



## INDEPENDENT AUDITOR'S REPORT

**To the Members of**  
**Prestige Falcon Retail Ventures Private Limited**

### **Report on the Audit of the Ind AS Financial Statements**

#### **Opinion**

We have audited the Ind AS financial statements of Prestige Falcon Retail Ventures Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in equity and the Statement of Cash Flows for the year then ended on that date, and notes to the financial statements, including 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 Ind AS 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<sup>st</sup>, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the **Auditor's Responsibilities 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2019. There are no key audit matters identified which requires reporting in Independent Auditor's Report.

**Management's Responsibility for 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material



uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- 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 relationship 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, 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, the Statement of Cash flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.



- d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian accounting standards) Rules, 2015.
- e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. Reporting on the Company's internal financial controls over the financial reporting with respect to financial statements is not applicable since the Company satisfies criteria for exemption given under section 143(3)(i) of the Act, vide notification No. G.S.R 583(E) dated 13 June, 2017 :

-Company's turnover is less than fifty crores as per the previous audited financial statements.

-Company's aggregate borrowings from banks, financial institutions (or) body corporate at any point of time during the financial year was less than twenty five crores.

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- 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 of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

for **MSSV & Co.**

**Chartered Accountants**

Firm Registration Number: 001987S

  
**Shiv Shankar T R**

Partner

Membership No. 220517

Place: Bengaluru

Date: May 14, 2019



**“ANNEXURE A” 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**

Based upon the information and explanations furnished to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

- i. The company does not hold any fixed assets hence commenting on paragraph 3(i) of the Companies (Auditor’s Report) Order, 2016(‘the order’) does not arise.
- ii. The Company is does not hold any inventory hence commenting on paragraph 3(ii) of the Companies (Auditors Report) Order, 2016 (‘the Order’) does not arise.
- iii. During the year covered by our audit the company has not granted any loan to any person covered under the register maintained under section 189 of the Companies Act, 2013(“the Act”). Hence, commenting on paragraph 3(iii) of the order does not arise.
- iv. In our opinion and according to information and explanation given to us, the company has not made any loans, investments, guarantees and security during the financial year in respect of which provisions of the section 185 and 186 of the Act are to be complied with hence commenting on paragraph 3(iv) of the order does not arise.
- v. According to information and explanation given to us, the company has not accepted any deposits from the public during the year. Hence, commenting on paragraph 3(v) of the Order does not arise.
- vi. According to the information and explanations given to us, having regard to the Company’s nature of business, maintenance of cost records under sub section (1) of section 148 of the Act has not been prescribed to the Company. Hence, commenting on paragraph 3(vi) of the Order does not arise.



vii. In respect of statutory dues:

- a. According to the information and explanations given to us and on the basis of our examination of records of the company, no undisputed statutory dues including Sales Tax, Service tax, Goods and Service Tax, Cess and other material statutory dues applicable to it have been regularly deposited during the year by the Company with the appropriate authorities. The Company did not have any dues on account of Provident Fund, Employees' State Insurance, Duty of Customs and Duty of Excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Sales-tax, Service tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The Company did not have any dues on account of Provident Fund, Employees' State Insurance, Duty of Customs and Duty of Excise, goods and service tax which are due for a period of more than six months from the date it became due except income tax (TDS):

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which amount relates	Remarks
Income – tax Act 1961	Income tax(TDS)	5,092	Financial year 2012 - 2013	Interest and late payment u/s 234E

- b. According to the information and explanations given to us, there are no dues of Income Tax, Sales tax, Service tax, Duty of Customs and Value added tax which have not been deposited on account of any dispute.

viii. The company has not taken any loans or borrowings from financial institutions, banks and government and has not issued any debentures. Hence commenting on paragraph 3(vii) does not arise.

ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the financial year. Hence, commenting on paragraph 3(ix) of the Order does not arise.





- x. To the best of our knowledge and according to information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees have been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid / provided for any managerial remuneration. Hence, commenting on paragraph 3(xi) of the Order does not arise.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Hence, commenting on of paragraph 3(xii) of the Order does not arise.
- xiii. According to information given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 188 of the Act, where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards. The Company is a wholly owned subsidiary of the public limited company and hence Section 177 of the Act is not applicable to the Company.
- xiv. According to information given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Hence, commenting on paragraph 3(xiv) of the Order does not arise.
- xv. According to information and explanations given to us and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him. Hence, commenting on of paragraph 3(xv) of the Order does not arise.



- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

*for* **MSSV & Co**

Chartered Accountants

Firm Registration Number: 001987S

  
**Shiv Shankar T R**

Partner

Membership No: 220517



Place: Bengaluru

Date: May 14, 2019

**PRESTIGE FALCON RETAIL VENTURES PRIVATE LIMITED**  
The Falcon House, No. 1, Main Guard Cross Road, Bangalore-560001  
CIN :U52300KA2012PTC066185

**BALANCE SHEET AS AT 31 MARCH 2019**

Rs. in hundreds

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
<b>A. ASSETS</b>			
<b>(1) Current assets</b>			
a) Financial assets			
(i) Cash and cash equivalents	4	6,378.98	7,228.34
		<b>6,378.98</b>	<b>7,228.34</b>
<b>Total</b>		<b>6,378.98</b>	<b>7,228.34</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity share capital	5	10,000.00	10,000.00
(b) Other Equity	6	(3,979.52)	(3,357.84)
		6,020.48	6,642.16
<b>(2) Current liabilities</b>			
a) Financial liabilities			
(i) Other financial liabilities	7	354.00	586.18
b) Other current liabilities	8	4.50	-
		358.50	586.18
<b>Total</b>		<b>6,378.98</b>	<b>7,228.34</b>

Accompanying notes forming part of the Financial Statements

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

**for MSSV & Co.**

Chartered Accountants


Firm Registration No 0019875

  
**Shiv Shankar T.R.**  
Partner  
Membership No.220517



**For and on behalf of the Board**

  
**Irfan Razack**  
Director  
DIN : 00209022

  
**Rezwan Razack**  
Director  
DIN : 00209060

Place: Bengaluru  
Date: May 14, 2019

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**PRESTIGE FALCON RETAIL VENTURES PRIVATE LIMITED**  
The Falcon House, No. 1, Main Guard Cross Road, Bangalore-560001  
CIN :U52300KA2012PTC066185

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019**

Rs. in hundreds

Particulars	Note No.	Year ended 31 March 2019	Year ended 31 March 2018
<b>Revenue from operations</b>			
Other income		-	-
<b>Total revenue (I)</b>		-	-
<b>Expenses</b>			
Other Expenses	9	621.68	491.58
<b>Total expenses (II)</b>		<b>621.68</b>	<b>491.58</b>
<b>Profit/(Loss) before tax (III-I-II)</b>		<b>(621.68)</b>	<b>(491.58)</b>
<b>Tax expense:</b>			
Current tax		-	-
Deferred tax		-	-
<b>Total Tax expense (IV)</b>		-	-
<b>Profit/(Loss) for the year (V= III-IV)</b>		<b>(621.68)</b>	<b>(491.58)</b>
<b>Total other comprehensive income (VI)</b>		-	-
<b>Total Comprehensive Income (V+VI)</b>		<b>(621.68)</b>	<b>(491.58)</b>
<b>Earnings per Equity Share (equity shares, par value Rs 10 each)</b>			
- basic and diluted	17	(0.62)	(0.49)
Weighted average number of equity shares considered for computing earnings per share		1,00,000	1,00,000

Accompanying notes forming part of the Financial Statements

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

**for MSSV & Co.**


Chartered Accountants  
Firm Registration No.001987S

  
**Shiv Shankar T.R.**  
Partner  
Membership No.220517



**For and on behalf of the Board**

  
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Director  
DIN : 00209022

  
**Rezwan Razack**  
Director  
DIN : 00209060

Place: Bengaluru  
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**PRESTIGE FALCON RETAIL VENTURES PRIVATE LIMITED**  
The Falcon House, No. 1, Main Guard Cross Road, Bangalore-560001  
CIN : U52300KA2012PTC066185

