

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Offbeat Developers Private Limited  
Report on the Financial Statements**

We have audited the accompanying financial statements of **Offbeat Developers Private Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements 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 fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its losses and its cash flows for the year ended on that date.

### Matter of Emphasis:

We draw attention to note no. 35 towards the provision made for doubtful debt of Rs. 403,112,701/- as on 31<sup>st</sup> March 2016 (including Rs. 213,864,343/- provided during the year) by the management based on the ongoing negotiations with retailers.

Our opinion is not qualified on this regard.

### Report on Other Legal and Regulatory Requirements

1. 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 Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016, 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 B".



- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 (ii), (iv) & (v) to the financial statements also refer clause vii (b) of this report.
  - ii) The Company did not have any material foreseeable losses on long-term contracts including derivative contracts that require provision under any law or accounting standards for which there were any material foreseeable losses.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Chaturvedi & Shah**  
Chartered Accountants  
Firm Registration no. 101720W



**Jignesh Mehta**  
Partner  
Membership No.:102749

Mumbai  
Date: 6<sup>th</sup> May, 2016



**“Annexure A” to Independent Auditors’ Report referred to in Paragraph 1 under the heading of “Report on other legal and regulatory requirements” of our report of even date.**

- i. In respect of its fixed assets :
- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c) In our opinion and according to the information and explanations given to us, title deeds of immovable properties are held in the name of the company.
- ii. Inventory of the company comprises of Construction Material and Realty work in progress. In respect of the inventory comprising of construction material has been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. No material discrepancies were noticed on such physical verification.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, the requirement of clause (iii) (a) to clause (iii) (c) of paragraph 3 of the Order is not applicable to the Company.
- iv. Company has not granted any loans, investments, guarantees and securities covered under section 185 and 186 of the Act.
- v. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies prescribed by the Central Government under Section 148 (1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. In respect of Statutory dues :
- a) According to the records of the Company, undisputed statutory dues including provident fund, employees’ state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no





undisputed amounts payable in respect of the aforesaid dues, were outstanding as at March 31, 2016 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, the disputed statutory dues of Rs. 26,71,21,459/- have not been deposited on account of disputed matter pending before appropriate authorities.

Sr No.	Nature of Statute	Nature of Dues	Amount (Rs.)	Period to which the amount related	Forum where dispute is pending
1	Income Tax Act,1961	Income Tax	3,392,787	A.Y. 2007-08	ITAT
2	Income Tax Act,1961	Income Tax	2,147,983	A.Y. 2008-09	ITAT
3	Income Tax Act,1961	Income Tax	580,636	A.Y. 2009-10	CIT (Appeals)
4	Income Tax Act,1961	Income Tax	1,034,753	A.Y. 2010-11	ITAT
5	Income Tax Act,1961	Income Tax	43,430	A.Y. 2011-12	CIT (Appeals)
6	Income Tax Act,1961	Income Tax	33,360	A.Y. 2012-13	CIT (Appeals)
7	Commissioner of Service Tax, Mumbai	Service Tax	25,98,88,510	June 2007 to June 2012	CESTAT
	<b>Total</b>		<b>26,71,21,459</b>		

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank. The Company has not borrowed any funds by way of issue of debentures.
- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and In case of terms loans raised by the company has been applied for the purposes for which those are raised.
- x. Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. Company has not paid any managerial remuneration during the year and hence clause (xi) of paragraph 3 of the Order is not applicable to the Company.
- xii. In our opinion company is not a nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.
- xiii. In respect of transactions with related parties :

In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act and their details have been disclosed in the financial statements etc., as required by the applicable accounting standards.



- xiv. In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the company.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.
- xvi. To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Chaturvedi & Shah**  
Chartered Accountants  
(Firm Registration no. 101720W)



**Jignesh Mehta**  
Partner  
Membership No.: 102749



Mumbai  
Date: 6<sup>th</sup> May, 2016

**“Annexure B” to Independent Auditors’ Report referred to in paragraph 2(f) under the heading “Report on other legal and regulatory requirements” 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 Control over financial reporting of **Offbeat Developers Private Limited** (“the company”) as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the financial statements of the Company for the year then ended.

**Management Responsibility for the 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 Act.

**Auditor’s 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 Act, 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 ICAI. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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





### Meaning of Internal Financial Controls Over Financial Reporting

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

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

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

### Opinion

In our opinion, 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<sup>st</sup> March, 2016, 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 ICAI.

For Chaturvedi & Shah  
Chartered Accountants  
(Firm Registration no. 101720W)



**Jignesh Mehta**  
Partner  
Membership No.: 102749



Mumbai  
Date: 6<sup>th</sup> May, 2016



**OFFBEAT DEVELOPERS  
PRIVATE LIMITED**

**FOR THE YEAR ENDED MARCH 31, 2016**

**Offbeat Developers Private Limited**  
(CIN No. U55200MH2000PTC124192)  
Balance Sheet as at 31st March 2016

(Amount in Rupees)

Particulars	Notes	As at 31st March 2016	As at 31st March 2015
<b>Equity and Liabilities</b>			
<b>Shareholders Funds</b>			
Share Capital	2	315,798,410	315,798,410
Reserves and Surplus	3	2,456,687,167	2,851,254,877
		<b>2,772,485,577</b>	<b>3,167,053,287</b>
<b>Non Current Liabilities</b>			
Long Term Borrowings	4	7,238,798,347	6,753,334,786
Other Long Term Liabilities	5	304,934,321	474,924,096
Long Term Provision	6	3,264,427	3,313,963
		<b>7,546,997,095</b>	<b>7,231,572,845</b>
<b>Current Liabilities</b>			
Short Term Borrowing	7	1,882,469,302	587,988,556
Trade Payable			
Micro & Small Enterprises	8	-	-
Others	8	316,183,150	298,766,501
Other Current Liabilities	9	2,154,492,998	2,428,593,331
Short Term Provision	10	748,271	88,623
		<b>4,353,893,721</b>	<b>3,315,437,011</b>
<b>Total</b>		<b>14,673,376,393</b>	<b>13,714,063,143</b>
<b>Assets</b>			
<b>Non Current Assets</b>			
<b>Fixed Assets</b>			
Tangible	11	8,910,948,600	9,057,283,254
Intangible	11	1,180,606	1,526,481
Capital work in progress	11	33,730,637	27,088,413
Non Current Investments	12	125,000	25,000
Deferred Tax Assets	30	658,010,760	579,793,091
Long Term Loans and advances	13	36,712,903	14,710,659
		<b>9,640,708,506</b>	<b>9,680,426,898</b>
<b>Current Assets</b>			
Inventories	14	3,060,478,420	2,537,756,890
Trade Receivable	15	1,365,434,163	902,704,299
Cash and Cash Equivalents	16	335,511,117	325,327,065
Short Term Loans and Advances	17	269,254,461	267,758,338
Other Current Assets	18	1,989,726	89,653
		<b>5,032,667,887</b>	<b>4,033,636,245</b>
<b>Total</b>		<b>14,673,376,393</b>	<b>13,714,063,143</b>

