

AJIT M. GHELANI
B.Com (Hons), F.C.A., GRAD. C.W.A.

CHINTAN A. GHELANI
B.Com (Hons), F.C.A., C.S

INDEPENDENT AUDITOR'S REPORT

To the Members of

Alliance Spaces Private Limited.

[Formerly known as Alliance Hospitality Services Private Limited]

Report on the Financial Statements

We have audited the accompanying financial statements of **Alliance Spaces Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, 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 standalone 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 we are 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 there under.

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



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audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 standalone 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 31st March, 2016, its loss and its cash flows for the year ended on that date.

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" statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required under provisions of 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 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 24 to the financial statements].



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- ii. The Company did not have any 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 are required to be transferred to the Investor Education and Protection Fund by the Company during the year.

For A.M. Ghelani & Company
Chartered Accountants
Registration No : 103173W



Chintan Ghelani
Partner
Membership No.: 104391

Place : Mumbai
Dated : 06/05/2016



“Annexure A” referred to in paragraph 1 under the heading 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 the 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, the Title Deeds of the immovable properties are held in the name of company.
- ii) In respect of its Inventories :
- a. The Inventories constitute Land & Realty Work-in-Progress. According to the information and explanations given to us, the stock of Land has been physically verified by the management during the year.
 - b. The company has maintained proper records of inventory and discrepancies noticed on physical verification of inventory as compared to the book records, which have been properly dealt with in the books of accounts, were not material.
- iii) The Company has not granted loans to Companies / firms or other parties covered in the register maintained under section 189 of the Act.
- iv) The Company has not, directly or indirectly, granted any loans or given any guarantees/securities in connection with the loans taken by persons covered under Section 185 of the Companies Act, 2013. Hence, the provisions of Clause (iv) of paragraph 3 of the Order are not applicable to the Company.
- v) According to the information and explanations given to us, the company has not accepted any deposits within the meaning of provisions of section 73 to 76 or any other relevant provisions of the Act and rules framed hereunder. Therefore, provisions of Clause (v) of paragraph 3 of the Order are not applicable to the company.
- vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2014 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 namely Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, if applicable, and any other applicable statutory dues have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts

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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 of becoming payable.

- b. The Disputed Income Tax liability amounting to Rs. 64,550/- (P.Y. Rs. 64,550/-), pertaining to Assessment Year 2011-12 has not been deposited as the said matter is in appeal before the Commissioner of Income Tax [CIT Appeals (Mumbai)].
- viii) According to the records examined by us and the information and explanation given to us, we are of the opinion that the company has not defaulted in re-payment of dues to financial institution and banks.
- ix) The Company has not raised any money by way of initial public offering or further public offer (including Debt instruments). The term loans were applied for the purpose for which the loans were obtained.
- 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) Based upon the audit procedures performed and information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of section 197 read with "Schedule V" to the companies Act, 2013.
- xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of the Paragraph 3 of the Order are not applicable to the Company.
- xiii) In our opinion, all the transactions with related parties are in compliance with section 177 and 188 of The Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause (xiv) of paragraph 3 of the Order are 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 A.M. Ghelani & Company

Chartered Accountants

Registration No : 103173W



Chintan Ghelani

Partner

Membership No.: 104391



Place : Mumbai

Dated : 06/05/2016

“Annexure B” referred to in paragraph 1 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 controls over financial reporting of **Alliance Spaces Private Limited** (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

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

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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 control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting" criteria established by the Company considering the essential components of internal financial 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 A.M. Ghelani & Company
Chartered Accountants
Registration No : 103173W



Chintan Ghelani
Partner
Membership No.: 104391



Place : Mumbai
Dated : 06/05/2016

Alliance Spaces Private Limited

(Formerly Known as Alliance Hospitality Services Private Limited)

(CIN U55101MH2007PTC169101)

Balance Sheet as at 31st March, 2016

(Amount In Rs.)

