

**NORTHLAND HOLDING COMPANY PRIVATE LIMITED**  
THE FALCON HOUSE, NO.1, MAIN GUARD CROSS ROAD, BANGALORE-560001  
CIN : U45202KA2009PTC049345  
**BALANCE SHEET AS AT 31 MARCH 2019**

Rs. in hundred

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
<b>I. ASSETS</b>			
<b>Non Current assets</b>			
Property, plant and equipment	4	28,66,090.13	28,15,462.79
Capital work in progress		1,32,70,924.30	1,15,69,686.35
Other intangible assets	5	8,523.47	-
Other Non current Assets	6	5,18,158.51	6,31,291.88
Deferred Tax Asset		1,35,848.02	1,26,188.66
		<b>1,67,99,544.43</b>	<b>1,51,42,629.68</b>
<b>Current assets</b>			
Inventories	22	58,778.02	56,530.25
Financial asset			
i. Trade receivables	7	1,38,114.52	99,563.64
ii. Cash and cash equivalents	8	1,21,237.08	1,27,294.61
Other Current Assets	10	36,895.47	34,625.46
Income Tax Assets(net)		75,926.47	48,844.35
		<b>4,30,951.56</b>	<b>3,66,858.31</b>
<b>Total</b>		<b>1,72,30,495.99</b>	<b>1,55,09,487.99</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	11	3,00,000.00	3,00,000.00
Other Equity	12	69,80,640.42	(31,09,165.79)
		<b>72,80,640.42</b>	<b>(28,09,165.79)</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Other non-current liabilities	13	64,890.18	49,94,676.38
Provisions	14	95,796.75	46,327.60
		<b>1,60,686.93</b>	<b>50,41,003.98</b>
<b>Current liabilities</b>			
Financial Liabilities			
i. Borrowings	15	56,97,153.68	93,59,913.82
ii. Trade Payables	16	1,74,766.88	1,38,590.87
ii. Other financial liabilities	17	25,59,266.27	22,08,801.29
Other current liabilities	18	13,54,207.10	15,66,223.82
Provisions	19	3,774.71	4,120.00
		<b>97,89,168.64</b>	<b>1,32,77,649.80</b>
<b>Total</b>		<b>1,72,30,495.99</b>	<b>1,55,09,487.99</b>

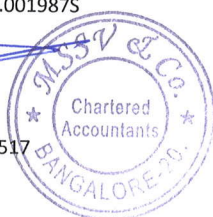
Accompanying notes forming part of the Financial Statements

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

for **MSSV & Co.**  
Chartered Accountants  
Firm Registration No.001987S

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

Place: Bengaluru  
Date: May 17, 2019



For and on behalf of the Board of Directors  
Northland Holding Company Private Limited

**Faiz Rezwan**  
Director  
DIN : 01217423

Place: Bengaluru  
Date: May 17, 2019

**Uzma Irfan**  
Director  
DIN : 01216604

Place: Bengaluru  
Date: May 17, 2019

**NORTHLAND HOLDING COMPANY PRIVATE LIMITED**  
 THE FALCON HOUSE, NO.1, MAIN GUARD CROSS ROAD, BANGALORE-560001  
 CIN : U45202KA2009PTC049345  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019**

Rs. in hundred			
Particulars	Note No.	Year ended 31 March 2019	Year ended 31 March 2018
<b>Income</b>			
Revenue from operations	20	24,58,467.64	20,27,901.98
Other income	21	21,855.94	3,387.10
<b>Total Revenue - (I)</b>		<b>24,80,323.58</b>	<b>20,31,289.08</b>
<b>Expenses</b>			
Cost of sales	22	8,93,288.72	8,69,788.62
Employee Benefit Expense	23	11,95,089.83	9,34,475.53
Finance costs	24	215.57	9,098.24
Depreciation and amortization	4 & 5	43,685.14	31,397.40
Other expenses	25	2,46,461.35	2,59,518.97
<b>Total Expenses - (II)</b>		<b>23,78,740.61</b>	<b>21,04,278.76</b>
<b>Profit / (Loss) before tax (III = I - II)</b>		<b>1,01,582.97</b>	<b>(72,989.68)</b>
<b>Tax expense:</b>			
Current tax		-	-
Deferred Tax		(9,659.36)	(21,143.61)
<b>Total Tax expense (IV)</b>		<b>(9,659.36)</b>	<b>(21,143.61)</b>
<b>Profit / (Loss) for the year (V = III - IV)</b>		<b>1,11,242.33</b>	<b>(51,846.07)</b>
<b>Other comprehensive income</b>			
Items that may be reclassified to profit or loss		-	-
Items that will not be reclassified to profit or loss		-	-
Remeasurements of post- Employment benefit obligations (net of tax)		(21,436.12)	1,375.91
<b>Other Comprehensive income for the year, net of tax (VI)</b>		<b>(21,436.12)</b>	<b>1,375.91</b>
<b>Total Comprehensive Income (VII = V + VI)</b>		<b>89,806.21</b>	<b>(50,470.16)</b>
<b>Earnings per Equity Share</b>	33		
(equity shares, par value Rs 10 each) (in Rs.)			
- Basic		2.99	(1.68)
- Diluted		2.25	(1.68)

