

**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**  
**Enhance Holding Private Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **Enhance Holding 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.



# **A. M. GHELANI & COMPANY**

## **CHARTERED ACCOUNTANTS**

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, 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 31<sup>st</sup> 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 31<sup>st</sup> 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 control over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".




**A. M. GHELANI & COMPANY**  
**CHARTERED ACCOUNTANTS**

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- 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 does not have any pending litigations.
  - 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

**A. M. GHELANI & COMPANY**  
**CHARTERED ACCOUNTANTS**

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

- i) The Company does not have any Fixed Assets.
- ii) In respect of its Inventories :  

As the company did not carry any items of raw materials, Components, stores and spare parts in the inventory during the year, clause (ii) of paragraph 3 of the aforesaid order is not applicable to the company.
- iii) The Company has not granted any loans, secured or unsecured to companies, firm or other parties covered in the register maintained under Section 189 of the Act. Consequently, the requirement of Clause (iii) (a) and Clause (iii) (b) of paragraph 3 of the Order not applicable to the Company.
- iv) The Company has not granted any loans, guarantee and has not purchased security of other body corporates during the year. Hence, the requirement of Clause (iv) of paragraph 3 of the Order 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) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act.
- 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, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues. Wherever applicable, 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 of becoming payable.
  - b. According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess on account of any dispute, which have not been deposited.
- 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 no dues towards financial institution and banks.
- ix) The Company has not obtained any Term Loans during the year.
- x) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.
- xi) Based upon the audit procedures performed and information and explanation 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.



**A. M. GHELANI & COMPANY**  
**CHARTERED ACCOUNTANTS**

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- xii) In our opinion, The Company is not a Nidhi Company. Therefore, the provision of clause (xii) of the Paragraph 3 of the Order Not applicable to the Company.
- xiii) In our opinion, the company has not entered into any transactions with related parties. Hence, clause (xiii) of paragraph 3 of the Order Not applicable to the Company.
- 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 provision of clause (xiv) of paragraph 3 of the Order Not applicable to the Company.
- xv) The Company has not entered into any Non-Cash transaction with Director or Persons connected with him. Hence, the requirement of Clause (xv) of paragraph 3 of the Order Not applicable to the Company.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provision of Clause (xvi) of the paragraph 3 of Order not applicable to the Company.

**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 **Enhance Holding 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 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 March 31, 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 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

# Enhance Holdings Private Limited

(Formerly Known as Kalani Holdings Private Limited)

CIN : U67120MH2007PTC169479

## Balance Sheet as at 31st March, 2016

(Amount in Rs.)

Particulars	Notes	As at March 31, 2016	As at March 31, 2015
<b><u>Equity and Liabilities</u></b>			
<b>Shareholders Funds</b>			
Share Capital	A	100,000	100,000
Reserves and Surplus	B	(90,283,920)	(70,265,942)
		<b>(90,183,920)</b>	<b>(70,165,942)</b>
<b>Current Liabilities</b>			
Short Term Borrowing	C	129,322,100	129,322,100
Trade Payables	D		
Total outstanding dues of creditors other than micro and small enterprises		27,225	13,485
		<b>129,349,325</b>	<b>129,335,585</b>
<b>Total</b>		<b>39,165,405</b>	<b>59,169,643</b>
<b><u>Assets</u></b>			
<b>Non Current Assets</b>			
Non-Current Investments	E	39,145,715	59,145,715
<b>Current Assets</b>			
Cash and Cash Equivalents	F	19,690	23,928
<b>Total</b>		<b>39,165,405</b>	<b>59,169,643</b>

Significant Accounting Policies and Notes to Accounts

"H"

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



For and on behalf of the Board of Directors

  
**Ashokkumar R Ruia**  
Director  
DIN:00086762

  
**Suyash Bhise**  
Director  
DIN:06667481



Place : Mumbai  
Date : 06/05/2016



**Enhance Holdings Private Limited**  
(Formerly Known as Kalani Holdings Private Limited)  
CIN : U67120MH2007PTC169479  
**Profit and Loss for the year ended 31st March, 2016**

(Amount in Rs.)

