



## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of**

**Prestige Hospitality Ventures Limited**

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

### **Opinion**

We have audited the Ind AS financial statements of **Prestige Hospitality Ventures Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2020, 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, 2020, the loss 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 financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Sl No	Key Audit Matter	Auditor's Response
1.	As at March 31, 2020 the carrying value of the company's Property, Plant and Equipment is Rs. 6,873.03 Million. Further the Company has incurred losses during the period which comprises of mainly of depreciation on Property, plant and Machinery.  Company has not tested the impairment of	Our procedure of assessing the management's judgement for impairment of the asset included among others;  -We examined the management's plans and budgeted operational plans



Sl No	Key Audit Matter	Auditor's Response
	<p>Property, plant and Equipment as the Hotel project completed only one year ago and cannot project the reliable cash flow from the Cash Generating Unit as it takes two to three years to stabilize the operation.</p> <p>Management is exploring all the option including the running the hotel on its own. Further Management estimated the recoverable amount of Property, plant and Equipment, being higher of the fair value less cost of disposal and value in use.</p> <p>As the impairment assessment involves significant assumptions and judgement, we regard this as a key audit matter.</p>	<p>for the hotel business which generating positive operational cash flows. Further we have examined the operational cash flows of the hotel operations (operated in the Holding Company) for the current year under Audit which has also generated positive operating cash flows.</p> <p>- We relied on the management representation with regard to plan for future hotel operations of the Company.</p>

#### Emphasis of Matter

We draw attention to Note 36A of the Statement, which describes that the potential impact of COVID-19 pandemic on the financial results of the Company are dependent on future developments, which remain uncertain.

Our opinion is not modified in respect of this matter.

#### 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.
- Obtain sufficient appropriate audit evidence regarding the financials results of the company to express an opinion on the financial results.

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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.





- 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 - B** 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

UDIN: 20220517AAAADW4810

Place: Bengaluru

Date: June 02, 2020

**“ANNEXURE A” TO INDEPENDENT AUDITOR’S REPORT**

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

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting **Prestige Hospitality Ventures Limited**(“the Company”) as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India [‘ICAI’]. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over





financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material



misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

*for MSSV & Co*

Chartered Accountants

Firm Registration Number: 001987S

  
**Shiy Shankar T R**

Partner

Membership No: 220517

UDIN: 20220517AAAADW4810

Place: Bengaluru

Date: June 02, 2020

**“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT**  
**Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory**  
**Requirements’ section of our report of even date**

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. In respect of fixed assets:
  - a. The Company is in the process of updating the fixed assets register. Hence, we are unable to comment on paragraph 3(i) of the Companies (Auditor’s Report) Order, 2016.
  - b. Fixed assets are physically verified every year. In our opinion and according to information and explanations given to us, having regard to the size of the Company and the nature of fixed assets, the periodicity of physical verification is reasonable. Pursuant to the policy, fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.
  - c. According to the information and explanation given to us and on basis of our examination of the records of the company, the title deeds of all immovable properties of land and building are held in the name of the Company as at the balance sheet date.
- ii. The Company does not hold any inventory, hence commenting on paragraph 3(ii) of the Companies (Auditor’s Report) Order, 2016 (‘the Order’) does not arise.
- iii. During the year covered by our audit, Company has not granted any loan to any person covered under the register maintained under section 189 of the Companies Act, 2013. Hence, commenting on paragraph 3(iii) of the Order does not arise.
- iv. According to information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made.



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



- viii. Based on our audit procedures performed and according to information and explanations given by the management, the Company has not defaulted in repayment of loans and borrowings to a financial institution, banks, government or dues to debenture holders. During the year company has issued optionally convertible debentures for Rs.6,500 million with an option either to convert or redeem within twenty years. During the year covered by an audit, the said debentures are not due for repayment.
- ix. In our opinion and according to the information and explanations given to us, the Company has utilized the monies raised by way of term loans (representing loans with a repayment period beyond 36 months) for the purposes for which those were raised, other than temporary deployment pending application of proceeds. The Company has not raised any monies by way of initial public offer or further public offer.
- 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 Public Limited Company. Hence section 177 of the Act is not applicable to the Company.