Significant Accounting Policies and  
Notes on Financial Statements


1 to 38

As per our Report of even date

**For Chaturvedi & Shah**

Chartered Accountants

(Firm Registration No: 101720W)



**Jignesh Mehta**

Partner

Membership No. 102749



Place : Mumbai

Date : 06th May 2016

For and on behalf of the Board of Directors



**Haresh Morajkar**

Director

DIN No. 74983



**Anup Kumar Lath**

Chief Financial Officer

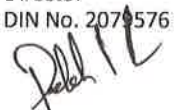
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**Dipesh Gandhi**

Director

DIN No. 2079576



**Prashant Parekh**

Company Secretary

**Offbeat Developers Private Limited**

(CIN No. U55200MH2000PTC124192)

Statement of Profit and Loss for the Year ended 31st March 2016

(Amount in Rupees)

Particulars	Notes	2015-16	2014-15
<b>Income:</b>			
Revenue from Operations	19	2,320,626,416	2,385,218,149
Other Income	20	23,491,152	12,274,080
<b>Total Revenue</b>		<b>2,344,117,568</b>	<b>2,397,492,229</b>
<b>Expenses:</b>			
Cost of Construction	21	890,532,564	353,424,457
Change in Inventories	22	(522,721,530)	(8,632,001)
Employee Benefits Expenses	23	115,291,981	94,299,203
Finance Costs	24	1,142,948,434	1,017,840,348
Depreciation and Amortization expenses	11	231,270,367	229,157,787
Other Expenses	25	959,581,131	1,214,570,897
<b>Total Expenses</b>		<b>2,816,902,947</b>	<b>2,900,660,691</b>
<b>(Loss) / Profit Before Tax</b>		<b>(472,785,379)</b>	<b>(503,168,462)</b>
<b>Tax expenses:</b>			
Current Tax		-	-
Deferred Tax		(78,217,669)	(265,455,280)
<b>(Loss) / Profit for the year</b>		<b>(394,567,710)</b>	<b>(237,713,182)</b>
<b>Earning Per Equity Share</b>			
Basic and Diluted EPS ( Face Value of Rs. 10/- each)	33	(12.49)	(7.53)

Significant Accounting Policies and Notes on Financial Statements

1 to 38

As per our Report of even date  
**For Chaturvedi & Shah**  
 Chartered Accountants  
 (Firm Registration No: 101720W)



**Jignesh Mehta**  
 Partner  
 Membership No. 102749



For and on behalf of the Board of Directors



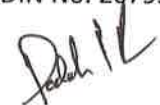
**Haresh Morajkar**  
 Director  
 DIN No. 74983



**Anup Kumar Lath**  
 Chief Financial Officer  
 PAN No. AAZPL5497K



**Dipesh Gandhi**  
 Director  
 DIN No. 2079576



**Prashant Parekh**  
 Company Secretary

Place : Mumbai  
 Date : 06th May 2016

**Offbeat Developers Private Limited**  
(CIN No. U55200MH2000PTC124192)  
Cash Flow Statement for the Year ended 2015-16


Sr. No.	Particulars	(Amount in Rupees)	
		2015-16	2014-15
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Loss Before Tax as per Statement of Profit and Loss	(472,785,379)	(503,168,462)
	<b>Adjusted for:</b>		
	Foreign Exchange (Gain)/Loss	(92,196)	(23,779)
	Depreciation	231,270,367	229,157,787
	Dividend Income on long term Investment	(1,250)	-
	Profit on sale of Fixed Assets	(1,813)	-
	Interest Income	(22,528,430)	(10,012,555)
	Interest Expenses	1,142,948,434	1,017,840,348
	<b>Operating Profit before Working Capital Changes</b>	<b>878,809,733</b>	<b>733,793,339</b>
	<b>Change in :</b>		
	Inventory	(522,721,530)	(8,632,001)
	Trade & Other Receivable	(451,066,618)	(351,739,735)
	Trade & Other Payables	395,491,568	(358,827,123)
	<b>Cash generated from Operations</b>	<b>300,513,153</b>	<b>14,594,480</b>
	<b>Less: Tax paid</b>	<b>(46,016,221)</b>	<b>(65,338,004)</b>
	<b>Net Cash Generated from / (Used in) Operating Activities</b>	<b>254,496,932</b>	<b>(50,743,524)</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets & CWIP	(104,882,345)	(40,181,194)
	Sale of Fixed Assets	3,500	-
	Dividend Income on long term Investment	1,250	-
	Interest Income	20,628,357	13,075,538
	<b>Net Cash Generated from / (Used in) Investing Activities</b>	<b>(84,249,238)</b>	<b>(27,105,656)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from long term Borrowing	2,922,539,391	6,200,000,000
	Repayment of long term Borrowing	(2,936,231,662)	(5,454,201,191)
	Movement in Short Term Borrowings (net)	1,294,480,746	341,414,030
	Interest paid on Loan	(1,452,238,933)	(937,944,903)
	<b>Net Cash Generated from / (Used in) Financing Activities</b>	<b>(171,450,458)</b>	<b>149,267,936</b>
	<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>(1,202,764)</b>	<b>71,418,756</b>
	<b>Opening Balance of Cash and Cash Equivalents</b>	<b>84,268,503</b>	<b>12,849,747</b>
	<b>Closing Balance of Cash and Cash Equivalents (Refer Note no. 16)</b>	<b>83,065,738</b>	<b>84,268,503</b>
	<b>Notes to Cash Flow</b>		
1	<b>Components of cash and cash equivalents :</b>		
	Cash on hand	39,723	45,148
	Balance with Scheduled Bank	83,026,015	84,223,355
	<b>Cash and Cash equivalents at the end of the year (Refer Note no. 16)</b>	<b>83,065,738</b>	<b>84,268,503</b>

Notes:-

- a The Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard - 3 "Cash flow Statements"
- b The figures in brackets represent Cash outflows.

