.66	39.85
	Withholding and other taxes and duties payable	15.48	17.91
	Unearned Revenue	5.70	2.18
		<u>41.84</u>	<u>59.94</u>

16	Provisions	(Rs. in Millions)	
	Particulars	As at March 31, 2019	As at March 31, 2018
	Provision for gratuity (refer note 35)	0.04	0.00
	Provision for compensated absences	0.03	0.09
		<u>0.07</u>	<u>0.09</u>



**Babji Realtors Private Limited**
**Notes to the financial statements for the year ended March 31, 2019**

<b>17 Revenue from operations</b>		<b>(Rs. in Millions)</b>	
<b>Particulars</b>	<b>For the Year Ended March 31, 2019</b>	<b>For the Year Ended March 31, 2018</b>	
Facility rental	806.28	760.57	
Maintenance and marketing income	312.05	286.52	
Parking income	12.95	49.56	
Other operating revenues	-	0.01	
	<b>1,131.28</b>	<b>1,096.66</b>	
<b>18 Other income</b>			
<b>Particulars</b>	<b>For the Year Ended March 31, 2019</b>	<b>For the Year Ended March 31, 2018</b>	
Interest income on bank deposits	15.92	15.46	
Provision for doubtful trade receivables written back	-	2.77	
Expenses charged off earlier, now capitalised	-	78.49	
Miscellaneous income	34.98	5.23	
	<b>50.90</b>	<b>101.95</b>	
<b>19 Employee benefits</b>			
<b>Particulars</b>	<b>For the Year Ended March 31, 2019</b>	<b>For the Year Ended March 31, 2018</b>	
Salaries, Bonus and Allowances	31.94	34.24	
Contribution to provident and other funds	1.79	1.86	
Gratuity Expense	0.53	0.35	
Staff welfare expenses	1.69	2.21	
	<b>35.95</b>	<b>38.66</b>	
<b>20 Finance costs</b>			
<b>Particulars</b>	<b>For the Year Ended March 31, 2019</b>	<b>For the Year Ended March 31, 2018</b>	
Interest Expense			
- on term loan	239.46	267.57	
- on inter-corporate deposits	30.52	21.33	
Interest on Lease deposits	0.42	3.04	
Other borrowing costs	14.44	0.89	
	<b>284.84</b>	<b>292.83</b>	
<b>21 Other expenses</b>			
<b>Particulars</b>	<b>For the Year Ended March 31, 2019</b>	<b>For the Year Ended March 31, 2018</b>	
Housekeeping and security	56.13	56.50	
Power and fuel	87.92	95.65	
Rates and taxes	45.75	36.56	
Business promotion charges	33.06	25.98	
Mall management fees	41.24	40.31	
Repairs and maintenance	30.32	28.95	
Legal and professional	5.12	12.09	
Travel and communication	0.65	1.49	
Insurance	1.65	1.34	
Bad Trade Receivable write off	3.15	-	
Less: Provision Released	3.15	-	
Printing and stationery	0.35	0.27	
Provision for Doubtful Trade Receivables	2.57	0.60	
Corporate Social Responsibility Expenses (refer note 38)	0.10	-	
Miscellaneous expenses	0.42	0.96	
	<b>305.28</b>	<b>300.69</b>	



**Babji Realtors Private Limited**  
Notes to the financial statements for the year ended March 31, 2019

**22 Auditors' remuneration**

Particulars	(Rs. In Millions)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Statutory audit fees	1.15	1.00
Reimbursement of out-of-pocket expenses	0.04	-
<b>Total</b>	<b>1.19</b>	<b>1.00</b>

**23 Earnings per share**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Net profit/(loss) for the year attributable to equity shareholders (Rs. in Millions)	333.75	333.71
Weighted average number of equity shares of Rs 10 each used for calculation of basic earnings per share	49,46,147	49,46,147
Earnings/(loss) per share, basic and diluted* (amount in Rs.)	67.48	67.47

**24 Contingent liabilities and commitments**

Particulars	(Rs. In Millions)	
	As at March 31, 2019	As at March 31, 2018
<b>A Contingent liabilities</b>		
Bank guarantee provided to Telangana Housing Board	209.15	178.57
Bank guarantee provided to other party	5.00	5.00
<b>B Capital Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	0.19	-
	<b>214.34</b>	<b>183.57</b>

**25 Operating Lease Arrangements**

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.1118.33 Millions (for the year ended March 31, 2018 Rs.1047.09 Millions)