- xiv. According to information and explanations given to us and based on our examination of the records of the Company, the company has converted inter corporate deposit into optionally convertible debentures of 6,500 million. The procedure for conversion of inter corporate deposit into optionally convertible has been complied with section 42 of the Companies Act, 2013.
- 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

UDIN: 20220517AAAA DW4810

Place: Bengaluru

Date: June 02, 2020



**PRESTIGE HOSPITALITY VENTURES LIMITED**

Prestige Falcon Tower, No.19, Brunton Road, Bangalore-560025

CIN: U45500KA2017PLC109059

**BALANCE SHEET AS AT 31 MARCH 2020**

Rs. In Million

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
<b>I. ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4	6,873.03	7,531.52
(b) Intangible assets	5	1.50	2.51
(c) Financial assets			
(i) Investments	6	1,352.01	919.31
(ii) Loans	7	725.52	1.00
(iii) Other financial assets	8	106.82	-
(d) Other non-current assets	9	4.19	4.52
(e) Income tax assets (net)		82.46	58.95
(f) Deferred tax assets (net)	10	338.43	192.60
		<b>9,483.96</b>	<b>8,710.41</b>
<b>Current assets</b>			
(a) Financial assets			
(i) Cash and cash equivalents	11	13.94	25.14
(ii) Trade receivables	12	10.35	-
(iii) Loans	13	420.00	70.00
(b) Other current assets	14	0.77	2.59
		<b>445.06</b>	<b>97.73</b>
<b>TOTAL</b>		<b>9,929.02</b>	<b>8,808.14</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	15	60.00	60.00
(b) Other Equity	16	5,486.43	(549.37)
		<b>5,546.43</b>	<b>(489.37)</b>
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	3,356.75	-
		<b>3,356.75</b>	
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Other financial liabilities	18	1,002.02	9,260.95
(b) Other current liabilities	19	9.67	35.03
(c) Provisions	20	14.15	1.53
		<b>1,025.84</b>	<b>9,297.51</b>
<b>TOTAL</b>		<b>9,929.02</b>	<b>8,808.14</b>

See accompanying notes to the Financial Statements

As per 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 Board

Irfan Razack

Director

DIN: 00209022

Rezwan Razack

Director

DIN: 00209060

Place: Bengaluru

Date: June 02, 2020

Place: Bengaluru

Date: June 02, 2020

Place: Bengaluru

Date: June 02, 2020

**PRESTIGE HOSPITALITY VENTURES LIMITED**

Prestige Falcon Tower, No.19, Brunton Road, Bangalore-560025

CIN: U45500KA2017PLC109059

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020**

Rs. In Million

Particulars	Note No.	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from operations	21	468.00	468.00
Other Income	22	2.08	2.46
<b>Total Revenue - (I)</b>		<b>470.08</b>	<b>470.46</b>
<b>Expenses</b>			
Finance cost	23	363.52	370.69
Depreciation and Amortisation Expense	4 & 5	679.50	785.80
Other expenses	24	37.08	81.17
<b>Total Expenses - (II)</b>		<b>1,080.10</b>	<b>1,237.66</b>
<b>Profit / loss before tax (III= I-II)</b>		<b>(610.02)</b>	<b>(767.20)</b>
<b>Tax expense :</b>	25		
Current tax		-	-
Deferred tax charge/ (credit)		(145.82)	(206.77)
<b>Total Tax expense (IV)</b>		<b>(145.82)</b>	<b>(206.77)</b>
<b>Profit/(Loss) for the year (V= III-IV)</b>		<b>(464.20)</b>	<b>(560.43)</b>
Total other comprehensive income (VI)		-	-
<b>Total Comprehensive Income (V+VI)</b>		<b>(464.20)</b>	<b>(560.43)</b>
<b>Earnings per share (equity shares, par value Rs 10 each)</b>			
- basic and diluted	38	(77.37)	(93.41)
Weighted average number of equity shares considered for computing earnings per share		60.00.000	60.00.000