As per our Report of even date

For **Chaturvedi & Shah**  
Chartered Accountants  
(Firm Registration No: 101720W)


  
**Jignesh Mehta**  
Partner  
Membership No. 102749



For and on behalf of the Board

  
**Hareesh Moralkar**  
Director  
DIN No. 74983

  
**Anup Kumar Lath**  
Chief Financial Officer  
PAN No. AAZPL5497K

  
**Dipesh Gandhi**  
Director  
DIN No. 2079576

  
**Prashant Parekh**  
Company Secretary

Place : Mumbai  
Date : 06th May 2016



**OFFBEAT DEVELOPERS PRIVATE LIMITED**

**(CIN NO. U55200MH2000PTC124192)**

**Note "1"**

**NOTES TO ACCOUNTS**

**SIGNIFICANT ACCOUNTING POLICIES:**

**a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Financial statements have been prepared to comply with Accounting Principles generally accepted in India (Indian GAAP), the Accounting Standards notified under relevant provisions of the Companies Act, 2013. The Financial Statements are prepared on accrual basis under the historical cost convention. The Financial Statements are prepared in Indian rupees.

**b) USE OF ESTIMATES**

The preparation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

**c) INVENTORY**

- i. Inventories comprise Land, Finished Realty Stock and Realty Work in Progress representing properties under construction/development.
- ii. Inventories are valued at lower of cost or net realizable value.
- iii. Cost of realty construction / development includes all costs directly related to the project and other expenditure as identified by the management which are incurred for the purpose of executing and securing the completion of the Project (net off incidental recoveries/receipts).

**d) FIXED ASSETS**

Fixed Assets are stated at cost, less accumulated depreciation and impairment loss, if any. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation. All costs, including financing costs, net of income earned during construction period are capitalized.

Expenditure incurred on construction/erection of assets, which are incomplete as at the balance sheet date, are included in Capital work in progress.

Intangible assets are stated at cost of acquisition less accumulated depreciation.



**e) DEPRECIATION**

Depreciation on fixed assets is provided on Straight Line method based on the useful life and in the manner prescribed in Schedule II of the Companies Act, 2013.

Intangible assets comprising software are amortized over five years.

**f) INVESTMENTS**

Current investments are carried at the lower of cost and quoted/fair value, computed category wise. Long-term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management

**g) FOREIGN CURRENCY TRANSACTIONS**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currencies at the yearend are restated at year end rates. Non monetary foreign currency items are carried at cost. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of profit and loss.

**h) BORROWING COSTS**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

**i) REVENUE RECOGNITION**

- i. Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection. License fees, rental income and service charges are recognized based on contractual rights.
- ii. Revenue from sale of properties under construction is recognized on the basis of percentage of completion method, subject to transfer of significant risk and rewards to the buyer and outcome of the real estate project can be estimated reliably. Percentage of completion is determined with reference to the project cost incurred as at the Balance Sheet date versus total estimated project cost determined based upon the judgment of management. Accordingly, cost of construction / development is charged to Statement of Profit and Loss in proportion to the revenue recognized during the year and balance costs are carried as part of 'Project Work in Progress' under inventories. Amounts receivable/received are reflected as Debtors/Advances from Customers, respectively, after considering income recognized in the aforesaid manner. The estimates of saleable area and costs are revised periodically by the management and are considered as change in estimate accordingly, the effect of such changes to estimates is recognized in the year when such changes are determined.



- iii. Revenue from sale of completed properties (Finished Realty Stock) is recognized upon transfer of significant risks and rewards to the buyer on registration of the sales deed.
- iv. Interest is recognized on time proportion basis.
- v. Dividend Income is recognized when the right to receive the same is established

**j) EMPLOYEE BENEFITS**

- i) Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.
- ii) Post employment and other long term employee benefits are charged off in the year in which employee has rendered services. The amount charged off is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefits are charged to Profit and Loss Account/Project Development Expenditure.

**k) PROVISION FOR CURRENT & DEFERRED TAX**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the asset will be realized in future

**l) IMPAIRMENT OF ASSETS**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**m) PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.



**n) CLASSIFICATION OF ASSETS & LIABILITIES AS CURRENT AND NON - CURRENT**

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in Schedule III to the Companies Act, 2013 and accordingly, 12 months period has been considered by the Company as its normal operating cycle for the purpose of classification of assets and liabilities as current and non-current.





**Offbeat Developers Private Limited**  
(CIN No. U55200MH2000PTC124192)  
Notes on Financial Statements for the Year ended 31st March, 2016

(Amount in Rupees)

Notes Particulars	As at			
	31st March 2016	31st March 2015		
<b>2 Share Capital</b>				
<b>Authorised</b>				
34,000,000 (P.Y. 34,000,000 ) Equity Shares of Rs.10/- each	340,000,000	340,000,000		
5,150,000 (P.Y.5,150,000) - 0.001% Compulsorily Convertible Preference Shares of Rs 10 each	51,500,000	51,500,000		
	<b>391,500,000</b>	<b>391,500,000</b>		
<b>Issued, Subscribed and fully Paid up</b>				
31,579,841 (P.Y.31,579,841) Equity Shares of Rs.10/- each fully paid up	315,798,410	315,798,410		
	<b>315,798,410</b>	<b>315,798,410</b>		
<b>a. The reconciliation of the number of shares outstanding is set out below :-</b>				
<b>Equity Shares</b>				
Shares outstanding at the beginning the year	31,579,841	31,579,841		
Shares outstanding at the end of the year	<b>31,579,841</b>	<b>31,579,841</b>		
<b>b. Details of shareholders holding more than 5% Shares in the company</b>				
	As at 31/03/2016		As at 31/03/2015	
	Number of shares	% of Holdings	Number of shares	% of Holdings
Equity Shares of Rs. 10 each fully paid				
The Phoenix Mills Limited	20,645,223	65.37	17,767,851	56.26
Horizon Ventures I	2,877,372	9.11	5,754,744	18.22
IIRF Holdings X Ltd	4,162,942	13.18	4,162,942	13.18
HBS Realtors Private Limited	1,691,270	5.36	1,691,270	5.36

**c. Details of shares held by Holding Company**

Name of Shareholder	As at 31st Dec 2015		As at 31st March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
The Phoenix Mills Limited	20,645,223	65.37	17,767,851	56.26

**d. Terms and rights attached to shares.**

**Equity Shares:**

The company has only one class equity shares having face value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. Equity shares holders are also entitled to dividend as and when proposed by the Board of Directors and approved by Share holders in Annual General Meeting. In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts which shall be in proportion to the number of shares held by the shareholders. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts which shall be in proportion to the number of shares held by the shareholders.