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

Particulars	(Rs. In Millions)	
	As at March 31, 2019	As at March 31, 2018
Not later than one year	168.60	87.70
Later than one year and not later than five years	90.27	103.87
Later than five years	19.98	-
<b>Total</b>	<b>278.85</b>	<b>191.57</b>

**26 Related parties**

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

(a) Enterprises having Joint Control

Capita Retail Hyderabad Mall (Mauritius) Limited (upto June 16, 2018)  
Prestige Retail Ventures Limited  
GB Trading and Investments Private Limited  
Meka Housing & Developers Private Limited  
Verma Realtors Private Limited

(b) Key management personnel

Mr. Zayd Noman, Director  
Mr. Faiz Rezwan, Director  
Mr. P V Ramana Reddy, Director (upto March 31, 2019)

(c) Enterprises in which a director is a member/stakeholder with whom transactions have taken place during the year  
Prestige Mall Management Private Limited (earlier known as CapitaLand Retail Prestige Mall Management Private Limited)  
Prestige Estates Projects Limited



**Babji Realtors Private Limited**  
Notes to the financial statements (Continued)

**26 Related Parties (Continued)**

**(ii) Related party transactions entered during the year**

Particulars	(Rs. In Millions)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Debt application money refunded</b>		
CapitaRetail Hyderabad Mall (Mauritius) Limited	-	73.50
<b>Mall management fees</b>		
Prestige Mall Management Private Limited (erstwhile known as Capitaland Retail Prestige Mall Management Private Limited)	41.24	40.31
<b>Inter Corporate Deposits - Received</b>		
Prestige Estates Projects Limited	239.83	-
<b>Repayment of Interest</b>		
Prestige Estates Projects Limited	111.94	-
<b>Trade payables</b>		
Prestige Mall Management Private Limited	11.17	-
<b>Repayment of Trade Payables</b>		
Prestige Estates Projects Limited	4.64	-
<b>Trade Receivables</b>		
Prestige Estates Projects Limited	1.19	-
<b>Interest on Inter-corporate deposits</b>		
Prestige Estates Projects Limited	30.52	21.33

**(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>		
CapitaRetail Hyderabad Mall (Mauritius) Limited	-	172.31
Prestige Retail Ventures Limited	344.62	172.31
GB Trading and Investments Private Limited	168.79	168.79
Meka Housing & Developers Private Limited	84.40	84.40
Verma Realtors Private Limited	105.49	105.49
<b>Advance paid</b>		
Prestige Mangalore Retail Ventures Private Limited	1.42	1.42
<b>Inter-corporate deposits - Taken</b>		
Prestige Estates Projects Limited	358.33	118.50
<b>Trade payables</b>		
Prestige Mall Management Private Limited	(0.83)	10.34
<b>Trade Receivables</b>		
Prestige Estates Projects Limited	0.09	1.28
<b>Other payables</b>		
Prestige Estates Projects Limited	-	4.64
<b>Interest accrued but not due on borrowings</b>		
Prestige Estates Projects Limited	12.52	97.00
<b>Guarantees and collaterals</b>		
Corporate guarantee received from Prestige Estate Projects Limited in favor of a bank for loan availed by the Company.	3,250.00	3,250.00

Note: The above transactions and balances are excluding reimbursement of expenses.



**Babji Realtors Private Limited**

Notes to the financial statements for the year ended March 31, 2019

**27 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	Carrying value		Fair value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Financial assets</b>				
Amortised cost				
Loans & Advances - Deposits	25.75	25.75	-	-
Trade receivables	77.86	109.05	-	-
Cash and cash equivalents	34.72	62.93	-	-
Other Bank Balances	236.71	374.63	-	-
Other financial assets	81.81	79.97	-	-
<b>Total assets</b>	<b>456.85</b>	<b>652.33</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>				
Amortised cost				
Borrowings	2,239.85	2,316.18	-	-
Trade payables	65.46	51.70	-	-
Other financial liabilities	731.84	1,224.55	-	-
<b>Total liabilities</b>	<b>3,037.15</b>	<b>3,592.43</b>	<b>-</b>	<b>-</b>



## 28 Financial risk management

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, other financial assets and cash that is derived 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.

### 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:

Particulars	(Rs. In Millions)	
	For the year ended	
	March 31, 2019	March 31, 2018
Decrease in interest rate by 50 basis points	11.04	12.52
Increase in interest rate by 50 basis points	(11.04)	(12.52)

### Financial Instrument and cash deposits

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 March 31, 2019 and March 31, 2018 is the carrying amounts.