Accompanying notes forming part of the Financial Statements

This is the statement of profit and loss 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

Place: Bengaluru

Date: May 17, 2019



For and on behalf of the Board of Directors

Northland Holding Company Private Limited

**Faiz Rezwan**

Director

DIN : 01217423

Place: Bengaluru

Date: May 17, 2019

**Uzma Irfan**

Director

DIN : 01216604

Place: Bengaluru

Date: May 17, 2019

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

Particulars	Rs. in hundred	
	Year Ended 31 March, 2019	Year Ended 31 March, 2018
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Loss before taxation	1,01,582.97	(72,989.68)
<b>Adjustments for non-cash &amp; non-operating items:</b>		
Depreciation and amortisation	43,685.14	31,397.40
Finance cost	215.57	9,098.24
Loss on sale of fixed asset	-	678.32
Gratuity Other Comprehensive Income/(Loss)	(21,436.12)	1,375.91
<b>Operating profit before working capital changes</b>	<b>1,24,047.56</b>	<b>(30,439.81)</b>
<b>Adjustments for</b>		
Increase / (Decrease) in Current Liabilities	(2,12,016.72)	11,92,509.67
Increase / (Decrease) in Trade Payables	36,176.01	44,484.12
Increase / (Decrease) in Long-term/Short-term Provisions	49,123.86	(355.99)
Increase / (Decrease) in other non-current liabilities	32,833.46	-
Increase / (Decrease) in other financial liabilities	3,50,464.98	-
(Increase) / Decrease in Inventories	(2,247.77)	454.72
(Increase) / Decrease in Trade receivables	(38,550.88)	1,84,487.88
(Increase) / Decrease in Short-term/Long-term Loans & Advances	1,10,863.36	21,086.55
<b>Cash generated from operations</b>	<b>4,50,693.86</b>	<b>14,12,227.14</b>
Income tax refund / (payment) - Net	(27,082.12)	(23,427.31)
<b>Net Cash generated from operating activities - A</b>	<b>4,23,611.74</b>	<b>13,88,799.83</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Expenditure incurred on Capital Work-in-progress	(17,01,237.95)	(17,16,329.30)
Purchase of fixed assets	(1,02,835.94)	(51,346.37)
Sale of fixed assets	-	2,620.09
Adjustment for borrowing cost capitalised	3,94,318.89	-
<b>Net Cash generated from / used in Investing Activities - B</b>	<b>(14,09,755.00)</b>	<b>(17,65,055.58)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from/ (Repayment of) borrowings	(86,34,000.00)	4,16,219.04
Issue of Optionally convertible debentures	1,00,00,000.00	-
Increase/(Decrease) in overdrawn balances from banks	8,620.20	-
Finance costs	(3,94,534.46)	(9,098.24)
<b>Net Cash generated from / used in Financing Activities - C</b>	<b>9,80,085.74</b>	<b>4,07,120.80</b>
<b>Net Increase / (Decrease) in cash and cash equivalents (A+B+C)</b>	<b>(6,057.53)</b>	<b>30,865.05</b>
Cash & Cash equivalents opening balance	1,27,294.61	96,429.56
<b>Cash &amp; Cash equivalents closing balance (Refer Note 8)</b>	<b>1,21,237.08</b>	<b>1,27,294.61</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

Firm Registration No.0019875

Shiv Shankar T.R

Partner

Membership No.220517



Place: Bengaluru

Date: May 17, 2019

For and on behalf of the Board

Northland Holding Company Private Limited

Faiz Rezwan

Director

DIN : 01217423

Place: Bengaluru

Date: May 17, 2019

Uma Irfan  
Director  
DIN : 01216604

Place: Bengaluru

Date: May 17, 2019



**STATEMENT OF CHANGES IN EQUITY**

Rs. in hundred

Particulars	Equity share capital	Other equity		Total equity
		Optionally Convertible Debentures	Retained Earnings	
<b>As at April 1, 2017</b>	<b>3,00,000.00</b>	-	<b>(30,58,695.63)</b>	<b>(27,58,695.63)</b>
Profit/(Loss) for the year	-	-	(51,846.07)	(51,846.07)
Other Comprehensive Income / (Loss) for the year, net of income tax	-	-	1,375.91	1,375.91
<b>As at 31 March 2018</b>	<b>3,00,000.00</b>	-	<b>(31,09,165.79)</b>	<b>(28,09,165.79)</b>
Profit/(Loss) for the year	-	-	1,11,242.33	1,11,242.33
Other Comprehensive Income / (Loss) for the year, net of income tax	-	-	(21,436.12)	(21,436.12)
Issued during the year	-	1,00,00,000.00	-	1,00,00,000.00
<b>As at 31 March 2019</b>	<b>3,00,000.00</b>	<b>1,00,00,000.00</b>	<b>(30,19,359.58)</b>	<b>72,80,640.42</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 of Directors**

*[Signature of Faiz Rezwan]*

**Faiz Rezwan**  
Director  
DIN : 01217423

*[Signature of Ulma Irfan]*

**Ulma Irfan**  
Director  
DIN : 01216604

Place: Bengaluru  
Date: May 17, 2019

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**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**1 Corporate Information**

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

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

The financial statements are approved for issue by the Company's Board of Directors on May 17, 2019.