**Offbeat Developers Private Limited**  
(CIN No. U55200MH2000PTC124192)

Notes on Financial Statements for the Year ended 31st March, 2016

(Amount in Rupees)

Notes	Particulars	As at																											
		31st March 2016	31st March 2015																										
<b>3</b>	<b>Reserve and Surplus</b>																												
	<b>Security Premium Account</b>																												
	As per last Balance Sheet	2,772,835,736	2,772,835,736																										
	Closing Balance	<u>2,772,835,736</u>	<u>2,772,835,736</u>																										
	<b>Balance in Profit and Loss Account</b>																												
	As per last Balance Sheet	78,419,141	316,446,216																										
	Add/(Less) :- Net Loss For the current year	(394,567,710)	(237,713,182)																										
	(-) Adjustment of depreciation as per transitional provision of Part 'C' of Schedule II of Companies Act, 2013	-	(313,893)																										
	Closing Balance	<u>(316,148,569)</u>	<u>78,419,141</u>																										
		<u>2,456,687,167</u>	<u>2,851,254,877</u>																										
		<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>																										
		Non Current	Current	Non Current	Current																								
<b>4</b>	<b>Long Term Borrowings</b>																												
	( Secured )																												
	Term Loan from Banks	6,953,757,203	252,796,668	5,941,814,000	751,952,500																								
	( Unsecured )																												
	Inter Corporate Deposit from Related Party	285,041,144	-	811,520,786	-																								
		<u>7,238,798,347</u>	<u>252,796,668</u>	<u>6,753,334,786</u>	<u>751,952,500</u>																								
	4.1) Secured Term Loan of Rs 5,956,553,871(P.Y. Rs 6,148,266,500) taken under consortium arrangement with Syndicate Bank as lead bank along with the Cosmos Co-op Bank Ltd, Union Bank of India and Saraswat Bank are secured by the pari passu charge on escrow of lease rentals from the Phoenix Marketcity Mall - Retail Phase I at Kurla Mumbai.																												
	4.2) Secured Term Loan of Rs NIL (P.Y Rs 545,500,000) taken from Yes Bank is secured by exclusive charge by way of registered mortgage on the entire project land of phase II (Art Guild House) along with the super structures built thereon (present and future). Portion of space sold to PML and other parties amounting to 2.7 lakh sq ft charged with Yes Bank. All moveable fixed assets and current assets including receivables/future receipts and escrow receipts pertaining to Art Guild House Project.																												
	4.3) Secured Term Loan of Rs 1,250,000,000 (P.Y Rs Nil) taken from IndusInd Bank is secured by way of registered mortgage of Art Guild House project freehold land and the buildings and structures constructed and to be constructed thereon, with minimum security cover of 2X throughout tenor of loan. IndusInd Bank will have exclusive charge by way of hypothecation of all project receivables, present and future. Such project receivables to be escrowed to IndusInd Bank.																												
	4.4) Inter Corporate Deposit from Related Party of Rs 285,041,144 (P.Y Rs 811,520,786) is repayable within 3-4 years.																												
	4.5) Maturity Profile of Term Loan are set out below																												
		<table border="1"> <thead> <tr> <th>Financial Year</th> <th>Amount (Rs.)</th> <th>Financial Year</th> <th>Amount (Rs.)</th> </tr> </thead> <tbody> <tr> <td>2016-2017</td> <td>25,27,96,668</td> <td>2021-2022</td> <td>87,72,26,668</td> </tr> <tr> <td>2017-2018</td> <td>84,04,53,336</td> <td>2022-2023</td> <td>1,03,99,69,996</td> </tr> <tr> <td>2018-2019</td> <td>95,93,80,000</td> <td>2023-2024</td> <td>1,08,84,66,664</td> </tr> <tr> <td>2019-2020</td> <td>81,07,33,332</td> <td>2024-2025</td> <td>63,94,23,875</td> </tr> <tr> <td>2020-2021</td> <td>69,81,03,332</td> <td></td> <td></td> </tr> </tbody> </table>	Financial Year	Amount (Rs.)	Financial Year	Amount (Rs.)	2016-2017	25,27,96,668	2021-2022	87,72,26,668	2017-2018	84,04,53,336	2022-2023	1,03,99,69,996	2018-2019	95,93,80,000	2023-2024	1,08,84,66,664	2019-2020	81,07,33,332	2024-2025	63,94,23,875	2020-2021	69,81,03,332					
Financial Year	Amount (Rs.)	Financial Year	Amount (Rs.)																										
2016-2017	25,27,96,668	2021-2022	87,72,26,668																										
2017-2018	84,04,53,336	2022-2023	1,03,99,69,996																										
2018-2019	95,93,80,000	2023-2024	1,08,84,66,664																										
2019-2020	81,07,33,332	2024-2025	63,94,23,875																										
2020-2021	69,81,03,332																												
<b>5</b>	<b>Other Long Term Liabilities</b>																												
	Trade Payable -Non Current																												
	Micro and Small Enterprises [Refer Note 8 ]																												
	Others			29,721,922	7,625,601																								
	Security Deposits for Lease Rental			275,212,399	467,298,495																								
				<u>304,934,321</u>	<u>474,924,096</u>																								
<b>6</b>	<b>Long Term Provision</b>																												
	<b>Provision for Employee Benefits</b>																												
	Provision for leave encashment			3,264,427	2,088,225																								
	Provision for Gratuity			-	1,225,738																								
				<u>3,264,427</u>	<u>3,313,963</u>																								
<b>7</b>	<b>Short Term Borrowing</b>																												
	Secured																												
	Bank Overdraft #			230,669,302	74,598,290																								
	Unsecured																												
	Inter Corporate Deposit from Related Party			1,651,800,000	513,390,266																								
				<u>1,882,469,302</u>	<u>587,988,556</u>																								

# Of the above Bank Overdraft amounting to Rs. 230,669,302 (P.Y. Rs 74,598,290 refer note 4.2 for Yes bank) secured against assets stated in Note 4.3 above



**Offbeat Developers Private Limited**  
(CIN No. U55200MH2000PTC124192)  
Notes on Financial Statements for the Year ended 31st March, 2016

(Amount in Rupees)