PARTICULARS	Note No.	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
SHAREHOLDERS FUNDS			
Share Capital	2	19,986,940	19,986,940
Reserves & Surplus	3	938,741,792	960,639,376
		958,728,732	980,626,316
NON-CURRENT LIABILITIES			
Long Term Borrowings	4	-	120,000,000
Other Long Term Liabilities	5	3,504,911	4,323,924
Long-Term Provisions	6	2,185,254	1,692,690
		5,690,165	126,016,614
CURRENT LIABILITIES			
Short Term Borrowings	7	267,341,045	254,377,350
Trade Payables	8		
Total outstanding dues of creditors other than micro enterprises and small enterprises		5,548,701	6,547,353
Other Current Liabilities	9	222,702,144	109,222,897
Short Term Provisions	10	53,874	24,891
		495,645,764	370,172,492
TOTAL		1,460,064,660	1,476,815,422
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	11		
Tangible Assets		1,416,546	2,189,184
Intangible Assets		740,962	640,217
Deferred Tax Asset [Refer Note No 31]		34,104,443	25,498,448
Long Term Loans and Advances	12	38,003,009	317,188,990
Other Non Current Assets	13	20,342,000	20,393,750
		94,606,960	365,910,589
CURRENT ASSETS			
Inventories	14	1,324,277,074	1,072,130,581
Cash And Cash Equivalents	15	6,544,111	1,573,931
Short-Term Loans & Advances	16	34,342,394	36,859,608
Other Current Assets	17	294,121	340,713
		1,365,457,700	1,110,904,833
TOTAL		1,460,064,660	1,476,815,422

Significant Accounting Policies and Notes on Financial Statements 1 to 34

The accompanying Notes are an integral part of the financial statements

As per our Report of even date

For A. M. Ghelani & Company

Chartered Accountants

Firm Registration No.: 103173W

Chintan A. Ghelani

Partner

Membership No.: 104391

Place : Mumbai

Date : 06/05/2016



For and on behalf of the Board of Directors

Shishir Shrivastava

(Director)

DIN: 1266095

Haresh Morajkar

(Director)

DIN: 74983

Alliance Spaces Private Limited

(Formerly Known as Alliance Hospitality Services Private Limited)

(CIN U55101MH2007PTC169101)

Statement of Profit & Loss for the Financial Year Ended 31st March, 2016

(Amount in Rs.)

PARTICULARS	Note No.	2015 - 16	2014 - 15
INCOME			
Other Income	18	1,698,268	1,564,344
Total Revenue		1,698,268	1,564,344
EXPENDITURE			
Variation in Inventories	19	(252,146,493)	(180,070,475)
Construction Cost and Other related costs	20	212,472,217	162,793,433
Employee Benefits Expenses	21	13,129,235	13,427,180
Operating & Other Expenses	22	19,072,613	48,213,538
Bank Interest / Financial Expenses	23	38,267,115	15,320,640
Depreciation	11	1,407,161	1,956,402
Total Expenses		32,201,848	61,640,718
Profit/(Loss) Before Tax		(30,503,580)	(60,076,374)
Tax Expense			
Current Tax		-	-
Deferred Tax		(8,605,995)	(21,608,774)
Profit / (Loss) for the year		(21,897,584)	(38,467,600)

Earning Per Equity Share [nominal value of Rs 10]

Basic & Diluted EPS (Face Value of Rs. 10/- each) (Refer Note No 30)

(10.96)

(19.25)

Significant Accounting Policies and Notes on Financial Statements

1 to 34

As per our Report of even date

As per our Report of even date

For A. M. Ghelani & Company
Chartered Accountants

Firm Registration No.: 103173W

Chintan A. Ghelani

Partner

Membership No.: 104391

Place : Mumbai

Date : 06/05/2016



For and on behalf of the Board of Directors

Shishir Shrivastava
(Director)

DIN: 1266095

Haresh Morajkar
(Director)

DIN: 74983

Alliance Spaces Private Limited

(Formerly Known as Alliance Hospitality Services Private Limited)

(CIN No. U55101MH2007PTC169101)