Particulars	Notes	For the Financial year ended March 31, 2016	For the financial year ended March 31, 2015
<b>Income:</b>			
Revenue from operations			
<b>Total Revenue</b>		-	-
<b>Expenses:</b>			
Operational and Other Expenses	G	17,978	23,547
<b>Total Expenses</b>		<b>17,978</b>	<b>23,547</b>
<b>Profit/(Loss): Before Tax &amp; Exceptional Items</b>		(17,978)	(23,547)
Less: Exceptional Items [Refer B(7) of Note "H"]		(20,000,000)	(70,000,000)
<b>Profit/(Loss): Before Tax after Exceptional Items</b>		<b>(20,017,978)</b>	<b>(70,023,547)</b>
Tax Expenses			
<b>Profit/(Loss) for the year</b>		<b>(20,017,978)</b>	<b>(70,023,547)</b>

**Earning Per Equity Share:**

[Refer B(5) of Note "H"]

Basic & Diluted EPS (Face Value of Rs. 10/- each)

(2,001.80)

(7,002.35)

Significant Accounting Policies and Notes to Accounts

"H"

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



**Ashokkumar R Ruia**

Director

DIN:00086762

**Suyash Bhise**

Director

DIN:06667481



Place : Mumbai

Date : 06/05/2016

## Enhance Holdings Private Limited

(Formerly Known as Kalani Holdings Private Limited)

CIN : U67120MH2007PTC169479

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

( Amount In Rs.)


Particulars	For the financial year ended March 31, 2016	For the financial year ended March 31, 2015
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before tax	(17,978)	(23,547)
Operating Cash Flow before working capital changes	(17,978)	(23,547)
<u>Adjustments for working capital changes:</u>		
Trade & Other Payables	13,740	(1,347)
Cash generated from Operations	(4,238)	(24,894)
Direct Taxes (Paid) / Refunded	-	-
Net Cash generated from /(used in) Operating Activities	(4,238)	(24,894)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net Cash generated from/(used in) Investing Activities	-	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Cash generated from/(used in) Financing Activities	-	-
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(4,238)</b>	<b>(24,894)</b>
Cash and Cash Equivalents at the beginning of the year	23,928	48,822
Cash and Cash Equivalents at the end of the year	19,690	23,928

**Cash And Cash Equivalents include:**

1. Cash on hand	56	668
2. Balance with Scheduled Bank	19,634	23,260
<b>Cash and Cash Equivalents at the end of the year</b>	<b>19,690</b>	<b>23,928</b>


Note: - The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard -3" Cash Flow Statement issued by The Institute of Chartered Accountants of India

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

  
**Ashokkumar R Ruia**  
Director  
DIN:00086762

  
**Suyash Bhise**  
Director  
DIN:06667481



**Enhance Holdings Private Limited**  
(Formerly Known as Kalani Holdings Private Limited)  
Notes to and forming part of Balance Sheet as at 31st March, 2016

(Amount in Rs.)

Notes	Particulars	As at March 31, 2016	As at March 31, 2015
<b>A</b>	<b>Share Capital</b>		
	<b>Authorised</b>		
	20,00,000 (P.Y. 20,00,000) Equity Shares of Rs.10/- each	20,00,000	20,00,000
	<b>Issued, subscribed and fully paid up</b>		
	10,000 (P.Y. 10,000) Equity Shares of Rs.10/- each fully paid up	100,000	100,000
		<b>100,000</b>	<b>100,000</b>
	<b>a] Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period</b>		
	<u>Equity Shares</u>		
	Shares outstanding at the beginning the year	10,000	10,000
	Shares Issued during the year	-	-
	Shares bought back during the year	-	-
	Shares outstanding at the end of the year	10,000	10,000
	<b>b] Shares held by :-</b>		
	<b>Holding company</b>		
	The Phoenix Mills Limited		
	10,000 (P.Y. 10,000) Equity Shares of Rs.10/ each fully paid up	100,000	100,000
	<b>c] Details of shareholders holding more than 5% Shares in the company ( Equity Shares of Rs.10/- each fully paid up)</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
		Number of shares	Number of shares
		% of Holdings	% of Holdings
	The Phoenix Mills Limited - Holding Company	10,000	10,000
		100	100
	<b>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.</b>		
<b>B</b>	<b>Reserves and Surplus</b>		
	<b>Surplus/(deficit) in the statement of Profit and Loss</b>		
	Opening balance	(70,265,942)	(242,395)
	(+) Net Profit/(Net Loss) For the current year	(20,017,978)	(70,023,547)
	<b>Closing Balance</b>	<b>(90,283,920)</b>	<b>(70,265,942)</b>
<b>C</b>	<b>Short Term Borrowing</b>		
	<b>Unsecured</b>		
	Intercompany Loan [Repayable on Demand]		
	The Phoenix Mills Limited - Holding Company	129,322,100	129,322,100
		<b>129,322,100</b>	<b>129,322,100</b>
<b>D</b>	<b>Trade Payables</b>		
	Micro & Small Enterprises [Refer B(2) of Note "H"]	-	-
	Total outstanding dues of creditors other than micro and small enterprises	27,225	13,485
		<b>27,225</b>	<b>13,485</b>
<b>E</b>	<b>Non Current Investments</b>		
	<b>Trade Investments (At cost, unless otherwise stated)</b>		
	<b>Investments in equity instruments (Unquoted)</b>		
	<u>[Equity Shares of Rs. 10/- each, fully paid up &amp; percentage of holding]</u>		
	47,63,748 - 40.28% (P.Y. 47,63,748 - 40.28%) Equity Shares of Entertainment World Developers Limited	129,145,715	129,145,715
	Less: Aggregate provision for dimunition in value of Investments [Refer B(7) of Note "H"]	(90,000,000)	(70,000,000)
		<b>39,145,715</b>	<b>59,145,715</b>
<b>F</b>	<b>Cash &amp; Cash Equivalents</b>		
	<b>a. Balances with Banks</b>		
	In current accounts	19,634	23,260
	<b>b. Cash on hand</b>	56	668
		<b>19,690</b>	<b>23,928</b>