Notes	Particulars		
		As at 31st March 2016	As at 31st March 2015
<b>8</b>	<b>Trade Payable - current</b>		
	* a) total outstanding dues of micro and small enterprises; and (Refer Note 36)	-	-
	b) total outstanding dues other than micro enterprises and small enterprises	316,183,150	298,766,501
		<b>316,183,150</b>	<b>298,766,501</b>
	* There are no Micro and Small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days during the year and as at March 31, 2016. The above information, regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company This has been relied upon by the Auditors.		
<b>9</b>	<b>Other Current Liabilities</b>		
	<b>Current Maturities of Long Term Borrowings</b>		
	Term Loan from Banks (Refer Note no. 4)	252,796,668	751,952,500
	Advances from Customers	714,052,525	759,127,483
	Security Deposits for Lease Rental	344,777,242	158,082,639
	Interest accrued and not due		
	On Term Loan	23,383,247	36,120,536
	Interest accrued and due		
	On Others	229,025,099	525,578,309
	Statutory Dues	225,747,160	169,300,571
	Creditor for Capital Items	6,073,657	9,157,719
	Other payables *	358,637,400	19,273,574
		<b>2,154,492,998</b>	<b>2,428,593,331</b>
	* Other payable includes outstanding liability and other liability		
<b>10</b>	<b>Short Term Provision</b>		
	<b>Provision for employee benefits</b>		
	Provision for leave encashment	342,814	34,075
	Provision for Gratuity	405,457	54,548
		<b>748,271</b>	<b>88,623</b>



**Offbeat Developers Private Limited**  
(CIN No. U55200MH2000PTC124192)  
Notes to Financial Statements for the Year ended 31st March 2016  
Note 11 Fixed Assets

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block			
	Balance as at 1 April 2015	Additions	(Deduction)/ (Adjustment)	Balance as at 31st March 2016	Balance as at 1 April 2015	Depreciation charge for the year	(Transfer to Reserves & Surplus)	(Deduction)	Balance as at 31st March 2016	Balance as at 31 March 2015
<b>Tangible Assets</b>										
Land	1,005,339,768	-	-	1,005,339,768	-	-	-	-	1,005,339,768	1,005,339,768
Building	7,287,424,179	50,129,076	9,472,961	7,328,080,294	337,177,989	115,686,474	-	-	6,875,215,831	6,950,246,190
Plant & Machinery	1,230,564,493	41,635,994	459,365	1,271,741,122	230,198,601	97,447,908	-	-	944,094,613	1,000,365,892
Office Equipments	19,558,862	267,156	-	19,826,018	9,854,344	2,732,605	-	-	12,586,949	9,704,518
Computer	12,417,115	461,600	33,750	12,844,965	7,167,878	2,081,111	-	32,063	3,628,039	5,249,237
Furniture & Fixtures	112,196,639	1,580,275	-	113,776,914	27,534,827	12,217,773	-	-	74,024,315	84,661,813
Vehicle	4,729,469	-	-	4,729,469	3,013,637	308,868	-	-	1,406,964	1,715,832
<b>Total (A)</b>	<b>9,672,230,525</b>	<b>94,074,101</b>	<b>9,966,076</b>	<b>9,756,338,550</b>	<b>614,947,275</b>	<b>230,474,739</b>	<b>-</b>	<b>32,063</b>	<b>845,389,951</b>	<b>9,057,283,251</b>
<b>Intangible Assets</b>										
Software	3,702,827	449,753	-	4,152,580	2,176,346	795,628	-	-	2,971,974	1,526,481
<b>Total (B)</b>	<b>3,702,827</b>	<b>449,753</b>	<b>-</b>	<b>4,152,580</b>	<b>2,176,346</b>	<b>795,628</b>	<b>-</b>	<b>-</b>	<b>2,971,974</b>	<b>1,526,481</b>
<b>Total (A + B)</b>	<b>9,675,933,352</b>	<b>94,523,854</b>	<b>9,966,076</b>	<b>9,760,491,130</b>	<b>617,123,621</b>	<b>231,270,367</b>	<b>-</b>	<b>32,063</b>	<b>848,361,925</b>	<b>9,058,809,731</b>
Previous Year	9,693,561,149	72,289,847	39,917,643	9,675,933,352	387,490,311	229,157,787	475,523	-	9,058,809,734	9,306,070,838
Capital Work in Progress									33,730,637	27,088,413





**Offbeat Developers Private Limited**  
(CIN No. U55200MH2000PTC124192)

Notes on Financial Statements for the Year ended 31st March, 2016

(Amount in Rupees)

Notes	Particulars	As at 31st March 2016	As at 31st March 2015
<b>12</b>	<b>Non Current Investments</b>		
	Other - (At Cost)		
	Unquoted		
	- 2,500 (P.Y - 2,500) The Sararwat Co-operative Bank Ltd Shares of Rs. 10 Each fully paid	25,000	25,000
	- 1,000 (P.Y - Nil) The Cosmos Co-operative Bank Ltd Shares of Rs. 100 Each fully paid	100,000	-
		<b>125,000</b>	<b>25,000</b>
	Aggregate value of unquoted investment	<b>125,000</b>	<b>25,000</b>
<b>13</b>	<b>Long Term Loans and Advances</b> ( Unsecured, Considered Good )		
	Capital Advances	632,209	-
	Deposit	36,080,694	14,710,659
		<b>36,712,903</b>	<b>14,710,659</b>
<b>14</b>	<b>Inventories</b> (valued at lower of cost and net realisable value)		
	Realty Work in progress	2,930,994,495	2,408,272,965
	Finished Realty Stock	129,483,925	129,483,925
		<b>3,060,478,420</b>	<b>2,537,756,890</b>
<b>15</b>	<b>Trade Receivable</b> (Unsecured, considered good unless otherwise stated)		
	a) Debts outstanding for a period exceeding six months from Due Date		
	Considered good	774,154,750	418,881,217
	Considered doubtful	403,112,701	368,823,715
		<b>1,177,267,451</b>	<b>787,704,932</b>
	b) Other	591,279,413	483,823,082
	<b>Total</b>	<b>1,768,546,864</b>	<b>1,271,528,014</b>
	Less : Provision for Doubtful Debts	(403,112,701)	(368,823,715)
		<b>1,365,434,163</b>	<b>902,704,299</b>
<b>16</b>	<b>Cash and Cash Equivalents :</b>		
	a. Balances with Banks	83,026,015	84,223,355
	b. Cash on hand	39,723	45,148
	<b>Total</b>	<b>83,065,738</b>	<b>84,268,503</b>
	c. Other Bank Balances		
	Deposit with original maturity for more than 3 months but less than 12 months	-	1,169,189
	Deposit with original maturity for more than 12 months **	252,445,379	239,889,373
	<b>Total</b>	<b>252,445,379</b>	<b>241,058,562</b>
		<b>335,511,117</b>	<b>325,327,065</b>
	** Given as security for Bank guarantee Rs 7,381,434 - including Accrued Interest of Rs. 740,034/- (P.Y. 6,770,361 - including Accrued Interest of Rs. 128,961/-)		
	** Includes deposit of Rs 29,062,500 (P.Y. NIL) earmarked toward maintaining of DSRA as per loan agreement with IndusInd Bank and Fixed Deposit of Rs. 15,000,000 (P.Y. NIL) given as security for Bank guarantee.		
	** Includes deposit earmarked toward maintenance of DSRA as per loan agreement of Rs 200,000,000 (P.Y. Rs 203,929,068). (Refer Note 4.1)		
<b>17</b>	<b>Short term loans and advances</b> ( Unsecured, considered good unless otherwise stated )		
	Advances recoverable in cash or kind	2,811,560	32,907,730
	Advance to suppliers	26,475,244	44,667,043
	Less:- Provision for Doubtful Advance	(1,250,355)	(1,250,355)
		<b>25,224,889</b>	<b>43,416,688</b>
	Other loans and advances		
	Advance income tax (net of provision for Income tax)	222,015,257	175,999,036
	Prepaid expenses	6,153,861	5,405,148
	Balance with statutory/ government authority	13,048,894	10,029,736
		<b>269,254,461</b>	<b>267,758,338</b>
<b>18</b>	<b>Other Current Assets:</b>		
	Interest accrued on Fixed Deposit	1,989,726	89,653
		<b>1,989,726</b>	<b>89,653</b>