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019**

Rs. in hundreds

Particulars	Note No.	Year Ended 31 March 2019	Year Ended 31 March 2018
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Loss before taxation		(621.68)	(491.58)
Adjustments for non cash & non operating items:			
Operating profit before working capital changes		(621.68)	(491.58)
Adjustments for			
Increase / (decrease) in other financial liabilities		(232.18)	204.59
Increase / (decrease) in other liabilities		4.50	-
<b>Cash generated from operations</b>		<b>(849.36)</b>	<b>(286.99)</b>
Income tax refund / (payment)		-	-
<b>Net cash generated from/ (used in) operating activities - A</b>		<b>(849.36)</b>	<b>(286.99)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net Cash From / (used in) Investing Activities - B		-	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Net Cash From / (used in) Financing Activities - C		-	-
Net Increase / (Decrease) in cash and cash equivalents during the year (A+B+C)		(849.36)	(286.99)
Cash & Cash equivalents opening balance		7,228.34	7,515.33
<b>Cash &amp; Cash equivalents closing balance</b>		<b>6,378.98</b>	<b>7,228.34</b>

Accompanying notes forming part of the Financial Statements

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

**for MSSV & Co.**


Chartered Accountants

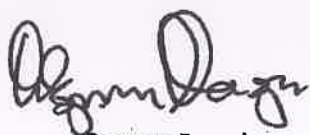
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**Shiv Shankar T.R**  
Partner  
Membership No.220517



**For and on behalf of the Board**

  
**Irfan Razack**  
Director  
DIN : 00209022

  
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DIN : 00209060

Place: Bengaluru

Date: May 14, 2019

Place: Bengaluru

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Place: Bengaluru

Date: May 14, 2019

**PRESTIGE FALCON RETAIL VENTURES PRIVATE LIMITED**  
The Falcon House, No. 1, Main Guard Cross Road, Bangalore-560001  
CIN :U52300KA2012PTC066185

**STATEMENT OF CHANGES IN EQUITY**

Rs. in hundreds

Particulars	Equity share capital	Other Equity	Total equity
		Retained Earnings	
<b>As at 1 April 2017</b>	<b>10,000.00</b>	<b>(2,866.26)</b>	<b>7,133.74</b>
Profit/(Loss) for the year	-	(491.58)	(491.58)
Other Comprehensive Income / (Loss) for the year, net of income tax	-	-	-
<b>As at 31 March 2018</b>	<b>10,000.00</b>	<b>(3,357.84)</b>	<b>6,642.16</b>
Profit/(Loss) for the year	-	(621.68)	(621.68)
Other Comprehensive Income / (Loss) for the year, net of income tax	-	-	-
<b>As at 31 March 2019</b>	<b>10,000.00</b>	<b>(3,979.52)</b>	<b>6,020.48</b>

Accompanying notes forming part of the Financial Statements

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

for MSSV & Co.

Chartered Accountants

Firm Registration No.0019875

Shiv Shankar T.R

Partner

Membership No.220517



For and on behalf of the Board

Irfan Razack

Director

DIN : 00209022

Rezwan Razack

Director

DIN : 00209060

Place: Bengaluru

Date: May 14, 2019

Place: Bengaluru

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Place: Bengaluru

Date: May 14, 2019

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**1 Corporate Information**

M/s. Prestige Falcon Retail Ventures Private Limited ("the Company") was incorporated on 5th October 2012 as a company under the Companies Act, 1956 ("the 1956 Act"). The Company is engaged in the business of real estate development.

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

The financial statements are approved for issue by the Company's Board of Directors on 14 May 2019.

**2 Significant accounting policies**

**2.1 Statement of compliance**

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS").

Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1, 2018, replaces existing revenue recognition requirements. The application of Ind AS 115 has no impact on Financial statements.

**2.2 Basis of preparation and presentation**

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

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

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

**2.3 Use of Estimates**

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

**2.4 Fair value measurement**

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





**NOTES FORMING PART OF FINANCIAL STATEMENTS**

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

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

**2.5 Revenue Recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

**Interest income**

Interest income, including income arising from other financial instruments, is recognised using the effective interest rate method.

**2.6 Income Taxes**

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

**a. Current tax**

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

**b. Deferred tax**

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

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

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

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

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





**NOTES FORMING PART OF FINANCIAL STATEMENTS**

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

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the entity.