**2 Significant accounting policies**

**2.1 Statement of compliance**

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

**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.

**2.3 Use of Estimates**

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

**2.4 Fair value measurement**

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

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

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

**2.5 Revenue Recognition**

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. Whereas application of Ind AS 115 has no impact on existing revenue recognition policy followed by entity.

Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.



**a. Recognition of Revenue:**

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

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

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

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

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

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

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

**d. Interest income**

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

**2.6 Leases**

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

**a. The Company as lessor**

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

**b. The Company as lessee**

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

**2.7 Borrowing Cost**

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

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

**2.8 Foreign Currency Transactions**

All transactions in foreign currency are recorded on the basis of the exchange rate prevailing as on the date of transaction. The difference, if any, on actual payment / realisation is recorded to the Statement of Profit and Loss. Monetary assets and liabilities denominated in foreign currency are restated at rates prevailing at the year-end. The net loss or gain arising out of such conversion is dealt with in the Statement of Profit and Loss.

**2.9 Employee Benefits**

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

**a. Short-term obligations**

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

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

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





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

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

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

#### **c. Post-employment obligations**

The Company operates the following post-employment schemes:

##### **i. Defined Contribution Plan:**

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

##### **ii. Defined Benefit Plan:**

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

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

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

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

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

## **2.10 Income Taxes**

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

#### **a. Current tax**

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

#### **b. Deferred tax**

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

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

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

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

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





### c. Minimum Alternate Tax (MAT)

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

### 2.11 Property, plant and equipment

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

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

#### *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 equipments is provided using written-down value method over the useful lives of assets estimated by the Management. The Management estimates the useful lives for the fixed assets as follows:

Particulars	As at	As at
	31 March 2019	31 March 2018
Building *	58 Years	58 Years
Plant and machinery *	20 Years	20 Years
Office Equipment*	20 Years	20 Years
Furniture and fixtures *	15 Years	15 Years
Vehicles*	10 Years	10 Years
Computers and Accessories*	6 Years	6 Years

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

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

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

### 2.12 Capital work-in-progress

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

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

### 2.13 Investment Property

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

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

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



## 2.14 Intangible Assets

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

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

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

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

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

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

## 2.16 Inventories

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

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

## 2.17 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

## 2.18 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 profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.





## **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**

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

#### **Financial liabilities**

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

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

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

### **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 tax effects.

### **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 profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit and loss.

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

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

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

All other assets are classified as non-current.

A liability is current when:

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

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





### 2.20 Cash and cash equivalents

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

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

### 2.21 Earnings per share

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

### 2.22 Dividends

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

## 3 Recent accounting pronouncements

### 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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**4. Property, Plant and Equipment**

	Rs. in hundred					
Particulars	Land	Plant & Machinery	Computers	Furniture & Fixtures	Vehicles	Total
<b>Cost :</b>						
<b>As at 1 April 2017</b>	<b>26,50,218.93</b>	<b>1,34,017.82</b>	<b>9,692.97</b>	<b>18,295.82</b>	<b>41,796.70</b>	<b>28,54,022.24</b>
Additions	-	44,328.07	505.54	231.70	6,281.06	51,346.37
Adjustments/Deletions	-	-	-	-	6,008.44	6,008.44
<b>As at 31 March 2018</b>	<b>26,50,218.93</b>	<b>1,78,345.89</b>	<b>10,198.51</b>	<b>18,527.52</b>	<b>42,069.32</b>	<b>28,99,360.17</b>
Additions	-	6,965.94	1,650.00	-	85,000.00	93,615.94
Adjustments/Deletions	-	-	-	-	-	-
<b>As at 31 March 2019</b>	<b>26,50,218.93</b>	<b>1,85,311.83</b>	<b>11,848.51</b>	<b>18,527.52</b>	<b>1,27,069.32</b>	<b>29,92,976.11</b>
<b>Depreciation :</b>						
<b>As at 1 April 2017</b>	<b>-</b>	<b>33,201.23</b>	<b>4,296.31</b>	<b>5,836.70</b>	<b>11,875.78</b>	<b>55,210.01</b>
Charge for the period	-	19,166.34	2,170.64	2,266.80	7,793.62	31,397.40
Deletion	-	-	-	-	2,710.03	2,710.03
<b>As at 31 March 2018</b>	<b>-</b>	<b>52,367.57</b>	<b>6,466.95</b>	<b>8,103.50</b>	<b>16,959.37</b>	<b>83,897.38</b>
Charge for the period	-	18,059.17	1,983.98	1,881.58	21,063.88	42,988.60
Deletion	-	-	-	-	-	-
<b>As at 31 March 2019</b>	<b>-</b>	<b>70,426.73</b>	<b>8,450.93</b>	<b>9,985.07</b>	<b>38,023.25</b>	<b>1,26,885.98</b>
<b>Net Block :</b>						
<b>As at 31 March 2018</b>	<b>26,50,218.93</b>	<b>1,25,978.32</b>	<b>3,731.56</b>	<b>10,424.02</b>	<b>25,109.95</b>	<b>28,15,462.79</b>
<b>As at 31 March 2019</b>	<b>26,50,218.93</b>	<b>1,14,885.10</b>	<b>3,397.58</b>	<b>8,542.45</b>	<b>89,046.07</b>	<b>28,66,090.13</b>