See accompanying notes to the Financial Statements

As per 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 Board

Irfan Razack

Director

DIN: 00209022

Rezwan Razack

Director

DIN: 00209060

Place: Bengaluru

Date: June 02, 2020

Place: Bengaluru

Date: June 02, 2020

Place: Bengaluru

Date: June 02, 2020

**PRESTIGE HOSPITALITY VENTURES LIMITED**

Prestige Falcon Tower, No.19, Brunton Road, Bangalore-560025

CIN: U45500KA2017PLC109059

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020**

Rs. In Million

Particulars	Note No.	Year ended 31 March 2020	Year ended 31 March 2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before taxation		(610.02)	(767.20)
Adjustments for non-cash & non-operating items:			
Depreciation		679.49	785.80
Finance costs		363.52	370.69
Operating profit before working capital changes		<b>432.99</b>	<b>389.29</b>
Adjustments for			
Increase / (Decrease) in Current and Non Current Financial Liabilities		(8,258.93)	3,004.69
(Increase) / Decrease in Current and Non Current Assets		(106.49)	472.42
(Increase) / Decrease in Trade Receivables		(10.35)	9.72
(Increase) / Decrease in Current Assets		(348.18)	(1.24)
Increase / (Decrease) in Current and Non Current Liabilities		(25.36)	33.01
(Increase) / Decrease in current liabilities		12.62	1.53
Cash generated from operations		<b>(8,303.70)</b>	<b>3,909.42</b>
Income tax refund / (payment) - Net		(23.51)	(46.80)
Net Cash generated from/ (used in) operating activities - A		<b>(8,327.21)</b>	<b>3,862.62</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets		(20.00)	(210.40)
Invest in equity shares		(432.70)	-
Increase / (Decrease) in Current and Non Current Loans		(724.52)	-
Net Cash From / (used in) Investing Activities -B		<b>(1,177.22)</b>	<b>(210.40)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
long term borrowings		3,356.75	(3,275.37)
Proceeds from Issue of Optionally Convertible Debentures		6,500.00	-
Financial Expenses		(363.52)	(370.69)
Net Cash From / (used in) Financing Activities - C		<b>9,493.23</b>	<b>(3,646.06)</b>
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)		<b>(11.20)</b>	<b>6.16</b>
Cash & Cash equivalents opening balance	11	25.14	18.99
Cash & Cash equivalents closing balance		<b>13.94</b>	<b>25.14</b>



**PRESTIGE HOSPITALITY VENTURES LIMITED**

Prestige Falcon Tower, No.19, Brunton Road, Bangalore-560025

CIN: U45500KA2017PLC109059

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020**

<b>Changes in liabilities arising from financing activities</b>			
<b>Borrowings (including current maturities):</b>			
At the beginning of the year including accrued interest		<b>3,291.81</b>	<b>3,275.37</b>
Add: Cash inflows		3,461.75	16.43
Less: Cash outflows		(3,291.81)	-
Add: Interest accrued during the year		363.52	370.69
Less: Interest paid		(363.52)	(370.69)
Outstanding at the end of the year including accrued interest		<b>3,461.75</b>	<b>3,291.81</b>

See accompanying notes to the Financial Statements

As per 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: June 02, 2020

**For and on behalf of Board**  
**Irfan Razack**

Director

DIN: 00209022

Place: Bengaluru

Date: June 02, 2020

  
**Rezwan Razack**

Director

DIN: 00209060

Place: Bengaluru

Date: June 02, 2020

**PRESTIGE HOSPITALITY VENTURES LIMITED**

Prestige Falcon Tower, No.19, Brunton Road, Bangalore-560025

CIN: U45500KA2017PLC109059

**STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2020**

Particulars	Equity share capital	Other Equity			Total equity
		Retained Earnings	Optionally Convertible Debentures	Total	
<b>As at 01 April 2018</b>					
Profit/ (loss) for the year	60.00	11.06 (560.43)		11.06 (560.43)	71.06 (560.43)
Other Comprehensive Income / (Loss) for the year, net of income tax	-	-	-	-	-
<b>As at 31 March 2019</b>	60.00	(549.37) (464.20)	-	(549.37) (464.20)	(489.37) (464.20)
Profit/ (loss) for the year	-	-	6,500.00	6,500.00	6,500.00
Issue of Optionally Convertible Debentures during the year	-	-	-	-	-
Other Comprehensive Income / (Loss) for the year, net of income tax	-	-	-	-	-
<b>As at 31 March 2020</b>	60.00	(1,013.57)	6,500.00	5,486.43	5,546.43

Rs. In Million

See accompanying notes to the Financial Statements

As per 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: June 02, 2020

For and on behalf of Board

**Rezwan Razack**

Director

DIN: 00209060

Place: Bengaluru

Date: June 02, 2020

**Rezwan Razack**

Director

DIN: 00209022

Place: Bengaluru

Date: June 02, 2020



**PRESTIGE HOSPITALITY VENTURES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**1 Information**

Prestige Hospitality Ventures ("the Firm") was converted into Prestige Hospitality Ventures Limited ("the Company") on 29 December 2017 as a Company under The Companies Act 2013, (the "Act"). All the assets, liabilities, contracts, licenses and permits of the firm have statutorily vested with Company. The Object of the Company is to develop, construct hospitality projects and managing immovable properties, property management and allied services.

The Company is domiciled in India and has its registered office at Prestige Falcon Tower, No.19, Brunton Road, Bangalore-560025, Karnataka, India.

The financial statements are approved for issue by the Company's Board of Directors on June 02, 2020.

**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.

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

**2.3 Use of Estimates**

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

**2.4 Fair value measurement**

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company 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**

### **a) Revenue from contracts with customers**

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. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other credits, if any, as specified in the contract with the customer. The Company presents revenue from contracts with customers net of indirect taxes in its statement of profit and loss.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

#### *Recognition of revenue from real estate developments*

Revenue from real estate development of residential or commercial unit is recognised at the point in time, when the control of the asset is transferred to the customer, which generally coincides with either of the two conditions as stated below -

- i) on transfer of legal title of the residential or commercial unit to the customer; or
- ii) on transfer of physical possession of the residential or commercial unit to the customer and collection of complete transaction price by the Company from customer.