Cash Flow Statement For The Financial Year Ended on 31st March, 2016

PARTICULARS	2015-16 Rs.	2014-15 Rs.
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net Profit before tax as per the Profit and Loss Account	(30,503,580)	(60,076,374)
<u>Adjustments for Non Cash / Non Operating Items :</u>		
Depreciation	1,407,161	1,956,402
Loss on sale of Fixed Assets	3,462	-
Interest Expenses	55,349,316	52,315,624
Operating Cash flow before working capital changes	26,256,359	(5,804,349)
<u>Adjustments for Working Capital changes :</u>		
Inventories	(252,146,493)	(180,070,475)
Trade & Other Payables	(7,686,783)	35,370,351
Trade & Other Receivables	284,506,257	85,309,352
Cash generated from Operations	50,929,341	(65,195,122)
Less: Taxes (paid)/refund received - [Net]	(2,704,721)	(4,055,307)
Net Cash generated from/(used In) Operating Activities (A)	48,224,620	(69,250,428)
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Purchase of Fixed Assets	(742,065)	(1,175,267)
Sale of Fixed Assets	3,334	-
Net Cash generated from/(used in) Investing Activities (B)	(738,731)	(1,175,267)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Proceeds from Long Term Borrowings	(130,088)	40,000,000
Term Loans availed/(repaid) [net]	12,963,695	83,368,660
Interest paid on loans	(55,349,316)	(52,315,624)
Net Cash generated from/(used in) Financing Activities (C)	(42,515,709)	71,053,037
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	4,970,180	627,342
Opening Balance of Cash and Cash Equivalents	1,573,931	946,589
Closing Balance of Cash and Cash Equivalents	6,544,111	1,573,931

Notes:

Cash and Cash Equivalents include:

Cash on hand	122,044	72,622
Balances with Scheduled Banks	6,422,067	1,501,309
Cash and Bank Balances	6,544,111	1,573,931

The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 "Cash Flow Statements"

The figures in brackets represent Cash outflows.

As per our Report of even date

For A. M. Ghelani & Company

Chartered Accountants

Firm Registration No.: 103173W


Chintan A. Ghelani

Partner

Membership No.: 104391

Place : Mumbai

Date : 06/05/2016



For and on behalf of the Board of Directors



Shishir Shrivastava

(Director)

DIN: 1266095



Haresh Morajkar

(Director)

DIN: 74983

ALLIANCE SPACES PRIVATE LIMITED

(CIN U55101MH2007PTC169101)

[Formerly Known as Alliance Hospitality Services Private Limited]

Note “1 ”

SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Preparation of Financial Statements

The Financial statements have been prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India (“GAAP”) and comply with the mandatory Accounting Standards (“AS”) as notified by the companies Accounting Standard (Rules), 2006 to the extent applicable and with the relevant provisions of the Companies Act, 2013.

a) Inflation

The financial statements are based on historical costs. These costs are not adjusted to reflect the impact of the changing value of the purchasing power of money.

b) Use of Estimates

The preparation of Financial Statements in conformity with GAAP requires Management to make estimate and assumption that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and reported amount of revenue and expenses for the year. Actual result could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized. Any revision to an accounting estimate is recognized prospectively in the year of revision.

c) Revenue Recognition

- i. Revenue from the Project would be recognized as per the conditions specified In the Guidance Note on Accounting for Real Estate Transactions [Revised 2012] issued by the ICAI.

Revenue from the sale of properties under construction is recognized on the basis of the Registered Sale Agreements (Provided the significant risk and rewards have been transferred to the buyer and there is reasonable certainty of realization of the monies), proportionate to the percentage of physical completion of construction/development work, as certified by the company’s technical personnel [which being a technical matter has been relied upon by the auditors].

Accordingly, the cost of construction/development is charged to the Statement of Profit and Loss, in proportion to the revenue recognized during the period and the balance costs are carried as a part of the Realty Work in Progress, under Inventories.

The estimates of saleable area and costs are revised periodically by the management and are considered as change in estimates. The effect of such changes is recognized in the period such changes are determined.