**Babji Realtors Private Limited**
**Notes to the financial statements for the year ended March 31, 2019**
**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:

**(Rs. In Millions)**

Particulars	Carrying amount	As at March 31, 2019			
		Total	Less than 1 year	1-2 years	2 years and above
Borrowings	2,239.85	2,239.85	358.33	360.36	1,521.16
Trade payables	65.46	65.46	65.46	-	-
Other financial liabilities	731.84	731.84	727.56	1.19	3.09

Particulars	Carrying amount	As at March 31, 2018			
		Total	Less than 1 year	1-2 years	2 years and above
Borrowings	2,316.18	2,316.18	118.50	338.17	1,859.51
Trade payables	51.70	51.70	51.70	-	-
Other financial liabilities	1,224.55	1,224.55	1,193.12	27.71	3.72

**29 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.

The capital structure is as follows:

**(Rs. In Millions)**

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Total equity attributable to the equity share holders of the Company	1,632.44	1,298.68
As percentage of total capital	46%	39%
Current borrowings	325.55	307.18
Non-current borrowings	1,881.52	2,197.68
Cash & Cash Equivalents	34.72	62.93
Other Bank Balances	236.71	374.63
Net Debt	1,935.64	2,067.30
As a percentage of total capital	0.54	0.61
Total capital (borrowings and equity)	3,568.08	3,365.98



**Babji Realtors Private Limited**  
**Notes to the financial statements for the year ended March 31, 2019**

**30 Tax Expense**  
**(a) Income Tax recognised in statement of Profit & Loss**

(Rs. in Millions)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax		
In respect of the current year	74.32	22.91
	<b>74.32</b>	<b>22.91</b>
Deferred Tax		
In respect of the current year	(62.88)	(22.91)
	<b>11.44</b>	<b>-</b>

**(b) Income Tax recognised in other comprehensive income**

(Rs. In Millions)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Deferred Tax		
Reimbursement of defined benefit obligation	(0.06)	-
<b>Total Income Tax recognised in other comprehensive income</b>	<b>(0.06)</b>	<b>-</b>

**(c) Reconciliation of Tax expense and accounting profit**

(Rs. In Millions)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax		
Applicable Tax Rate	345.05	333.33
	29.12%	34.61%
<b>Income Tax calculated at applicable rate</b>	<b>100.48</b>	<b>115.36</b>
<b>Adjustment on account of :</b>		
Unabsorbed depreciation and brought forwarded business losses		
Deferred tax on temporary differences & unabsorbed depreciation pertaining to earlier years recognised in the current year	(89.04)	(115.36)
Minimum alternate tax payable on book profits	74.32	22.91
Minimum alternate tax credit entitlement	(74.32)	(22.91)
	<b>(89.04)</b>	<b>(115.36)</b>
<b>Income tax expense recognised in statement of profit and loss</b>	<b>11.44</b>	<b>-</b>





**Babji Realtors Private Limited**  
**Notes to the financial statements for the year ended March 31, 2019**

**31 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. The Company's operations are in India only.

- 32 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 March 31, 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 dues to micro and small enterprises as at March 31, 2019 and March 31, 2018 are as follows:

Particulars	(Rs. in Millions)	
	For the year ended March 31 2019	For the year ended 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	8.17	-
- Interest	-	-
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	-	-
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.	-	-

- 33 There are no foreign currency exposures as at March 31, 2019 (PY: Nil) that have not been hedged by a derivative instruments or otherwise.

- 34 The Company had entered into a Development Agreement ('agreement') with Andhra Pradesh Housing Board ('APHB') (now referred to as The Telangana Housing Board (THB)) whereby the Company was granted rights to develop the project at Kukatpally ('the project'). The consideration payable by the Company under this agreement includes a fixed consideration of Rs. 892.9 Million and variable consideration of 5% of the total revenues from sale of the project. The agreement also states that if the Company desires to retain (not sell) the project then the variable consideration will be 5% of the value of the developed real estate as determined by APHB, if need be with the help of an external professional agency. The Company has retained the project.

The consideration has been finalised between the Company and THB during the year. The Company has paid full consideration to THB and the sale deed has been registered in the name of the Company on 12 September, 2018 subsequent to the payment of stamp duty of Rs.72.15 Million. In addition, the Company has furnished Bank Guarantee for Rs 209.15 Million as directed by THB towards certain claims of THB, which are yet to be agreed between the parties.

**35 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)	
	Year ended March 31, 2019	Year ended March 31, 2018
Employers' Contribution to Provident Fund	1.79	1.86
Employees' State Insurance	0.31	0.33
	<u>2.10</u>	<u>2.19</u>

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



**Babji Realtors Private Limited**
**Notes to the financial statements for the year ended March 31, 2019**

- (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 employees last drawn basis salary per month.