Sale of residential and commercial units consists of sale of undivided share of land and constructed area to the customer, which have been identified by the Company as a single performance obligation, as they are highly interrelated with each other.

In respect of Joint development ('JD') arrangements wherein the land owner/ possessor provides land and in lieu of land owner providing land, the Company transfers certain percentage of constructed area/ revenue proceeds, the revenue from development and transfer of constructed area to land owner is recognised over time using percentage-of-completion method ('POC method') of accounting. Project costs include fair value of such land received and the same is accounted on launch of the project

When the fair value of the land received cannot be measured reliably, the revenue and cost, is measured at the fair value of the estimated construction service rendered to the landowner, adjusted by the amount of any cash or cash equivalents transferred.

In case of JD arrangements, where performance obligation is satisfied over time, the Company recognises revenue only when it can reasonably measure its progress in satisfying the performance obligation. Until such time, the Company recognises revenue to the extent of cost incurred, provided the Company expects to recover the costs incurred towards satisfying the performance obligation.

### **b) Recognition of Revenue from rental and allied services:**

Rental 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 2.6 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.



**PRESTIGE HOSPITALITY VENTURES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**d) Dividend income**

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

**e) 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**

The Company assesses at contract inception whether a contract is, or contains, a lease. A contract is or contains, a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**The Company as lessor**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises right-of-use assets and lease liabilities at the lease commencement date. The right-of-use assets is initially measured at cost which includes the initial amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The lease liabilities is initially measured at the present value of lease payments to be made over the lease term, discounted using the Company's incremental borrowing rate. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss

The Company applies the short-term lease recognition exemption to its short-term leases of assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

**The Company as lesser**

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**2.7 Borrowing Cost**

Borrowing costs consist of interest and other costs that an Company 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



**PRESTIGE HOSPITALITY VENTURES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**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 Income Taxes**

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

**a. Current tax**

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

**b. Deferred tax**

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

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

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

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

Current tax and deferred tax is recognised in Statement of Profit and 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.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

**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 Company will pay normal income tax. Accordingly, MAT is recognised as an asset under Deferred tax asset/ liability in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.



**PRESTIGE HOSPITALITY VENTURES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**2.10 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 equipment's up to the date the asset is put to use. Any cost incurred relating to settlement of claims regarding titles to the properties is accounted for and capitalised as incurred.

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

*Transition to Ind AS*

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

*Depreciation method, estimated useful lives and residual values*

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on property, plant and equipment's is provided using written-down value method over the useful lives of assets estimated by the Management. The Management estimates the useful lives for the fixed assets as follows:

Particulars	As at	As at
	31 March 2020	31 March 2019
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

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

**2.11 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.

**2.12 Investment Property**

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

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





**PRESTIGE HOSPITALITY VENTURES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

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

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

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

**2.13 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.

**2.14 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.

**2.15 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.



**PRESTIGE HOSPITALITY VENTURES LIMITED**  
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**2.16 Financial Instruments**

**2.16a Initial recognition**

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

**2.16b Subsequent measurement**

**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

**2.16c Derecognition of financial instruments**

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

**2.16d 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.





**PRESTIGE HOSPITALITY VENTURES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

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

**Current versus non-current classification**

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

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

All other assets are classified as non-current.

A liability is current when:

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

**2.18 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.

**3 Standards issued but not yet effective**

Since there were no standard issued but not effective as at the financial statements issue date, the disclosure is not applicable.



**PRESTIGE HOSPITALITY VENTURES LIMITED**

#### 4 Property, plant and equipment

Particulars	Land	Buildings	Plant and Machinery	Office Equipment's	Furniture and Fixtures	Vehicles	Computers	Total	Rs. In Million
As at 01 April 2018	826.86	3,813.19	1,605.30	7.34	1,897.27	3.32	14.31	8,167.60	
Additions	0.00	97.88	51.39	-0.00	60.74	0.38	0.00	210.38	
Adjustments/Deletions	-	-	-	-	-	-	-	-	
As at 31 March 2019	826.86	3,911.07	1,656.69	7.34	1,958.01	3.70	14.31	8,377.98	
Additions	-	20.00	-	-	-	-	-	20.00	
Adjustments/Deletions	-	-	-	-	-	-	-	-	
As at 31 March 2020	826.86	3,931.07	1,656.69	7.34	1,958.01	3.70	14.31	8,397.98	
Accumulated Depreciation									
As at 01 April 2018	-	60.02	0.61	0.00	0.94	0.76	0.02	62.35	
Charge for the year	-	192.05	230.36	1.02	354.23	0.74	5.71	784.11	
Deletion	-	-	-	-	-	-	-	-	
As at 31 March 2019	-	252.07	230.97	1.02	355.17	1.50	5.73	846.46	
Charge for the year	-	183.82	198.86	0.89	290.91	0.57	3.44	678.49	
Deletion	-	-	-	-	-	-	-	-	
As at 31 March 2020	-	435.89	429.83	1.91	646.08	2.07	9.17	1,524.95	
Net Block									
As at 31 March 2019	826.86	3,659.00	1,425.72	6.32	1,602.84	2.20	8.58	7,531.52	
As at 31 March 2020	826.86	3,495.18	1,226.86	5.43	1,311.93	1.63	5.14	6,873.03	