- ii. Interest is recognised on time proportion basis.
- iii. Dividend Income is recognised when the right to receive the same is established.



d) Inventories

- i. Inventories comprise Land 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 is charged to the Statement of Profit & Loss in Proportion to the revenue recognized during the period and balance cost is carried over under Inventory as part of Realty Work-in-Progress. 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).

e) Fixed Assets

Fixed assets are stated at the cost of acquisition less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any costs attributable to bringing the assets to their working condition for intended use.

f) Depreciation

Depreciation on Fixed Assets is provided on Written Down Value Method in the manner and at the rates specified in Schedule II to the Companies Act, 2013.

g) Impairment of Assets

In accordance with AS-28 on "Impairment of Assets" issued by the Institute of Chartered Accountants of India, where there is any indication of impairment of the company's assets related to cash generating units, the carrying amounts of such assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of such assets is estimated as the higher of its net selling price and its value in use. An impairment loss is recognized whenever the carrying amount of such assets exceeds its recoverable amount. Impairment loss, if any, is recognized in the Profit & Loss account.

h) Investments

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long term investments and are carried at cost. Provision for diminution in their values is made only if the diminution is other than temporary in nature. Current investments are carried at the lower of cost and quoted/fair value, computed category wise.

i) Foreign Currency Transactions

- i) Transactions denominated in foreign currencies are recorded at exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies at Balance sheet date are restated at the year-end rates. Non Monetary foreign currency items are carried at cost.
- ii) Exchange differences arising as a result of the subsequent settlements or on transactions are recognized as income or expenses in the statement of Profit & Loss except the exchange differences arising on long term foreign currency monetary items relating to the acquisition of the fixed assets, which are adjusted to the carrying cost of the assets.



j) 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.

k) Employee Benefits

Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

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 Statement of Profit and Loss.

l) Taxes On Income

Provision for current tax, if any, is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Deferred tax, if any, 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, if any, is recognized and carried forward only to the extent that there is a reasonable certainty that the asset will be realized in future.

m) Provisions, 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 to Accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.



Alliance Spaces Private Limited
(Formerly Known as Alliance Hospitality Services Private Limited)
(CIN U55101MH2007PTC169101)
Notes to and Forming Part of Balance Sheet As At 31st March, 2016

(Amount in Rs.)

Note No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
2	Share Capital		
	Authorised 20,00,000 (P. Y. 20,00,000) Equity Shares of Rs.10/- each	20,00,000	20,00,000
	Issued, Subscribed and Paid Up 19,98,694 (P.Y. 19,98,694) Equity Shares of Rs.10/- each	19,98,694	19,98,694
		19,98,694	19,98,694
	a) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period		
	Equity Shares		
	Shares outstanding at the beginning the year	1,998,694	1,998,694
	Shares Issued during the year	-	-
	Shares bought back during the year	-	-
	Shares outstanding at the end of the year	1,998,694	1,998,694
	b) Shares held by Holding Company/Associates:-		
	Holding company Phoenix Hospitality Company Pvt. Ltd.	1,158,950	1,158,950
	c) Details of shareholders holding more than 5% Shares in the company	March 31, 2016	March 31, 2015
	Equity Shares of Rs.10 each fully paid up	Number of shares	Number of shares
		% of Holdings	% of Holdings
	Equity - Fulda River Ltd	318,694	318,694
	Equity- K2A Hospitality Ltd.	400,000	400,000
	Equity- Phoenix Hospitality Company Pvt. Ltd.	1,158,950	1,158,950
	Equity- Crest Ventures Limited	102,353	102,353
	d) The company has only one class of Equity shares having a face value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share.		
3	Reserves & Surplus		
	Surplus in the Statement of Profit & Loss		
	As at the Beginning of the year	(6,152,557)	32,315,043
	Add: Profit/(Loss) during the year	(21,897,584)	(38,467,600)
	As at the end of the year	(28,050,141)	(6,152,557)
	Securities Premium Account		
	As per last Balance Sheet	966,791,933	966,791,933
		938,741,792	960,639,376
4	Long Term Borrowings	As at 31st March 2016	As at 31st March 2015
		Non Current	Non Current
		Current [Shown under Note No. 9]	Current [Shown under Note No. 9]
	Secured Loans:		
	Term loans from banks	-	120,000,000
		119,869,912	60,000,000
		119,869,912	60,000,000
	Terms of Repayment :		
	<u>Total Principal Rs. 57.50 Crores (Including Cash Credit limit taken under Note - "Short Term Borrowings, below)</u>		
	Repayable in eight unequal quarterly installments starting from May 2015 in the ratio of 33.33% in FY 15-16 and 66.67% in FY 16-17 respectively.		
	(Secured By future Receivables against sale consideration of two buildings constructed/to be constructed alongwith un-demarcated and undivided pieces or parcels of non-agricultural freehold land admeasuring 13982.52 square meters.)		