**5. Intangible Assets**

Particulars	Computer Software	Total
<b>As at 1 April 2017</b>	-	-
Additions	-	-
Adjustments/Deletions	-	-
<b>As at 31 March 2018</b>	-	-
Additions	9,220.00	9,220.00
Adjustments/Deletions	-	-
<b>As at 31 March 2019</b>	<b>9,220.00</b>	<b>9,220.00</b>
<b>Accumulated Depreciation</b>		
<b>As at 1 April 2017</b>	-	-
Charge for the Period	-	-
Deletion	-	-
<b>As at 31 March 2018</b>	-	-
Charge for the Period	696.53	696.53
Deletion	-	-
<b>As at 31 March 2019</b>	<b>696.53</b>	<b>696.53</b>
<b>Net Block</b>		
<b>As at 31 March 2018</b>	-	-
<b>As at 31 March 2019</b>	<b>8,523.47</b>	<b>8,523.47</b>



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**6 Other Non current Assets**

Particulars	Rs. in hundred	
	As at 31 March 2019	As at 31 March 2018
Capital advances	5,07,489.71	6,18,073.08
Security deposits	10,668.80	13,218.80
	<b>5,18,158.51</b>	<b>6,31,291.88</b>

**7 Trade receivables**

Particulars	Rs. in hundred	
	As at 31 March 2019	As at 31 March 2018
Other receivables(unsecured, considered good)	1,38,114.52	99,563.64
	<b>1,38,114.52</b>	<b>99,563.64</b>

**8 Cash and cash equivalents**

Particulars	Rs. in hundred	
	As at 31 March 2019	As at 31 March 2018
a) Cash on hand	2,340.27	2,020.42
a) Balances with banks - in current accounts	1,18,896.81	1,25,274.19
	<b>1,21,237.08</b>	<b>1,27,294.61</b>

**9 Income tax asset/liability (Net)**

Particulars	Rs. in hundred	
	As at 31 March 2019	As at 31 March 2018
Advance income-tax	75,926.47	48,844.35
	<b>75,926.47</b>	<b>48,844.35</b>

**10 Other current assets**

Particulars	Rs. in hundred	
	As at 31 March 2019	As at 31 March 2018
Advances to staff	798.89	429.09
Prepaid expenses	10,552.20	14,278.95
Other advances	25,544.38	19,917.42
	<b>36,895.47</b>	<b>34,625.46</b>

**11 Equity Share Capital**

Particulars	Rs. in hundred	
	As at 31 March 2019	As at 31 March 2018
<b>Authorised capital</b> 30,00,000 (P.Y. 30,00,000) equity shares of Rs 10 each	3,00,000.00	3,00,000.00
<b>Issued, subscribed and paid up capital</b> 30,00,000 (P.Y. 30,00,000)	3,00,000.00	3,00,000.00
	<b>3,00,000.00</b>	<b>3,00,000.00</b>





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

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Equity Shares</b>		
At the beginning of the year	30,00,000	30,00,000
Shares issued during the year	-	-
<b>Outstanding at the end of the year</b>	<b>30,00,000</b>	<b>30,00,000</b>

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

Name of the share holder	As at 31 Dec 2018	As at 31 March 2018
	No of shares	No of shares
	% holding	% holding
Prestige Hospitality Ventures Limited	30,00,000	30,00,000
	100.00%	1
	<b>30,00,000</b>	<b>30,00,000</b>
	<b>100.00%</b>	<b>1</b>

During the five years, there are no equity shares allotted pursuant to contract(s) without payment being received in cash.

**c Rights, Preferences and Restrictions on equity shares :**

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

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

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

**12 Other Equity**

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Deficit in Statement of Profit and Loss</b>		
Opening balance	(31,09,165.79)	(30,58,695.63)
Add: Net profit/ (loss) for the year/period	89,806.21	(50,470.16)
	<b>(30,19,359.58)</b>	<b>(31,09,165.79)</b>
<b>Equity component of compound financial instrument</b>		
10,00,00,000 0% Optionally Convertible Debentures of Rs. 10 each	1,00,00,000.00	-
	<b>1,00,00,000.00</b>	<b>-</b>
	<b>69,80,640.42</b>	<b>(31,09,165.79)</b>

**A Terms of Optionally Convertible Debentures**

10,00,00,000 0% Optionally Convertible Debentures ("OCD") of Rs. 10 each

a) 100 OCD of Rs. 10 each are convertible at the option of the holder into one Equity Share of Rs. 10/-

b) If remaining unconverted, these OCD are redeemable within 20 years from the date of allotment.