**PRESTIGE HOSPITALITY VENTURES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**5 Intangible Assets**

Particulars	Rs. In Million	
	Software	Total
<b>As at 01 April 2018</b>	<b>4.19</b>	<b>4.19</b>
Additions	-	-
Adjustments/Deletions	-	-
<b>As at 31 March 2019</b>	<b>4.19</b>	<b>4.19</b>
Additions	-	-
Adjustments/Deletions	-	-
<b>As at 31 March 2020</b>	<b>4.19</b>	<b>4.19</b>
<b>Accumulated Depreciation</b>		
<b>As at 01 April 2018</b>	<b>0.00</b>	<b>0.00</b>
Charge for the year	1.68	1.68
Deletion	-	-
<b>As at 31 March 2019</b>	<b>1.68</b>	<b>1.68</b>
Charge for the year	1.01	1.01
Deletion	-	-
<b>As at 31 March 2020</b>	<b>2.69</b>	<b>2.69</b>
<b>Net Block</b>		
<b>As at 31 March 2019</b>	<b>2.51</b>	<b>2.51</b>
<b>As at 31 March 2020</b>	<b>1.50</b>	<b>1.50</b>

**6 Investments**

Particulars	Rs. In Million	
	As at 31 March 2020	As at 31 March 2019
<b>Investment in equity instruments (Unquoted, Carried at cost)</b>		
<b>Subsidiaries (Fully paid up unless otherwise stated)</b>		
Northland Holding Company Private Limited	57.99	57.99
- 3,000,000 (31 March 2019 - 3,000,000) equity shares of Rs.10 each		
Sai Chakra Hotels Private Limited	861.32	861.32
- 199,999 (31 March 2019 - 199,999) equity shares of Rs.10 each		
<b>Joint Ventures - Jointly Controlled Entities (Fully paid up unless otherwise stated)</b>		
Bamboo Hotel and Global Centre (Delhi) Private Limited	432.70	-
- 1,010,000 (31 March 2019 - Nil) equity shares of Rs.10 each		
	<b>1,352.01</b>	<b>919.31</b>

**7 Loans - Non Current**

Particulars	Rs. In Million	
	As at 31 March 2020	As at 31 March 2019
<b>Carried at amortised cost</b>		
<b>To related parties - unsecured, considered good</b>		
Inter corporate deposits	724.52	-
<b>To others - unsecured, considered good</b>		
Security deposits	1.00	1.00
	<b>725.52</b>	<b>1.00</b>



**PRESTIGE HOSPITALITY VENTURES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**Due from :**

Directors

Firms in which directors are partners

Companies in which directors of the Company are directors or members

**8 Other financial assets (Non-Current)**

Particulars	Rs. In Million	
	As at 31 March 2020	As at 31 March 2019
<b>To others - unsecured, considered good</b>		
Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments	105.00	-
Interest accrued but not due on deposits	1.82	-
	<u>106.82</u>	<u>-</u>

**9 Other non-current assets**

Particulars	Rs. In Million	
	As at 31 March 2020	As at 31 March 2019
<b>To Others - unsecured, considered good</b>		
Capital advances	4.19	4.52
	<u>4.19</u>	<u>4.52</u>

**10 Deferred tax balances**

Particulars	Rs. In Million	
	As at 31 March 2020	As at 31 March 2019
<b>Deferred tax liability</b>		
Impact of difference in carrying amount of Property, plant and equipment, Investment property and Intangible assets as per tax accounts and books.	(101.19)	44.64
<b>Deferred tax Asset</b>		
MAT Credit entitlement	2.29	2.29
Impact of unabsorbed tax losses	234.96	234.96
Deferred tax liability (net)	<u>-</u>	<u>-</u>
Deferred tax Assets (net)	<u>338.43</u>	<u>192.60</u>

**11 Cash and cash equivalents**

Particulars	Rs. In Million	
	As at 31 March 2020	As at 31 March 2019
Cash on hand	-	-
<b>Balances with banks</b>		
- in current accounts	13.94	25.14
	<u>13.94</u>	<u>25.14</u>