5 Other Long Term Liabilities		
Retention Money of Contractors	3,504,911	4,323,924
	3,504,911	4,323,924
6 Long Term Provisions		
Provisions for Employee benefits		
Gratuity (funded)	1,259,208	1,050,000
Leave Encashment	926,046	642,690
	2,185,254	1,692,690
7 Short Term Borrowings		
(Secured)		
Loan From Bank - Repayable on Demand - Cash Credit Facility	99,310,957	254,377,350
Term loans from banks	168,030,088	-
(Secured By future Receivables against sale consideration of two buildings constructed/to be constructed alongwith un-demarcated and undivided pieces or parcels of non-agricultural freehold land admeasuring 13982.52 square meters.)		
	267,341,045	254,377,350
8 Trade Payables		
Micro & Small Enterprises - Refer Note 25	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,548,701	6,547,353
	5,548,701	6,547,353
9 Other Current Liabilities		
Current Maturities of long term loans	119,869,912	60,000,000
Advances From Prospective Buyers	95,848,273	43,700,333
Statutory Dues	931,269	2,598,684
Salary Payable	-	274,116
Interest Accrued but not due on Term Loan	98,596	63,616
Provision for Expenses	5,954,094	2,586,148
	222,702,144	109,222,897
10 Short Term Provisions		
Provision for employee benefits:-		
Gratuity (funded)	-	15,509
Leave Encashment	53,874	9,382
	53,874	24,891
12 Long Term Loans and Advances		
Advances Recoverable In cash or Kind or for the value to be received:-		
(Unsecured, considered good)		
a) Advances -		
Vamona Developers Pvt. Ltd. (Fellow Subsidiary)	30,274,427	310,000,000
b) Others	1,403,127	863,535
Security Deposit	6,325,455	6,325,455
	38,003,009	317,188,990
13 Other Non-Current Assets		
Fixed Deposit with Bank	20,342,000	20,393,750
	20,342,000	20,393,750



14 Inventories [As taken, valued and certified by the management]		
Realty Work in Progress	1,167,154,024	915,007,531
Land	157,123,050	157,123,050
	1,324,277,074	1,072,130,581
15 Cash and Bank Balances		
a. Cash on hand	122,044	72,622
b. Balances with banks - In Current Accounts	6,422,067	1,501,309
	6,544,111	1,573,931
16 Short Term Loans & Advances		
Advances Recoverable In cash or Kind or for the value to be received [Unsecured, Considered Good]		
Advances given to Parties :		
- Considered Good	6,568,454	14,391,950
- Considered Doubtful	242,341	-
Less:- Provision for Doubtful Advances	(242,341)	-
	6,568,454	14,391,950
Balances with Statutory/Government Authorities	20,378,929	16,394,667
Taxes paid [Net of Provisions]	6,805,150	4,100,430
Prepaid Expenses	575,174	1,957,424
Others	14,688	15,138
	34,342,394	36,859,608
17 Other Current Assets		
Accrued Interest On Fixed Deposit	294,121	340,713
	294,121	340,713