**2.7 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 to accounts. Contingent assets are not recognised in the financial statements.

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

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

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

All other assets are classified as non-current.

A liability is current when:

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

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

**2.9 Cash and cash equivalents**

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

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

**2.10 Earnings per share**

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



**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**3 Recent accounting pronouncements**

**a. Ind AS 116 Leases**

On 30 March 2019, MCA notified Ind AS 116 Leases and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17.

The Company will adopt Ind AS 116 effective from April 1, 2019. As at the date of issuance of the Company's standalone financial statements, the Company is in the process of evaluating the requirements of the said standard and the impact on its standalone financial statements in the period of initial application.

**b. Amendments to existing issued Ind-AS**

The MCA has also carried out amendments of the following accounting standards:

- i) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment
- ii) Ind AS 109: Prepayment Features with Negative Compensation
- iii) Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendment will come into force from April 1, 2019. The Company has evaluated the effect of this on the financial statements and the impact is not material.



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The Falcon House, No. 1, Main Guard Cross Road, Bangalore-560001  
CIN: U52300KA2012PTC066185

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**4 Cash and Bank balances**

Particulars	Rs. in hundreds	
	As at 31 March 2019	As at 31 March 2018
<b>Balances with banks</b>		
- in current accounts	6,378.98	7,228.34
	<b>6,378.98</b>	<b>7,228.34</b>

**5 Equity Share Capital**

Particulars	Rs. in hundreds	
	As at 31 March 2019	As at 31 March 2018
<b>Authorised capital</b>		
100,000 (31 March 2018 - 100,000) equity shares of Rs 10 each	10,000.00	10,000.00
<b>Issued, subscribed and paid up capital</b>		
100,000 (31 March 2018 - 100,000) equity shares of Rs. 10 each, fully paid up	10,000.00	10,000.00
	<b>10,000.00</b>	<b>10,000.00</b>

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

Name of the share holder	As at 31 March 2019		As at 31 March 2018	
	No of shares	% holding	No of shares	% holding
<b>Equity Share Capital</b>				
Prestige Retail Ventures Limited	99,999	99.99%	99,999	99.99%

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

Particulars	Figures in hundred except for number of shares			
	As at 31 March 2019		As at 31 March 2018	
	No of shares	Amount	No of shares	Amount
<b>Equity Shares</b>				
At the beginning of the year	1,00,000	10,000.00	1,00,000	10,000.00
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>1,00,000</b>	<b>10,000.00</b>	<b>1,00,000</b>	<b>10,000.00</b>

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

**6 Other Equity**

Particulars	Rs. in hundreds	
	As at 31 March 2019	As at 31 March 2018
<b>Retained earnings</b>		
Opening balance	(3,357.84)	(2,866.26)
Add: Net (loss) for the year	(621.68)	(491.58)
	<b>(3,979.52)</b>	<b>(3,357.84)</b>



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**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**7 Other financial liabilities**

Particulars	Rs. in hundreds	
	As at 31 March 2019	As at 31 March 2018
Other payables	354.00	586.18
	<b>354.00</b>	<b>586.18</b>

**8 Other current liabilities**

Particulars	Rs. in hundreds	
	As at 31 March 2019	As at 31 March 2018
Withholding taxes and duties	4.50	-
	<b>4.50</b>	<b>-</b>



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**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**9 Other Expenses**

Particulars	Note No	Rs. in hundreds	
		Year ended 31 March 2019	Year ended 31 March 2018
Rates & taxes		23.38	4.08
Auditors' remuneration	16	513.30	427.50
Legal & professional charges		85.00	60.00
		<b>621.68</b>	<b>491.58</b>

**10 Tax Expenses**

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

Particulars	Rs. in hundreds	
	Year ended 31 March 2019	Year ended 31 March 2018
<b>Current tax</b>		
In respect of the current year	-	-
In respect of prior years	-	-
<b>Deferred tax</b>		
In respect of the current year	-	-
	-	-
	-	-