## Enhance Holdings Private Limited

(Formerly Known as Kalani Holdings Private Limited)

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

(Amount in Rs.)

Notes	Particulars	For the financial year ended March 31, 2016	For the financial year ended March 31, 2015
<b>G</b>	<b>Operational and Other Expenses</b>		
	Legal and Professional Expenses	-	3,500
	<u>Payment to the Auditors</u>		
	Audit Fees	13,740	13,484
	Filing Fees	3,785	5,931
	Misc. Expenses	-	520
	Bank Charges	453	112
		<b>17,978</b>	<b>23,547</b>



## **Enhance Holdings Private Limited**

(Formerly known as Kalani Holdings Private Limited)

CIN NO.:- U67120MH2007PTC169479

### **NOTE "H"**

#### **NOTES TO ACCOUNTS**

##### **A: SIGNIFICANT ACCOUNTING POLICIES:**

**a) System of Accounting**

The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.

**b) Basis of Preparation of Financial Statements**

The Financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the relevant provisions of the Companies Act, 2013.

**c) Use of Estimates**

The preparation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets & 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.

**d) Inflation**

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.

**e) Revenue Recognition**

1. Revenue is recognized when it is earned and no significant uncertainty exists on its realization.
2. Interest is recognized on time proportion basis.
3. Dividend income is recognized when the right to receive the same is established.

**f) 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. However, provision for diminution in value of investments is made to recognize a decline, other than temporary, in the value of the investments.

**g) Taxes on Income**

Provision for current tax 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.

**h) 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.

**B: Other Notes**

1. 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 the 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.
2. 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, Small and Medium 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.
3. **Segment Reporting:**  
Considering the nature of the operations of the Company, in the opinion of the management, there are no reportable segments in accordance with the requirements of Accounting Standard 17; "Segment Reporting", issued by the Institute of Chartered Accountants of India.
4. **Related Party Disclosures:**  
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 identified by management) as defined in the Accounting Standard are given below:

a) Related Parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship
1	The Phoenix Mills Ltd	Holding Company

b) No transactions were carried out with the Related Parties in the financial year under report as well as in the immediately preceding financial year.

c) The following Balances were due from / to the related parties:



Sr. No.	Nature of Balances	2015-2016 (Rs.)	2014-2015 (Rs.)
1	<u>Of Holding Company</u> Short Term Borrowing	12,93,22,100	12,93,22,100

**5. Earnings Per Share (EPS):**

Particulars	2015-2016 (Rs.)	2014-2015 (Rs.)
Nominal value of Equity Shares (Rs.)	10	10
Profit/(Loss) after Tax	(20,017,978)	(7,00,23,547)
Profit/(Loss) attributable to equity shareholders	(20,017,978)	(7,00,23,547)
Weighted average number of equity shares outstanding during the year	10,000	10,000
Basic Earning Per Share (Rs.)	(2,001.80)	(7,002.35)

6. Figures of the previous year have been regrouped and/or recast wherever necessary to conform to the current year's Classification.
7. The Investment of Rs. 12,91,45,715/- in the equity shares of Entertainment World Developers Limited (EWDL), which was considered as strategic and long term in nature, has been hitherto carried at cost in the Financial Statements. The unaudited Financials of EWDL reflect an erosion in the Net-worth of the company. Accordingly, the Company's Board has, out of abundant caution and as a prudent practice in line with the standard accounting practices, decided to provide additional of Rs. 2,00,00,000/- (P.Y 7,00,00,000) for the impairment of the said investment, which is considered adequate at this stage. The adequacy of the impairment provision would be reviewed annually based on the future developments.

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

  
**Ashokkumar R Ruia**  
Director  
DIN:00086762

  
**Suyash Bhise**  
Director  
DIN:06667481