Alliance Spaces Private Limited

(Formerly Known as Alliance Hospitality Services Private Limited)

(CIN U55101MH2007PTC169101)

Notes to Statement of Profit & Loss for the Financial Year Ended 31st March, 2016

Note No.	Particulars	2015-16 (Rs.)	2014-15 (Rs.)
18	Other Income		
	Interest Income	1,698,268	1,397,352
	Miscellaneous Income	-	166,991
		1,698,268	1,564,344
19	Variation in Inventories		
	Land:		
	As at the beginning of the year	157,123,050	75,600,700
	Less: As at the end of the year	(157,123,050)	(157,123,050)
		-	(81,522,350)
	Realty Work in Progress:		
	As at the beginning of the year	915,007,531	816,459,406
	Less: As at the end of the year	(1,167,154,024)	(915,007,531)
		(252,146,493)	(98,548,125)
		(252,146,493)	(180,070,475)
20	Cost of Construction and Other related Costs		
	Consultancy Charges	4,527,224	10,062,557
	Cost of Transferable Development Rights & Additional FSI Purchased	104,526,130	85,855,930
	Site Operating/Development Expenses [including Personnel Cost]	40,269,948	40,295,982
	RCC and Civil Work [Including Materials]	56,375,178	15,369,642
	Approvals & Statutory Payments	3,166,538	101,080
	Electrical Installations, Plumbing & Fire-Fighting Equipments, Fit Out Interiors etc.	3,607,199	11,108,242
		212,472,217	162,793,433
21	Employee Benefits Expenses		
	Salaries, Wages and Bonus	12,704,468	12,902,894
	Staff welfare expenses	424,767	524,286
		13,129,235	13,427,180
22	Operating and other Expenses		
	Repairs & Maintenance	412,245	332,801
	Administrative Expenses	3,784,213	3,803,163
	Communication Expenses	175,156	83,867
	Rent, Rates & Taxes	24,095	21,172
	<u>Auditors' Remuneration;</u>		
	Audit Fees	300,000	265,000
	Travelling & Conveyance Expenses	1,675,932	1,150,417
	Printing & Stationery	503,629	378,982
	Interest on delayed tax payments	509	19,962
	Bank Charges	7,113	7,852
	Legal & Professional Expenses	1,604,630	917,570
	Brokerage Expenses	467,400	-
	Miscellaneous Expenses	78,871	13,230
	<u>Selling & Marketing Expenses</u>		
	Entertainment and Business Promotion Expenses	609,164	1,037,295
	Advertisement & Marketing Expenses	9,187,315	40,182,227
	Provision for Doubtful Advances	242,341	-
		19,072,613	48,213,538
23	Bank Interest / Financial Expenses		
	Loan Processing/Other Charges	201,000	205,017
	Interest Expenses (Net of Interest Income)	38,066,115	15,115,624
		38,267,115	15,320,640



OTHER NOTES:

24) Contingent Liabilities:-

Disputed Income Tax liability amounting to Rs. 64,550/- (P.Y. Rs. 64,550/-), pertaining to Assessment Year 2011-12 as the matter is in appeal before the Commissioner of Income Tax [CIT Appeals (Mumbai)].

25) There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days 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.

26) In the opinion of the management, the Current Assets, Loans and advances are approximately of the value stated in the balance sheet if realized in the ordinary course of business and provision for all known liabilities is adequate and not in excess of amount considered reasonably necessary.

The said account balances are however, subject to confirmations from the respective parties and the adjustments / reconciliations arising there from, if any.

27) The Company's activities during the period relates to developing a residential complex. Considering the nature of the company's business and operations, there are no separate reportable segments (business and/or geographical) in accordance with the requirements of Accounting Standard 17; "Segment Reporting", issued by the Institute of Chartered Accountants of India.

28) Disclosures as per Accounting Standard 15 (Revised) "Employee Benefits" as notified by the Companies (Accounting Standards) Rules,2006.

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.