**PRESTIGE HOSPITALITY VENTURES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**12 Trade receivables (unsecured)**

Particulars	Rs. In Million	
	As at 31 March 2020	As at 31 March 2019
<b>Carried at amortised cost</b>		
Receivables considered good	10.35	-
	<b>10.35</b>	<b>-</b>

**13 Loans (Current)**

Particulars	Rs. In Million	
	As at 31 March 2020	As at 31 March 2019
<b>To related parties - unsecured, considered good</b>		
Advance paid others	70.00	70.00
<b>To Others - unsecured, considered good</b>		
Refundable Deposits	350.00	-
	<b>420.00</b>	<b>70.00</b>

**14 Other Current Assets**

Particulars	Rs. In Million	
	As at 31 March 2020	As at 31 March 2019
<b>To others - unsecured, considered good</b>		
Advance paid to suppliers	0.36	
Advance indirect tax	0.41	2.59
	<b>0.77</b>	<b>2.59</b>

**15 Equity share capital**

Particulars	Rs. In Million	
	As at 31 March 2020	As at 31 March 2019
<b>Authorised capital</b>		
10,000,000 (31 March 2019 - 10,000,000) equity shares of Rs 10 each	100.00	100.00
<b>Issued, subscribed and paid up capital</b>		
6,000,000 (31 March 2019 - 6,000,000) equity shares of Rs 10 each	60.00	60.00
	<b>60.00</b>	<b>60.00</b>

The company has not issued any bonus shares or any shares pursuant to contract(s) without payment being received in cash from the date of incorporation.

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

Name of the share holder	As at 31 March 2020		As at 31 March 2019	
	No of shares	% holding	No of shares	% holding
Prestige Estates Projects Limited	59,99,400	99.99%	59,99,400	99.99%
	<b>59,99,400</b>	<b>99.99%</b>	<b>59,99,400</b>	<b>99.99%</b>



**PRESTIGE HOSPITALITY VENTURES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**(b) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

Name of the share holder	As at 31 March 2020		As at 31 March 2018	
	No of shares	Amount	No of shares	Amount
<b>Equity Shares</b>				
At the beginning of the year	60,00,000	6,00,00,000	60,00,000	6,00,00,000
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>60,00,000</b>	<b>6,00,00,000</b>	<b>60,00,000</b>	<b>6,00,00,000</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.

**16 Other Equity**

Particulars		Rs. In Million	
		As at 31 March 2020	As at 31 March 2019
Retained earnings	A	(1,013.57)	(549.37)
Optionally Convertible Debentures	B	6,500.00	-
		<b>5,486.43</b>	<b>(549.37)</b>
<b>A) Retained earnings</b>			
Opening balance		(549.37)	11.06
Add: Net profit for the period		(464.20)	(560.43)
		<b>(1,013.57)</b>	<b>(549.37)</b>
<b>B) Optionally Convertible Debentures</b>			
Optionally Convertible Debentures (OCD's)		6,500.00	-
		<b>6,500.00</b>	-

**Terms of Optionally Convertible Debentures :**

650,000,000 0% Optionally Convertible Debentures ("OCD") of Rs. 10 each

Terms	Optionally Convertible Debentures
Rate of Interest	Nil
Security	Unsecured
Conversion Period/ Redemption Period	5 years from the date of allotment extendable upto 20 years
Conversion Formula	100 Debenture of Rs. 10/- each to be converted to 1 Equity Share of Rs. 10/- each.

**17 Borrowings (Non-Current)**

Particulars	Note	Rs. In Million	
		As at 31 March 2020	As at 31 March 2019
<b>Measured at amortised cost</b>			
<b>Term loans (Secured)</b>			
- From banks		3,356.75	-
		<b>3,356.75</b>	-





**PRESTIGE HOSPITALITY VENTURES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**17a** Aggregate amount of loans guaranteed by directors

3,356.75

**17b** Security Details

First and exclusive charge over land, building, movable and non-movable assets of Conrad Hotel, Bangalore

**17c** Repayment and other terms :

The loan shall be repaid in 46 consecutive structured quarterly installments starting from 31st December 2019 and ending on 31st March 2031

**18 Other financial liabilities**

Particulars	Rs. In Million	
	As at 31 March 2020	As at 31 March 2019
Current Maturities of long-term debt (refer note 17)	105.00	3,291.81
Interest accrued but not due on borrowings	25.70	-
Capital creditors	30.73	124.19
Other payables	836.36	5,844.95
Trade payable - Non MSMED	4.23	-
	<b>1,002.02</b>	<b>9,260.95</b>

**19 Other current liabilities**

Particulars	Rs. In Million	
	As at 31 March 2020	As at 31 March 2019
Withholding and other taxes and duties payable	9.67	35.03
	<b>9.67</b>	<b>35.03</b>