**13 Other non current liabilities**

Particulars	As at 31 March 2019	As at 31 March 2018
Loans and advances from related parties (Unsecured)	-	49,62,619.66
Lease deposits	1,800.00	1,800.00
Retention creditors	63,090.18	30,256.72
	<b>64,890.18</b>	<b>49,94,676.38</b>



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**14 Long term Provisions**

Particulars	Rs. in hundred	
	As at 31 March 2019	As at 31 March 2018
Provision for gratuity	55,736.19	20,042.46
Provision for compensated absences	40,060.56	26,285.14
	<b>95,796.75</b>	<b>46,327.60</b>

**15 Current Borrowings**

Particulars	Rs. in hundred	
	As at 31 March 2019	As at 31 March 2018
Inter Corporate Deposits from related parties (unsecured, repayable on demand)	56,88,533.48	93,59,913.82
Overdrawn bank balances	8,620.20	-
	<b>56,97,153.68</b>	<b>93,59,913.82</b>

a. Unsecured loans consists of loan of amount Rs.22,42,03,503/- which is subject to interest rate of 0% per annum (Previous Year 0%) and loan of amount Rs.34,46,49,845/- which is subject to interest rate of 10% per annum (Previous Year 10%)

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

**16 Trade Payables**

Particulars	Rs. in hundred	
	As at 31 March 2019	As at 31 March 2018
- Due to :		
Micro, small and medium enterprises	-	-
Others	1,74,766.88	1,38,590.87
	<b>1,74,766.88</b>	<b>1,38,590.87</b>

**17 Other financial liabilities**

Particulars	Rs. in hundred	
	As at 31 March 2019	As at 31 March 2018
Current maturities of long term debt	-	4,422.03
Interest accrued but not due on borrowings	25,59,266.27	22,04,379.26
	<b>25,59,266.27</b>	<b>22,08,801.29</b>

**18 Other current liabilities**

Particulars	Rs. in hundred	
	As at 31 March 2019	As at 31 March 2018
<b>From others</b>		
Advance received from customers	3,73,827.90	6,19,987.50
Withholdings taxes and duties payable	1,28,849.04	1,33,516.27
Capital creditors	6,30,289.05	7,13,165.32
Other payables	2,21,241.11	99,554.73
	<b>13,54,207.10</b>	<b>15,66,223.82</b>



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**19 Short term Provisions**

Particulars	Rs. in hundred	
	As at 31 March 2019	As at 31 March 2018
Provision for compensated absences	3,774.71	4,120.00
	<b>3,774.71</b>	<b>4,120.00</b>

**20 Revenue from Operations**

Particulars	Rs. in hundred	
	Year ended 31 March 2019	Year ended 31 March 2018
<b><u>Sale of services:</u></b>		
Golf services	6,12,152.51	4,99,117.88
Membership fees	2,03,949.78	1,33,653.16
Villa maintenance & rental	7,59,155.14	6,42,196.36
Facility services	32,768.34	19,938.07
Tournament sponsorship fees	71,383.82	1,00,219.54
	<b>16,79,409.59</b>	<b>13,95,125.01</b>
<b><u>Sale of goods:</u></b>		
Golf	37,545.44	41,838.75
Restaurant	7,41,512.61	5,90,938.22
	<b>7,79,058.05</b>	<b>6,32,776.97</b>
	<b>24,58,467.64</b>	<b>20,27,901.98</b>

**21 Other Income**

Particulars	Rs. in hundred	
	Year ended 31 March 2019	Year ended 31 March 2018
Miscellaneous income	21,855.94	3,387.10
	<b>21,855.94</b>	<b>3,387.10</b>

**22 Cost of Sales**

Particulars	Rs. in hundred	
	Year ended 31 March 2019	Year ended 31 March 2018
Opening Stock	56,530.25	56,984.97
Add: Purchases and other operating expenses	8,95,536.49	8,69,333.90
Less: Closing Stock	(58,778.02)	(56,530.25)
	<b>8,93,288.72</b>	<b>8,69,788.62</b>

**23 Employee Benefit Expense**

Particulars	Rs. in hundred	
	Year ended 31 March 2019	Year ended 31 March 2018
Salaries & wages	11,18,962.94	8,41,162.24
Staff welfare expenses	76,126.89	93,313.29
	<b>11,95,089.83</b>	<b>9,34,475.53</b>