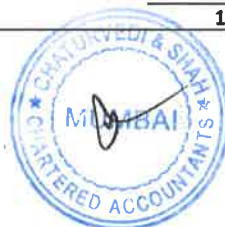


**Offbeat Developers Private Limited**  
(CIN No. U55200MH2000PTC124192)

Notes on Financial Statements for the Year ended 31st March 2016

(Amount in Rupees)

Notes	Particulars	2015-16	2014-15
<b>19</b>	<b>Revenue from Operations</b>		
	Sale of Property development	750,593,159	772,551,134
	Sale of Services	1,569,909,309	1,611,152,212
	Other Operating Revenues	123,948	1,514,803
		<b>2,320,626,416</b>	<b>2,385,218,149</b>
	<b>19.1) Broad Categories of Sale of Services</b>		
	License Fees and Rental Income	953,767,652	997,808,874
	Service Charges	518,993,800	550,278,243
	Other	97,147,857	63,065,095
		<b>1,569,909,309</b>	<b>1,611,152,212</b>
<b>20</b>	<b>Other Income</b>		
	Interest Income	22,528,430	10,012,555
	Interest on Income tax refund	1,305	-
	Other non operating income	866,158	2,237,746
	Dividend Income on long term Investment	1,250	-
	Profit on Sale of Fixed Assest	1,813	-
	Foreign Exchange Gain	92,196	23,779
		<b>23,491,152</b>	<b>12,274,080</b>
<b>21</b>	<b>Cost of Construction</b>		
	Approvals & Statutory Payments	39,964,380	159,967,388
	Consultancy	18,123,124	15,510,124
	Plant Machinery & Electrical	304,660,281	1,629,726
	RCC & Civil Work	452,173,672	151,497,214
	Site Operating Expenses	75,611,107	24,820,005
		<b>890,532,564</b>	<b>353,424,457</b>
<b>22</b>	<b>Change in Inventories</b>		
	Realty Work in Progress at the beginning of the year	2,408,272,965	2,255,857,979
	Less: Realty Work in Progress at the end of the year	(2,930,994,495)	(2,408,272,965)
		<b>(522,721,530)</b>	<b>(152,414,986)</b>
	Finished Realty Stock at the beginning of the year	129,483,925	273,266,910
	Less: Finished Realty Stock at the end of the year	(129,483,925)	(129,483,925)
			<b>143,782,985</b>
		<b>(522,721,530)</b>	<b>(8,632,001)</b>
<b>23</b>	<b>Employee Benefit expenses</b>		
	Salaries, Wages and Bonus	106,675,088	87,401,826
	Contribution to Provident and Other Funds	2,519,632	1,672,578
	Gratuity and Leave Encashment	3,440,182	2,995,861
	Staff Welfare Expenses	2,657,079	2,228,938
		<b>115,291,981</b>	<b>94,299,203</b>



**Offbeat Developers Private Limited**  
(CIN No. U55200MH2000PTC124192)

Notes on Financial Statements for the Year ended 31st March 2016

Notes	Particulars	(Amount in Rupees)	
		2015-16	2014-15
<b>24</b>	<b>Finance cost</b>		
	Interest	1,142,716,406	1,006,942,256
	Bank charges and Other Borrowing Costs	232,028	10,898,092
		<b>1,142,948,434</b>	<b>1,017,840,348</b>
<b>25</b>	<b>Operation and Other Expenses:</b>		
	Electricity Expenses	201,062,534	163,696,428
	Water Charges	17,298,579	13,007,605
	Repair and Maintenance:		
	Buildings	24,327,789	12,477,214
	Machinery and Electricals	41,697,382	40,801,704
	Others	7,144,316	6,606,437
	Housekeeping Expenses	37,430,809	36,044,615
	Provision for Doubtful Debts/Advances	213,864,343	200,805,481
	Rebate and Settlement	77,464,752	105,861,806
	General Charges	11,112,261	21,320,758
	Rates and Taxes	85,158,767	283,014,130
	Insurance	5,494,107	5,836,811
	Legal and Professional Expenses	28,354,596	125,882,685
	Payment to the Auditors	1,028,625	920,000
	Security Charges	38,998,426	32,412,398
	Telephone Expenses	1,991,664	1,858,858
	Advertisement and Sales Promotion Expenses	161,242,680	160,784,220
	Travelling Expenses	2,771,955	2,997,267
	Miscellaneous & Other Expenses	3,137,546	242,480
		<b>959,581,131</b>	<b>1,214,570,897</b>
	<b>a) Payment to Auditor</b>		
	<b>As Auditor:</b>		
	Audit Fees	938,625	825,000
	Tax Audit Fees	90,000	75,000
	In Other Capacity		
	Other services(certification fees)		20,000
	<b>Total</b>	<b>1,028,625</b>	<b>920,000</b>



26. The disclosures required under Accounting Standard 15 "Employee Benefits", are given below:

**Defined Contribution Plans**

Contribution to Defined Contribution Plans, recognized as expense for the year is as under: (Amount in Rupees)

	2015-16	2014-15
Employer's Contribution to Provident Fund	2,254,517	1,468,810

**Defined Benefit Plan**

The company provides gratuity benefit to its employees which is a defined benefit plan. The present value of obligations is determined based on actuarial valuation using the Projected Unit Credit Method. The obligation for leave encashment is recognized in the same manner as gratuity.