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

Particulars	Rs. in hundreds	
	Year ended 31 March 2019	Year ended 31 March 2018
Profit/(loss) before tax	(621.68)	(491.58)
Tax rate	26.00%	25.75%
Income tax expense calculated at applicable tax rate	(161.64)	(126.58)
Tax effect of amounts which are not deductible in calculating taxable income		
Effect of unused tax losses not recognised as deferred tax assets	161.64	126.58
Income tax expense recognised in statement of profit or loss	-	-



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**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**11 Contingent liabilities and capital commitments**

Particulars	Rs. in hundreds	
	As at 31 March 2019	As at 31 March 2018
<b>Contingent liabilities</b>		
Claims against the Company not acknowledged as debts	-	-
Corporate guarantee/Equitable mortgage given on behalf of companies under the same management	-	-
<b>Capital commitment</b>		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	-	-

**12 Fair values**

None of financial assets are measured at fair values.

**13 Financial risk management objectives and policies**

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

**I Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity/ real-estate risk.

**a. Interest rate risk**

The company doesn't have any borrowings, hence, the company is not exposed to interest rate risk.

**b. Commodity price**

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

**c. Foreign Currency exchange rate risk**

The company doesn't have any transactions in foreign currency. Hence, it is not exposed to foreign currency exchange rate risk.

**II Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Since the Company has not entered into any contractual obligations resulting in loss to the Company, it is not exposed to Credit risk.

**III Liquidity risk**

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



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**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**14 Capital management**

The company manages its capital in such a way to ensure that there is timely availability of funds for the operations. The capital structure of the Company consists of equity. As at 31 March 2019, the operations of the company are predominantly funded by means of equity. The Company is not subject to any externally imposed capital requirements. The Company's Board reviews the capital structure and determines the appropriate composition of

**15 Related party disclosure :**

**(i) List of related parties and relationships -**

**a) Controlling Enterprise**

Prestige Estates Projects Limited (Ultimate Holding Company)  
Prestige Retail Ventures Limited (Holding Company)

**b) Key Management Personnel**

Irfan Razack, Director  
Rezwan Razack, Director  
Noaman Razack, Director  
Venkat Narayana K, CEO of Controlling Enterprise

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

Particulars	Rs. in hundreds	
	Year ended 31 March 2019	Year ended 31 March 2018
No transaction entered with related party during the year	-	-

**(iii) Balance Outstanding**

Particulars	Rs. in hundreds	
	As at 31 March 2019	As at 31 March 2018
<b>Other Payables</b>		
Controlling Enterprise		
Prestige Estates Projects Limited	-	-
Key Management Personnel		
Venkat Narayana K.	-	408
	-	<b>408</b>

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

b) No amount is / has been written back during the period in respect of debts due from or to related party.

c) Reimbursement of actual expenses in not considered in the above disclosure.





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**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**16 Auditors' Remuneration**

Particulars	Rs. in hundreds	
	Year ended 31 March 2019	Year ended 31 March 2018
<b>Payment to Auditors (inclusive of applicable taxes) :</b>		
For Statutory Audit	378.30	354.00
For Limited Review	135.00	73.50
	<b>513.30</b>	<b>427.50</b>

**17 Earnings per share**

Particulars	Figures in rupees except number of shares	
	Year ended 31 March 2019	Year ended 31 March 2018
a) Net profit/ (loss) for the year available to equity shareholders	(621.68)	(491.58)
b) Weighted average number of equity shares - Basic	1,00,000	1,00,000
c) Weighted Average number of Equity shares-Diluted	1,00,000	1,00,000
d) Nominal Value of shares	10	10
e) Basic Earnings per Share	(0.62)	(0.49)
f) Diluted Earnings per Share	(0.62)	(0.49)

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

**19** There are no employees employed by the Company and accordingly there are not employee cost and provision for employee benefits.

**20** The figures of previous period have been regrouped/reclassified, where necessary, to confirm to this period's classification.

**for MSSV & Co.**

Chartered Accountants

Firm Registration No.0019875

**Shiv Shankar T.R**

Partner

Membership No.220517



**For and on behalf of the Board**

**Irfan Razack**

Director

DIN : 00209022

Place: Bengaluru

Date: May 14, 2019

**Rezwan Razack**

Director

DIN : 00209060

Place: Bengaluru

Date: May 14, 2019