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**24 Finance Costs**

Particulars	Rs. in hundred	
	Year ended 31 March 2019	Year ended 31 March 2018
Interest on borrowings	3,94,318.89	6,93,207.06
Interest on non-payment of TDS	-	4,743.79
Interest - Others	215.57	742.96
	3,94,534.46	6,98,693.81
Less: Borrowing cost capitalised to capital work-in-progress	(3,94,318.89)	(6,89,595.57)
	<b>215.57</b>	<b>9,098.24</b>

**25 Other Expenses**

Particulars	Rs. in hundred	
	Year ended 31 March 2019	Year ended 31 March 2018
Insurance	8,033.81	8,638.66
Rates and taxes	29,258.42	17,241.35
Legal and professional	2,446.52	11,991.93
Auditors' remuneration	1,850.00	2,250.00
Bank charges & credit card commission	20,330.98	17,066.96
Business promotion	36,791.23	27,274.84
General & administrative expenses	29,919.60	23,910.96
Telephone expenses	6,736.62	9,024.83
Rent	29,000.00	48,000.00
Repairs & maintenance :	-	-
Computers	4,220.51	3,601.26
Vehicles	5,596.65	6,087.91
Golf course management fees	72,277.01	78,377.65
Bad debt written off	-	6,052.62
	<b>2,46,461.35</b>	<b>2,59,518.97</b>

**25a Auditors' remuneration**

Particulars	Rs. in hundred	
	Year ended 31 March 2019	Year ended 31 March 2018
Statutory audit	1,00,000.00	1,000.00
Tax audit	40,000.00	400.00
VAT audit	-	400.00
Limited Review	45,000.00	450.00
	<b>1,85,000.00</b>	<b>2,250.00</b>

\*The Company avails input credit for indirect tax and hence no tax expense is accrued.

**26 Tax expenses**

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

Particulars	Rs. in hundred	
	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	(9,659.36)	(21,143.61)
	(9,659.36)	(21,143.61)
	<b>(9,659.36)</b>	<b>(21,143.61)</b>



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

Particulars	Rs. in hundred	
	Year ended 31 March 2019	Year ended March 31, 2018
Profit before tax from continuing operations	1,01,582.97	(72,989.68)
Tax rate	26.00%	25.75%
Income tax expense calculated at applicable tax rate	26,411.57	(18,794.84)
Effect of expenses that are not deductible in determining taxable profit	24,909.16	5,052.04
Tax effect on account of temporary differences	(1,773.23)	(7,400.81)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	(59,206.87)	-
<b>Income tax expense recognised in profit or loss</b>	<b>(9,659.36)</b>	<b>(21,143.61)</b>

**27 Contingent liabilities**

Particulars	Rs. in hundred	
	As at 31 March 2019	As at 31 March 2018
<b>Contingent liabilities</b>		
Claims against the Company not acknowledged as debts		
Corporate guarantee given on behalf of companies under the same management	4,50,00,000.00	4,50,00,000.00
<b>Capital commitment</b>		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	78,03,458.81	80,87,363.70

**28 Fair values**

None of the financial assets are measured at fair values.

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

**29 Financial risk management objectives and policies**

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

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management 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. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. 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/ realstate risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits.

**Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The company has sourced its fund requirements from Inter Corporate Deposits with fixed rate of interest and are repayable on demand. Hence, the company is not exposed to interest rate risk.

**Commodity price**

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



**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**Equity price risk**

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

**Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including refundable joint development deposits, security deposits, loans to employees and other financial instruments.

**Liquidity risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including refundable joint development deposits, security deposits, loans to employees and other financial instruments.

The table below provides details regarding the contractual maturities of significant liabilities as at March 31, 2019 and March 31, 2018:

						Rs. in hundred
Particulars	As at March 31, 2019					Total
	On demand	0-1 years	1-5 years	More than 5 years		
Borrowings	56,97,153.68	-	-	-		56,97,153.68
Trade payables	-	1,74,766.88	-	-		1,74,766.88
Other financial liabilities	25,59,266.27	-	-	-		25,59,266.27

						Rs. Rs. in hundred
Particulars	As at March 31, 2018					Total
	Carrying amount	0-1 years	1-5 years	More than 5 years		
Borrowings	93,59,913.82	-	-	-		93,59,913.82
Trade payables	-	1,38,590.87	-	-		1,38,590.87
Other financial liabilities	22,08,801.29	-	-	-		22,08,801.29

**30 Capital management**

The Company manages its capital in such a way that it ensures there is timely availability of funds for operations. The capital structure of the Company consists of equity, other equity (Optionally convertible debentures) and short terms debt (inter corporate deposits). Till March 31, 2019, the operations of the the Company are predominantly funded by means of inter corporate deposits. The Company is not subjected to any externally imposed capital requirements. The Company's Board reviews the capital structure and determines the appropriate composition of debt and equity.