**20 Provisions (Current)**

Particulars	Rs. In Million	
	As at 31 March 2020	As at 31 March 2019
Provisions for Projects	14.15	1.53
	<b>14.15</b>	<b>1.53</b>



**PRESTIGE HOSPITALITY VENTURES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**21 Revenue from Operations**

Particulars	Rs. In Million	
	Year ended 31 March 2020	Year ended 31 March 2019
<b>Sale of services</b>		
Rental Income	468.00	468.00
	<b>468.00</b>	<b>468.00</b>

**22 Other Income**

Particulars	Rs. In Million	
	Year ended 31 March 2020	Year ended 31 March 2019
Provision no longer required written back	-	0.12
Other Income	0.06	2.34
Interest income - Bank deposits	2.02	-
	<b>2.08</b>	<b>2.46</b>

**23 Finance costs**

Particulars	Rs. In Million	
	Year ended 31 March 2020	Year ended 31 March 2019
Interest on borrowings	352.53	354.26
Other borrowing cost	10.99	16.43
	<b>363.52</b>	<b>370.69</b>

**24 Other expenses**

Particulars	Rs. In Million	
	Year ended 31 March 2020	Year ended 31 March 2019
Rates and taxes	4.29	-0.01
Auditor's remuneration (refer note 24a)	0.14	0.14
Power & Fuel	0.11	-
Legal and professional charges	7.15	0.08
Miscellaneous expenses	-	-
Printing and stationery	0.03	-
Insurance	-	0.07
Salaries	-	0.42
Telephone expenses	0.01	-
Property tax	25.23	80.47
Travelling expenses	0.12	-
	<b>37.08</b>	<b>81.17</b>

**24a Auditors' remuneration**

Particulars	Rs. In Million	
	Year ended 31 March 2020	Year ended 31 March 2019
For Audit Fees	0.08	0.08
For Limited review	0.03	0.03
For Tax Audit	0.03	0.03
	<b>0.14</b>	<b>0.14</b>



**PRESTIGE HOSPITALITY VENTURES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**25 Tax expenses**

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

Particulars	Rs. In Million	
	Year ended 31 March 2020	Year ended 31 March 2019
<b>Current tax</b>		
In respect of the current year	-	-
<b>Deferred tax</b>		
In respect of the current year	(145.82)	(206.77)
	(145.82)	(206.77)
	(145.82)	(206.77)

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

Particulars	Rs. In Million	
	Year ended 31 March 2020	Year ended 31 March 2019
Profit / Loss before tax from continuing operations	(610.02)	(767.20)
Tax rate as per normal provisions of	26.00%	27.82%
Income tax expense calculated at applicable tax rate	(158.61)	(213.44)
Effect of unused tax losses and tax		
Effect of change in tax rate	-	1.60
Others	12.79	5.07
Income tax expense recognised in profit or loss	(145.82)	(206.77)

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.

**26 Fair values**

None of financial assets are measured at fair values.

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

**27 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.

**28 Market risk**

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

**29 Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's



**PRESTIGE HOSPITALITY VENTURES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**30 Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on

		Rs in Millions
	Increase/	Effect on profit
March 31, 2019		
INR	-50	1.65
INR	+50	-1.65
March 31, 2020		
INR	-50	1.73
INR	+50	-1.73

**31 Commodity price**

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

**32 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.

**33 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.

**34 Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The company's exposure is mainly with regard to capital advance paid for construction. The

**35 Liquidity risk**

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

	On demand	< 1 years	1 to 5 years	> 5 years	Rs. In Million
					Total
<b>As at 31 March 2020</b>					
Borrowings	-	105.00	3,356.75	-	3,461.75
Other financial liabilities	-	30.73	-	-	30.73
Trade payables	-	836.36	-	-	836.36
	-	<b>972.09</b>	<b>3,356.75</b>	-	<b>4,328.84</b>
<b>As at 31 March 2019</b>					
Borrowings	-	3,291.81	-	-	3,291.81
Other financial liabilities	-	124.19	-	-	124.19
Trade payables	-	5,844.95	-	-	5,844.95
	-	<b>9,260.95</b>	-	-	<b>9,260.95</b>

**36 Capital management**

The company manages its capital in such a way to ensure that there is timely availability of funds for the operations. The capital structure of the Company consists of equity and short term debt (Inter corporate Deposits). Till 31st March 2018, the operations of the company are predominantly funded by means of Inter corporate deposits. The Company is not subject to any externally imposed capital requirements. The Company's Board reviews the capital structure and determines the appropriate composition

**36A** The company is actively monitoring the impact of the global health pandemic on its financial condition, liquidity, operations, suppliers, industry and workforce. The Company has used the principles of prudence in applying judgments, estimates and assumptions based on the current estimates. In assessing the recoverability of assets such as inventories, financial assets and other assets, based on current indicators of future economic conditions, the Company expects to recover the carrying amounts of its assets. The extent of which COVID-19 impacts the operations will depend on future developments which remain uncertain.