(Amount in Rupees)

Particulars	2015-16		2014-15	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
<b>Reconciliation of opening and closing balances of the defined benefit obligation:</b>				
Defined Benefit Obligation at the beginning of the year	3,412,027	2,122,300	2,330,169	1,413,711
Interest Cost	341,636	254,578	209,715	127,234
Current Service Cost	1,023,457	1,179,615	961,495	636,108
Benefits paid during the year	-	(702,608)	(692,308)	(722,307)
Actuarial (gain)/loss on Defined Benefit Obligation	(150,454)	753,356	602,956	667,554
Defined Benefit Obligation at the end of the year	4,626,666	3,607,241	3,412,027	2,122,300

(Amount in Rupees)

Particulars	Gratuity(Funded)	Gratuity(Funded)
	2015-16	2014-15
<b>Reconciliation of opening and closing balances of Plan Assets:</b>		
Plan Assets at the beginning of the year	2,131,741	2,554,808
Expected Return on plan assets	178,880	209,201
Contribution	1,909,279	60,040
Benefits paid during the year	-	(692,308)
Actuarial (gain)/loss on Plan Asset	1,309	-
Plan Assets at the end of the year	4,221,209	2,131,741





(Amount in Rupees)

Amount to be recognized in Balance sheet:	2015-16		2014-15	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Present value of Defined Benefit Obligation	4,626,666	3,607,241	3,412,027	2,122,300
Fair Value of plan assets at the end of the year	(4,221,209)	-	(2,131,741)	-
Amount recognized in Balance sheet	405,457	3,607,241	1,280,286	2,122,300

(Amount in Rupees)

Amount to be recognized in Profit & Loss Account /Project Development Account:	2015-16		2014-15	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Current Service Cost	1,023,457	1,179,615	961,495	636,108
Interest cost on obligation	341,636	254,578	209,715	127,234
Expected Return on plan assets	(178,880)	-	(209,201)	-
Net Actuarial (gain)/loss recognized for the year	(151,763)	753,356	602,956	667,554
Expense recognized in the statement of Profit & Loss account	1,034,450	2,187,549	1,564,965	1,430,896

(Amount in Rupees)

Actual return on plan assets for the year:	Gratuity (Funded)	Gratuity(Funded)
	2015-16	2014-15
Expected return on Plan Assets	178,880	209,201
Actuarial (gain)/loss on Plan Asset	1,309	-
Actual return on plan assets	180,189	209,201

Actuarial assumptions:	Gratuity (Funded)		Leave Encashment (Unfunded)	
	IALM (2006-08) Ultimate	2006-08 (Mortality Rates)	IALM (2006-08) Ultimate	2006-08 (Mortality Rates)
Mortality Table (LIC)				
Discount Rate (per annum)	7.70%	7.75%	7.70%	7.75%
Rate of escalation in salary (p. a.)	7.50%	6.00%	7.50%	6.00%



Contributions in respect of gratuity are made to Life Insurance Corporation of India (LIC) who administers the gratuity scheme of the Company.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

(Amount in Rupees)

Gratuity (Amounts recognized in current year and previous four Years)	As at 31 <sup>st</sup> March				
	2016	2015	2014	2013	2012
Defined benefit obligation	4,626,666	3,412,027	2,330,169	1,999,602	1,837,928
Fair value of planned assets	4,221,209	2,131,741	2,554,808	2,446,430	2,392,122
(Surplus) / Deficit in the plan	405,457	1,280,286	(224,639)	(446,828)	(554,194)
Actuarial (gain)/loss on plan liabilities	(150,454)	602,956	(374,842)	(529,934)	(412,865)
Actuarial gain/(loss) on plan assets	1,309	-	-	-	-

## 27. Contingent Liabilities:

- i. Estimated amount of contracts remaining to be executed on capital account not provided for in the accounts is of Rs. 59,221,772 (Previous year Rs. 15,699,861).
  - ii. The Income Tax assessments of the Company have been completed up to Assessment Year 2013-14. The disputed demand upto the said Assessment Year is Rs 7,232,949. However, the Company is in appeal before the Appellate Authorities against the assessments. The impact thereof, if any, on the tax position can be ascertained only after the disposal of the above appeals. Accordingly, no provision has been made.
  - iii. Outstanding Guarantee given by Banks Rs. 21,641,400 (P.Y. Rs. 18,280,580)
  - iv. Municipal Corporation of Greater Mumbai has raised demand of Rs. 320,965,096 towards property tax for the period April 2012 – March 2016. As per the interim order of Bombay High Court 50% of the property tax demand has been paid by the company. The balance amount would be payable on the final outcome of the petition. Company has provided full amount of demand in the books on conservative basis.
  - v. During the year, the company has received order of Commissioner of service tax. The order confirmed service tax demand of Rs. 259,888,510/-. The company has gone into appeal with CESTAT, Mumbai & has paid Rs. 19,491,638/- as a pre-deposit of 7.5% towards the said demand. The impact thereof, if any, on the tax position can be ascertained only after the disposal of the above appeal. Accordingly, no provision has been made.
  - vi. The above litigations in Para (ii), (iv) and (v) are not expected to have any material adverse impact on the financial position of the company.
28. Current Assets, Loans and advances are approximately of the value stated in the balance sheet if realized in the ordinary course of the business.



29. As Per Accounting Standard 18 (AS- 18) "Related Party Disclosures", the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

a) Details of Related Party with whom transactions have been taken place and relationships:

Sr. No.	Name of the Related Party	Relationship
1	The Phoenix Mills Limited (PML)	Holding Company
2	Marketcity Resources Private Limited (MCR)	Fellow Subsidiary
3	Gracework Realty & Leisure Private Limited (GRLPL)	Fellow Subsidiary
4	Palladium Constructions Private Limited (PCPL)	Fellow Subsidiary
5	Island Star Mall Developers Private Limited (ISMDPL)	Fellow Subsidiary
6	Savannah Phoenix Private Limited (SPPL)	Fellow Subsidiary
7	Bellona Hospitality Services Limited (From 01/11/2014) (BHSL)	Fellow Subsidiary



b) Transaction during the year with related party

(Amount in Rupees)