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

**32 Related party disclosure :**

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

**Ultimate Holding Company**

Prestige Estates Projects Limited

**Holding Company**

Prestige Hospitality Ventures

**Entities under common control**

K2K Infrastructure India Private Limited

Prestige Fashions Pvt Ltd

Prestige Golf Resorts Pvt Ltd

Prestige Leisure Resorts Pvt Ltd





**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**Key Management Personnel**

Irfan Razack  
Uzma Irfan  
Faiz Rezwan  
Jagdeesh Reddy  
Ranganath Pangal Nayak  
Badrunissa Irfan  
Rezwan Razack  
Noaman Razack

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

Particulars	Rs. in hundred	
	Year ended 31 March 2019	Year ended 31 March 2018
<b>Inter Corporate Deposits Received</b>		
Prestige Estates Projects Limited	13,66,000.00	4,80,000.00
	<b>13,66,000.00</b>	<b>4,80,000.00</b>
<b>Interest Expense on ICD</b>		
Prestige Estates Projects Limited	3,94,318.88	6,93,207.06
	<b>3,94,318.88</b>	<b>6,93,207.06</b>
<b>Optionally Convertible Debentures Issued</b>		
Prestige Estates Projects Limited*	1,00,00,000.00	-
	<b>1,00,00,000.00</b>	<b>-</b>
<b>Purchase of Goods</b>		
Prestige Fashions Private Limited	7,985.15	7,910.58
	<b>7,985.15</b>	<b>7,910.58</b>
<b>Sale of Services</b>		
Uzma Irfan	2,045.62	7,811.03
Faiz Rezwan	4,457.93	3,200.87
Rezwan Razack	240.80	1,798.28
Noaman Razack	1,077.97	1,048.62
Irfan Razack	2,959.61	53.97
Prestige Estates Projects Limited	3,92,964.39	3,61,310.25
	<b>4,03,746.32</b>	<b>3,75,223.02</b>
<b>(iii) Balance Outstanding</b>		
Particulars	Rs. in hundred	
	As at 31 March 2019	As at 31 March 2018
<b>Trade Payables</b>		
K2K Infrastructure India Private Limited	13,642.23	13,642.23
Prestige Fashions Pvt Ltd	8,314.75	325.60
Prestige Leisure Resorts Private Limited	346.31	346.31
	<b>22,303.29</b>	<b>14,314.14</b>
<b>Trade Receivables</b>		
Faiz Rezwan	569.26	813.42
Irfan Razack	78.92	22.12
Noaman Razack	53.76	67.39
Rezwan Razack	5.17	20.17
Prestige Estates Projects Limited	1,50,594.90	26,585.15
	<b>1,51,302.01</b>	<b>27,508.25</b>
<b>Inter Corporate Deposits</b>		
Prestige Estates Projects Limited	56,88,533.48	93,59,913.82
	<b>56,88,533.48</b>	<b>93,59,913.82</b>



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

**Interest on Inter Corporate Deposits**

Prestige Estates Projects Limited	25,59,266.27	22,04,379.26
	<b>25,59,266.27</b>	<b>22,04,379.26</b>

**Refundable deposit received**

Prestige Estates Projects Limited**	-	49,62,619.66
	-	<b>49,62,619.66</b>

\* Inter corporate deposits from Prestige estates projects limited of Rs.1,00,00,00,000/- has been converted into 10,00,00,000 0% Optionally convertible debentures of Rs.10 each (Refer Note 12).

\*\* Refundable deposits received from Prestige estates projects limited of Rs.49,62,61,966 has been converted into Inter corporate deposits bearing interest rate of 10% p.a. (Refer Note 13 & 15)

- a) Related party relationships are as identified by the company on the basis of information available with them and relied upon by the auditors.  
 b) No amount is written off or written back during the year in respect of debts due from or to related parties.  
 c) Reimbursement of actual expenses is not disclosed in transactions with Related Parties during the year.

**33 Earnings per share**

Particulars	in Rs. (except no. of shares)	
	Year ended 31 March 2019	Year ended 31 March 2018
a) Net profit/ (loss) for the year available to equity shareholders (including Other comprehensive income)	89,80,621	(50,47,016)
b) Weighted average number of equity shares - Basic	30,00,000	30,00,000
c) Weighted Average number of Equity shares- Diluted	40,00,000	30,00,000
d) Nominal Value of shares	-	10.00
e) Basic Earnings per Share (in Rs.)	2.99	(1.68)
f) Diluted Earnings per Share (in Rs.)	2.25	(1.68)

**34 Employee benefits**

The details of employee benefits as required under Accounting Standard 15 'Employee Benefits' is given below:

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

Particulars	Rs. in hundred	
	Year ended 31 March 2019	Year ended 31 March 2018
Employers' Contribution to Provident Fund	77,784.13	55,747.24
Employers' Contribution to ESI	25,279.44	18,816.20
	<b>1,03,063.57</b>	<b>74,563.44</b>



**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(ii) Defined Benefit Plan : In accordance with Accounting Standard - 15 Actuarial Valuation based on projected unit credit method as on 31 March 2015 has been carried out in respect of the aforesaid defined benefit plan of Gratuity, the details thereon is given below:

Particulars	Rs. in hundred	
	Year ended 31 March 2019	Year ended 31 March 2018
<b><u>Components of employer expense:</u></b>		
Current Service cost	19,882.78	14,165.72
Interest cost	6,591.04	4,392.07
Expected return on plan assets	(3,556.16)	(2,427.93)
Past Service Cost - Vested/Non Vested Benefit	-	-
Actuarial Losses/(Gains)	-	-
Administrative expenses	1,339.95	(1,114.32)
<b>Total expense/(income) recognized in the Profit &amp; Loss Statement</b>	<b>24,257.61</b>	<b>15,015.54</b>
<b><u>Change in Fair Value of Assets during the year ended:</u></b>		
Opening Fair Value of Plan Assets	41,666.70	26,901.53
Administrative expenses	(1,339.95)	1,114.32
Expected return on plan assets	3,556.16	2,427.93
Excess return over interest income on plan assets	(779.81)	(2,530.85)
Actuarial gains/(losses)	-	-
Contributions by Employer	10,000.00	15,000.00
Benefits paid	(15,265.14)	(1,246.23)
<b>Closing Fair Value of Plan Assets</b>	<b>37,837.96</b>	<b>41,666.70</b>
<b><u>Change in Defined Benefit Obligation (DBO) during the year ended :</u></b>		
Present Value of DBO at the beginning of the year	61,709.17	48,781.54
Current service cost	19,882.78	14,165.72
Interest cost	6,591.04	4,392.07
Actuarial (gains)/losses	20,656.31	(4,383.93)
Past Service Cost - Vested/Non Vested Benefit	-	-
Benefits paid	(15,265.14)	(1,246.23)
<b>Present value of DBO at the end of the year</b>	<b>93,574.16</b>	<b>61,709.17</b>
<b><u>Net asset/(liability) recognized in balance sheet:</u></b>		
Fair value of plan assets	37,837.96	41,666.70
Present Value of Defined Benefit Obligation	(93,574.16)	(61,709.17)
<b>Net asset/(liability) recognized in balance sheet</b>	<b>(55,736.20)</b>	<b>(20,042.47)</b>
<b><u>Actuarial Assumptions:</u></b>		
Discount Rate	7.70%	7.70%
Expected Return on plan assets	8.00%	8.00%
Salary escalation	7.00%	7.00%
Attrition Rate	Refer table	Refer table
<b><u>Attrition Rate</u></b>		
<b>Age</b>	<b>Year ended 31 March 2019</b>	<b>Year ended 31 March 2018</b>
Upto 30 years	10.00%	10.00%
31-41 years	5.00%	5.00%
41-50 years	3.00%	3.00%
above 50 years	2.00%	2.00%





**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**Note:**

- (a) Details of Investment composition of plan assets has not been provided by the fund managers and hence not given.  
(b) The estimates of future salary increases considered in actuarial valuation take account of inflation, Seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

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

Leave salary benefit expensed in the Statement of Profit & Loss for the year is Rs.22,69,615/- (Previous Year - Rs.7,47,064/-) and outstanding towards leave salary is Rs.43,83,527/- (P.Y - Rs.30,40,515/-).

- 35 The net worth of the Company has been completely eroded as at March 31, 2019. The Company however is able to operate uninterruptedly with continued financial support from its Holding Company M/s Prestige Estates Projects Limited. Also based on the turnaround strategy adopted by the Company, the management projects that the company has started operating profit. Accordingly, the management believes that the Company will continue as a going concern and thereby realise its assets and discharge its liabilities in the normal course of its business. Thus, these financial statements do not include any adjustments relating to the recoverability of recorded asset amounts and in respect of liabilities as might be necessary for compilation on an alternative basis.

**36 Dues to Micro, Small and Medium Enterprises**

There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding at the Balance Sheet date, computed on unit wise basis, determined to the extent such parties identified on the basis of information available with the Company.

**37 Segment Reporting**

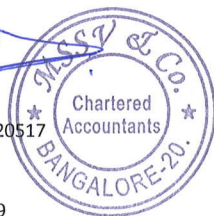
The operations of the Company include acquiring, development and leasing of real estate properties in India constituting a single business and geographical segment. Hence no separate disclosure of segment information as per Indian Accounting standard 17 issued under Companies (Indian Accounting Standard) Rules, 2015 has been made.

- 38 Previous period figures have been regrouped/reclassified wherever necessary to correspond to the current year's classification/disclosure.

for MSSV & Co.  
Chartered Accountants  
Firm Registration No.0019875

Shiv Shankar T.R  
Partner  
Membership No.220517

Place: Bengaluru  
Date: May 17, 2019



For and on behalf of the Board of Directors of  
Northland Holding Company Private Limited

Faiz Rezwan  
Director  
DIN : 01217423

Place: Bengaluru  
Date: May 17, 2019

Uzma Irfan  
Director  
DIN : 01216604

Place: Bengaluru  
Date: May 17, 2019