Particulars	2015-2016		2014-2015	
	Gratuity (Funded) (Rs.)	Leave Encashment (Unfunded) (Rs.)	Gratuity (Funded) (Rs.)	Leave Encashment (Unfunded) (Rs.)
Reconciliation of opening and closing balances:				
Defined Benefit Obligation at the beginning of the year	10,65,509	6,52,072	4,26,303	2,58,218
Interest Cost	1,19,101	95,223	38,367	23,240
Current Service Cost	4,31,010	5,42,910	4,01,806	2,52,005
Benefits paid during the year	NIL	(1,97,067)	NIL	(66,967)
Actuarial (gain)/loss on Defined Benefit Obligation	(3,56,412)	(1,13,218)	1,99,033	1,85,576
Defined Benefit Obligation at the end of the year	12,59,208	9,79,920	10,65,509	6,52,072



Amount to be recognized in Balance sheet:				
Present value of Defined Gratuity Benefit Obligation	12,59,208	9,79,920	1,065,509	652,072
Fair Value of plan assets at the end of the year	14,03,127	NIL	863,535	NIL
Amount recognized in Balance sheet	(1,43,919)	9,79,920	201,974	652,072

Amount to be recognized in Profit & Loss Account/Project Development Account:				
Current Service Cost	431,010	542,910	401,806	252,005
Interest cost on obligation	119,101	95,223	38,367	23,240
Expected Return on plant assets	(72,741)	NIL	(39,443)	NIL
Net Actuarial (gain)/loss recognized for the year	(3,42,851)	(1,13,218)	199,033	185,576
Expense recognized in the Statement of Profit & Loss	1,34,519	524,915	599,763	460,821

Actuarial assumptions:				
Mortality Table (LIC)	2006 - 08 (Ultimate)	2006 - 08 (Ultimate)	2006 - 08 (Ultimate)	2006 - 08 (Ultimate)
Discount Rate (Per annum)	7.70%	7.70%	8%	8%
Rate of escalation in salary (per annum)	7.50%	7.50%	7%	7%

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.

29) As Per Accounting Standard 18 (AS- 18) "Related Party Disclosures", issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties (as certified by the Management) as defined in the Accounting Standard are given below:

a) Particulars of the Related Parties: -(with whom transactions have taken place)

Sr. No.	Name of the Related Party	Relationship
1	Phoenix Hospitality Company Private Limited	Holding Company
2	Market city Resources Pvt. Ltd	Fellow subsidiary
3	Vamona Developers Private Ltd.	Fellow subsidiary
4	Palladium Constructions Pvt Ltd	Fellow subsidiary
5	Offbeat Developers Pvt Ltd	Fellow subsidiary
6	Graceworks Realty & Leisure Pvt Ltd.	Fellow subsidiary
7	Bellona Hospitality Services Ltd	Fellow subsidiary



b) Transactions during the year:-

Sr. No.	Transaction	2015-16 (Rs.)	2014-15 (Rs.)
With Fellow Subsidiaries			
1	Project Management Consultancy Charges charged by the Fellow Subsidiary	1,29,03,300	1,54,90,000
2	Capital Advance partly refunded by the Fellow Subsidiary	Nil	1,64,24,801
3	Advance repaid- (Net)	28,00,00,000	Nil
4	Purchase of Land (FSI)	Nil	7,68,65,250
5	Re-imbursement of Expenses to Fellow Subsidiaries	1,06,032	3,068
6	Interest Income on Capital Advance from fellow subsidiaries	1,72,83,200	3,72,00,000
7	Short term advances refunded by the parties	Nil	71,508
8	Event Expenses	2,37,162	Nil

c) Balances as at the end of the year:-

Sr. No.	Nature of Balances	As at 31/03/2016 (Rs.)	As at 31/03/2015 (Rs.)
Of Holding Company			
	Equity Share Capital	1,15,89,500	1,15,89,500
Of Fellow Subsidiaries			
1	Long Term Loans and Advances		
	Advances (Assets)	3,02,74,427	31,00,00,000

30) Earning per Equity Share:

Basic as well as Diluted - EPS	Amount (Rs.) 2015-2016	Amount (Rs.) 2014-2015
Nominal Value of Equity Shares	10/-	10/-
Profit / (Loss) after Tax	(2,18,97,584)	(3,84,67,600)
Profit /(Loss) attributable to Equity Shareholders	(2,18,97,584)	(3,84,67,600)
Weighted average number of equity shares	19,98,694	19,98,694
Basic EPS	(10.96)	(19.25)
Diluted EPS	N.A.	N.A.