Sr. No.	Nature of Transaction	PML	MCR	GRLPL	PCPL	ISM/DPL	SPPL	BHSL	Total
1	Loan taken	1,672,539,391 (1,241,642,108)	- (-)	- (-)	1,279,800,000 (-)	1,553,000,000 (-)	- (-)	- (-)	4,505,339,391 (1,241,642,108)
2	Loan repaid	1,879,019,033 (1,511,446,978)	- (-)	- (-)	1,424,700,000 (-)	269,800,000 (10,123,090)	- (-)	- (-)	3,573,519,033 (1,521,570,068)
3	Sale of Property	380,085,649 (215,046,272)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	380,085,649 (215,046,272)
4	Interest charged	108,130,193 (221,805,450)	- (-)	- (-)	95,103,794 (1,097,342)	50,141,002 (-)	- (-)	- (-)	253,374,989 (222,902,792)
5	HVAC Recovery Income	- (-)	- (-)	28,958,347 (21,423,886)	- (-)	- (-)	- (-)	- (-)	28,958,347 (21,423,886)
6	Reimbursement of Expenses	- (-)	8,391 (4,909)	8,812,967 (9,782,742)	- (-)	- (-)	- (-)	- (-)	8,821,358 (9,787,651)
7	Business Support Service & Project Management Charges	- (-)	22,987,150 (18,867,000)	- (-)	- (-)	- (-)	- (-)	- (-)	22,987,150 (18,867,000)
8	Maintenance Charges	8,478,452 (1,485,137)	- (-)	- (-)	- (-)	- (-)	4,393,738 (-)	6,364,374 (1,937,920)	19,236,564 (3,423,057)
9	License Fee – Revenue Share	- (-)	- (-)	- (-)	- (-)	- (-)	3,125,214 (-)	4,319,995 (-)	7,445,209 (-)
10	Security Deposit taken	- (-)	- (-)	- (-)	- (-)	- (-)	3,300,000 (-)	- (-)	3,300,000 (-)



Note :- Figures in bracket represents previous year figures

c) Balances with the related party at the year end i.e. 31 <sup>st</sup> March 2016									
Nature of Transaction	PML	MCR	GRIPL	PCPL	ISM DPL	SPPL	BHSL	(Amount in Rupees)	
								Total	
Outstanding Liability	320,000,000 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	320,000,000 (-)	
Trade Receivable/ Other Receivable	743,875,511 (363,329,873)	- (-)	66,553,531 (25,258,454)	- (-)	- (-)	3,309,188 (-)	5,615,029 (1,546,626)	819,353,259 (390,134,953)	
Loan taken	285,041,144 (811,520,786)	- (-)	- (-)	368,600,000 (513,390,266)	1,283,200,000 (-)	- (-)	- (-)	1,936,841,144 (1,324,911,052)	
Security Deposit taken	- (-)	- (-)	- (-)	- (-)	- (-)	3,300,000 (-)	1,800,000 (1,800,000)	5,100,000 (1,800,000)	
Interest Accrued	97,317,174 (524,480,967)	- (-)	- (-)	86,581,023 (1,097,342)	45,126,902 (-)	- (-)	- (-)	229,025,099 (525,578,309)	
Trade Payable	- (-)	- (2,689,028)	- (-)	- (-)	- (-)	- (-)	- (-)	- (2,689,028)	

Note:- Figures in bracket represents previous year figures.





30. **Deferred Tax:**

In accordance with the Accounting Standard (AS) 22 "Accounting for Taxes on Income", the Company has created deferred tax assets of Rs. 78,217,669/- for the current year.

The breakup of the net deferred tax assets as on March 31, 2016 is as under:

(Amount in Rupees)

	As at 31st March	
	2016	2015
<b>Deferred Tax Liability</b>		
Related to fixed assets	136,077,486	123,793,730
<b>Deferred Tax Assets</b>		
Disallowances under the Income Tax Act, 1961	215,442,609	184,001,480
Carry forward Losses*	578,645,637	519,585,341
<b>Total</b>	<b>658,010,760</b>	<b>579,793,091</b>

\* Virtual certainty of the realization of Deferred Tax Assets on carry forward losses is established based on agreements.

31. **Expenditure in foreign currency:**

(Amount in Rupees)

Particulars	2015-16	2014-15
Professional Fees	2,464,443	1,580,010
Foreign Travel Expenses	684,975	330,999
Business Promotion Expenses	305,496	NIL
<b>Total</b>	<b>3,454,914</b>	<b>1,911,009</b>

32. **CIF Value of Import:**

(Amount in Rupees)

Particulars	2015-16	2014-15
Capital Goods	66,348,720	3,330,059
<b>Total</b>	<b>66,348,720</b>	<b>3,330,059</b>



33. **Earning per share (EPS):**

(Amount in Rupees)

Sr. No.	Particulars	2015-16	2014-15
i)	Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	(394,567,710)	(237,713,182)
ii)	Weighted Average number of equity shares used as denominator for calculating EPS	31,579,841	31,579,841
iii)	Basic and Diluted Earnings per share	(12.49)	(7.53)
iv)	Face value per equity share	10	10

34. The Company is in real estate development activities. Considering the nature of the company's business and operations, there are no reportable segments (business and/or geographical) in accordance with the requirements of Accounting Standard 17 - 'Segment Reporting'.

35. Trade Receivables as at 31<sup>st</sup> March, 2016 includes receivables of Rs. 542,400,593/- in respect of mall operations, which are due for more than six months subject to confirmations. The company is in the process of recovering these through ongoing negotiations. Pending final outcome of such negotiations, a provision of Rs. 403,112,701/- has been made as at 31<sup>st</sup> March, 2016 towards doubtful debts, including Rs. 213,864,343/- for the financial year, which in the opinion of the Management is adequate.

36. **Dues to Micro and Small Enterprises**

The details of amounts outstanding to Micro and Small Enterprises based on the available information with the Company is as under

Sr. No.	Particulars	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
i)	Principal amount due and remaining unpaid	-	-
ii)	Interest due on above and the unpaid interest	-	-
iii)	Interest paid	-	-
iv)	Payment made beyond the appointed day during the year	-	-
v)	Interest due and payable for the period of delay	-	-
vi)	Interest accrued and remaining unpaid	-	-
vii)	Amount of further interest remaining due and payable in succeeding year	-	-



37. Trade receivables and trade payables are subject to confirmation and reconciliation, if any. The same is not expected to have any material impact on the financial statements.
38. The previous year figures have been regrouped, reworked, rearranged and reclassified, whenever necessary and are to be read in relation to the amounts and other disclosures relating to the current year.

For **Chaturvedi & Shah**  
Chartered Accountants  
(Firm Registration No: 101720W)



**Jignesh Mehta**  
Partner  
Membership No. 102749

For and on behalf of the Board



**Haresh Morajkar**  
Director  
DIN No.74983



**Dipesh Gandhi**  
Director  
DIN No. 2079576

Place : Mumbai  
Date : 06<sup>th</sup> May 2016



**Anup Kumar Lath**  
Chief Financial Officer  
PAN No. AAZPL5497K



**Prashant Parekh**  
Company Secretary