**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>Present value of DBO at the start of the period</b>	1.01	0.90
Service Cost		
1.Current Service cost	0.43	0.41
2.Past Service cost or Settlement	-	-
Interest on DBO	0.09	0.07
Benefit Payments	-	-
Actuarial loss on DBO	(0.20)	(0.38)
<b>Present value of DBO at the end of the period</b>	<b>1.33</b>	<b>1.01</b>
<b>(a) Net asset/(liability) recognised in balance sheet</b>		
Present value of DBO	1.33	1.01
Fair value of plan assets	-	-
Funds Status-(Deficit/Surplus)	1.33	1.01
Effect of Asset Ceiling	-	-
Present value of the defined benefit obligations at the end of the year	<b>1.33</b>	<b>1.01</b>
<b>Net asset/(liability) recognised in balance sheet</b>	<b>1.33</b>	<b>1.01</b>
<b>(b) Movements in the present value of the defined benefit obligation are as follows.</b>		
Service cost	0.43	0.41
Net Interest in the net defined benefit liability	0.09	0.07
<b>Components of defined benefit cost recognised in profit or loss</b>	<b>0.53</b>	<b>0.48</b>
<b>(c) Actuarial Assumptions</b>		
Discount rate	7.70%	7.70%
Expected rate of salary	6%	6%
Attrition rate	5%	5%
Retirement age	58 years	58 years
Mortality rates*	100% of IAL	100% of IAL
* IAL : India Assured Lives Mortality (2006-08) modified Ult.		

**(d) Sensitivity analysis**

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses 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)	
	As at March 31, 2019	As at March 31, 2018
<b>Impact on defined benefit obligation:</b>		
Discount rate		
Increase by 100 basis points	(0.14)	(0.11)
Decrease by 100 basis points	0.17	0.14
Salary escalation rate		
Increase by 100 basis points	0.18	0.14
Decrease by 100 basis points	(0.15)	(0.12)
Employee attrition rate		
Increase by 1000 basis points	0.00	(0.00)
Decrease by 1000 basis points	(0.00)	(0.00)



**Babji Realtors Private Limited****Notes to the financial statements for the year ended March 31, 2019**

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 balance sheet.

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

**(e) Experience history:**

Particulars	(Rs. in Millions)				
	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
Defined benefit obligation	1.33	1.01	0.90	0.52	0.24
Fair value of plan assets	-	-	-	-	-
Deficit/(Surplus)	1.33	1.01	0.90	0.52	0.24
Experience adjustment on liabilities gain/(loss)	(0.20)	(0.38)	0.17	0.14	-
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.(0.14) Millions (March 31, 2018: Rs. 0.21 Millions)

Leave encashment benefit outstanding is Rs.0.41 Millions (March 31, 2018 : Rs. 0.56 Millions)

- 36 The Company has accumulated losses of Rs. 26.59 Millions and its current liabilities exceeded its current assets by Rs. 762.64 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 jointly controlling entity. 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.

**37 Corporate Social Responsibility Committee**

As per sub section 1 of section 135 of Companies Act 2013, to be read along with Companies (Amendment) Act, 2017 every Company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during immediately preceding financial year shall constitute a Corporate Social Responsibility (CSR) Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

However, an unlisted public company/private company which is not required to appoint an Independent Director, would constitute a CSR committee without an Independent Director (as per the CSR Rules (Rule 5(1)).

Also, Amendment to Section 135 of the Act allows composition of CSR committee with two or more directors in case the company is not required to appoint Independent Director under section 149(4).

Since the Net Profit of the Company in the previous financial year was Rs. 333.33 Million i.e, more than Rs. 50 Million, the Company is required to appoint a CSR committee. The Company is presently in the process of forming a CSR committee.

**38 Corporate Social Responsibility Expenses**

Particulars	(Rs. in Millions)	
	As at March 31, 2019	As at March 31, 2018
Gross amount required to be spent by the Company during the year	0.13	-
Amount spent during the year on Health awareness activity	0.10	-

Signature to Notes 1 to 38



For and on behalf of the Board of Directors

*Zayd Noaman*  
Zayd Noaman  
Director  
DIN No. 07584056

*Faiz Rezwan*  
Faiz Rezwan  
Director  
DIN No. 01217423

Place: Bangalore  
Date: May 24, 2019

Place: Bangalore  
Date: May 24, 2019