31) Deferred Tax :

In accordance with the Accounting Standard (AS) 22 "Accounting for Taxes on Income", the break-up of the Net Deferred Tax Assets as on March 31, 2016 is as under:-

(Amount in Rs.)

Particulars	Deferred tax Asset/(Liability) as at April 1, 2015	Current Year (Charge)/ credit	Deferred tax Asset/(Liability) as at March 31, 2016
Difference between Book and Tax Depreciation	4,17,207	7,602	4,24,809
Provisions for Gratuity and Leave Encashment	3,03,426	(27,019)	2,76,407
Interest Income on JDA	-	57,14,345	57,14,345
Provision For Doubtful Debts	-	80,125	80,125
<u>Losses as per the Income Tax Act, 1961:</u>			
Unabsorbed Depreciation	9,39,837	3,98,210	13,38,047
Carry Forward Losses	2,38,37,978	24,32,732	2,62,67,899
Deferred Tax Assets [Net]	2,54,98,448	86,05,995	3,41,04,443



32) Expenditure in foreign currency

Particulars	2015-16	2014-15
	Amount (in GBP)	Amount (in GBP)
Sales Promotion Expenses	-	4,225
Total	-	4,225

- 33) The Company has not made investment in Body Corporate or given any loan or guarantee to any Body Corporate or person which requires to be so reported under section 186 (4) of Companies Act, 2013.
- 34) The previous year figures have been regrouped, reworked, rearranged and reclassified, wherever necessary and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our Report of even date
For A. M. Ghelani & Company
Chartered Accountants
Firm Registration No.: 103173W

For and on behalf of the Board of Directors



Chintan A. Ghelani
Partner
Membership No.: 104391
Place : Mumbai
Date : 06/05/2016



Shishir Shrivastava
Director
DIN NO: 1266095



Haresh Morajkar
Director
DIN NO:74983

Alliance Spaces Private Limited
 (Formerly Known as Alliance Hospitality Services Private Limited)
 (CIN U55101MH2007PTC169101)
 Notes to and forming part of the Balance Sheet as at 31st March, 2016

Note "11"
 FIXED ASSETS

NOMENCLATURE	Gross Block					Accumulated Depreciation			Net Block	
	As at 1 April 2015	Additions during the year	Sale/Disposals/ Adjustments during the year	As at 31st March 2016	As at 1 April 2015	Charged for the year	On disposals	As at 31st March 2016	As at 31st March 2016	As at 31st March 2015
Tangible Assets										
Motor Car	2,702,345	-	-	2,702,345	2,191,529	185,879	-	2,377,408	324,937	510,816
Computer	1,607,064	357,600	40,500	1,924,164	911,658	572,107	33,704	1,450,061	474,102	695,405
Office Equipment	1,799,875	101,714	-	1,901,589	816,912	467,170	-	1,284,082	617,507	982,963
Total	6,109,284	459,314	40,500	6,528,098	3,920,099	1,225,156	33,704	5,111,551	1,416,546	2,189,184
Intangible Assets										
Software	752,827	282,751	-	1,035,578	112,610	182,006	-	294,616	740,962	640,217
Total	752,827	282,751	-	1,035,578	112,610	182,006	-	294,616	740,962	640,217
TOTAL	6,862,111	742,065	40,500	7,563,676	4,032,710	1,407,161	33,704	5,406,167	2,157,508	2,829,401
Previous year	5,686,844	1,175,267	-	6,862,111	2,076,308	1,956,402	-	4,032,710	2,829,401	