**PRESTIGE HOSPITALITY VENTURES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**37 Related parties**

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

**Controlling Enterprise**

Prestige Estates Projects Limited

**Entities under common control**

Prestige Bidadi Holdings Private Limited

Northland Holding Company Private Limited

Sai Chakra Hotels Private Limited

Prestige Leisure Resorts Private Limited

Sublime

**Jointly control entities**

Bamboo Hotel and Global Centre (Delhi) Private Limited

**Key Management Personnel**

Irfan Razack

Rezwan Razack

**Relative of Key Management Personnel**

Badrunissa Irfan

Rezwan Razack

Noaman Razack

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

Particulars	Rs in millions	
	Year ended 31 March 2020	Year ended 31 March 2019
<i>Controlling Enterprise &amp; Entities under common control</i>		
<b>Rental Income</b>		
Prestige Leisure Resorts Private	108.00	108.00
Prestige Estates Projects Limited	360.00	360.00
<i>Controlling Enterprise</i>		
<b>Optionally convertible debentures</b>		
Prestige Estates Projects Limited	6,500.00	-
<i>Controlling Enterprise</i>		
<b>Other Adhoc Advance</b>		
Prestige Estates Projects Limited	75.05	-
<i>Jointly control entities</i>		
<b>Interest free Inter corporate deposits</b>		
Bamboo Hotel and Global Centre (Delhi) Private Limited	724.52	-



**PRESTIGE HOSPITALITY VENTURES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**(iii) Amount outstanding as at the balance sheet date**

Particulars	Rs in millions	
	As at 31 March 2020	As at 31 March 2019
<i>Entities under common control</i>		
<b>Other Liabilities</b>		
Prestige Bidadi Holdings Private Limited		4,484.50
<i>Controlling Enterprise &amp; Entities under common control</i>		
<b>Other Advances</b>		
Prestige Leisure Resorts Private Limited	70.00	70.00
<i>Controlling Enterprise &amp; Entities under common control</i>		
<b>Other Payables</b>		
Prestige Estates Projects Limited	835.37	1,345.49
<i>Controlling Enterprise &amp; Entities under common control</i>		
<b>Other Receivables</b>		
Prestige Leisure Resorts Private Limited	10.35	
<i>Controlling Enterprise</i>		
<b>Optionally convertible debentures</b>		
Prestige Estates Projects Limited	6,500.00	
<i>Jointly control entities</i>		
<b>Interest free Inter corporate deposits</b>		
Bamboo Hotel and Global Centre (Delhi) Private Limited	724.52	

a) Related party relationships are as identified by the firm 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 is not disclosed in transactions with Related Parties during the year.

**38 Earnings/ (Loss) per share**

The following table sets forth the computation of basic and diluted earnings per share:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Net Profit / (loss) for the year attributable to equity shareholders (Rs in Millions)	(464.20)	(560.43)
Weighted average number of equity shares outstanding (in numbers)		
- Basic	60,00,000	60,00,000
- Diluted	60,00,000	60,00,000
Nominal Value of shares (in Rupees)	10	10
Basic Earnings per Share (in Rupees)	(77.37)	(93.41)
Diluted Earnings per Share (in Rupees)	(77.37)	(93.41)

**39** There are no Micro, Small and Medium Enterprises, to whom the Firm 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 firm. This has been relied upon by the auditors.

**40 Segment Reporting**

The operations of the firm include real estate development constituting a single segment and has restricted to one geographical area. Hence the disclosure of segment information as per Ind AS 108 is not applicable.

**41** There are no employees employed by the Company and accordingly there are no employee costs and provision for employee benefits.





**PRESTIGE HOSPITALITY VENTURES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**42** Previous year / period figures have been regrouped/reclassified wherever necessary to correspond to the current period classification/disclosure.

**for MSSV & Co**

Chartered Accountants

Firm Registration No.001987S



**Shiv Shankar T R**

Partner

Membership No.220517



Place: Bengaluru

Date: June 02, 2020

**For and on behalf of Board**



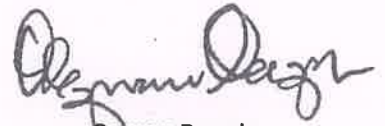
**Irfan Razack**

Director

DIN: 00209022

Place: Bengaluru

Date: June 02, 2020



**Retwan Razack**

Director

DIN: 00209060

Place: Bengaluru

Date: June 02, 2020