A. M. GHELANI & COMPANY
CHARTERED ACCOUNTANTS

224, Champaklal Industrial Estate,
Sion-Koliwada Road, Sion (East),
Mumbai - 400 022.
Tel : 2402 4909 / 8739
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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
Phoenix Hospitality Company Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **Phoenix Hospitality Company Private Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2019 the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 (Including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the Ind AS Financial Statements.

   d. In our opinion, the aforesaid Ind AS financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164(2) of the Act.

   f. 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.

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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; and

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

Chintan A. Ghelani
Partner
Membership No.: 104391

Place : Mumbai
Dated : 13 MAY 2019

A. M. GHELANI & COMPANY C. A. MUMBAI

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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

The Annexure referred to in Independent Auditor's Report to the members of the company on the standalone Ind AS Financial Statements for the year ended March 31, 2019, we report that:

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. The Company does not own any immovable property.

ii) As the company had no inventories during the year, clause (ii) of paragraph of 3 of the Order is not applicable to the Company.

iii) The Company has not granted any loans, secured or unsecured, to Companies / firms 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) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the grant of loans, making investments and providing guarantees and securities.

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, 2019 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) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loan or borrowing to a financial institution, bank, government or dues to debenture holders of the company.

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ix) According to the information and explanations given to us, monies raised by way of Debenture have prima-facie been applied for the purpose for which they were raised.

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 not been paid or provided. Therefore, the provision of clause (xi) of the Paragraph 3 of the Order Not applicable to the Company.

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, 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 debenture 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 A. Ghelani
Partner
Membership No.: 104391

A. M. GHELANI & COMPANY
C. A.
MUMBAI

Place : Mumbai
Dated : 13 MAY 2019

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"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 **Phoenix Hospitality Company Private Limited** ("the Company") as of March 31, 2019 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 1responsibilities 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

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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, 2019, 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 A. Ghelani
Partner
Membership No.: 104391

Place : Mumbai
Dated : 13 MAY 2019

A. M. GHELANI & COMPANY
C. A.
MUMBAI

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Phoenix Hospitality Company Private Limited

(CIN : U55209MH2006PTC161066)

Balance Sheet as at 31st March, 2019

Particulars	Notes	As At March 31, 2019	As At March 31, 2018
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant & Equipment	5	5,265	5,265
(b) Financial Asset			
(i) Investments	6	1,84,28,54,959	1,84,28,54,959
(c) Other Non-Current Asset	7	95,000	95,000
(2) Current assets			
(a) Financial Asset			
(i) Trade receivables	8	11,90,000	-
(ii) Cash and Cash Equivalents	9	1,90,182	36,31,746
(iii) Short-Term Loans and Advances	10	21,25,000	21,25,000
(b) Current Tax Assets (Net)	11	4,00,454	2,44,954
(c) Other Current Assets	12	56,589	157
Total		**1,84,69,17,448**	**1,84,89,57,080**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	13	2,32,14,000	2,32,14,000
(b) Other Equity	14	1,77,47,02,039	1,77,50,71,666
LIABILITIES			
(1) Current Liabilities			
(a) Financial Liability			
(i) Borrowings	15	4,87,21,826	5,03,33,625
(ii) Trade Payables	16		
Dues to micro and small enterprises		-	-
Dues to others		2,23,950	1,35,000
(iii) Other Financial Liabiities	17	-	264
(b) Other Current Liabilities	18	55,633	2,02,525
Total		**1,84,69,17,448**	**1,84,89,57,080**

Significant Accounting Policies and Notes to Accounts **1 to 29**

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

For and on behalf of the Board of Directors

Chintan A. Ghelani
Partner
Membership No.: 104391
Place : Mumbai
Date : 13th May, 2019

A. M. GHELANI & COMPANY C. A. MUMBAI

Atul Ruia
Director
(DIN -00087396)

PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED

Shishir Shrivastava
Director
(DIN-01266095)

Phoenix Hospitality Company Private Limited

(CIN : U55209MH2006PTC161066)

Statement of Profit and Loss for the Year Ended 31st March, 2019

(Amount in Rs.)

Particulars	Notes	For the financial year ended March 31, 2019	For the financial year ended March 31, 2018
Income:			
Other Income	19	15,75,098	21,16,968
Total Income		**15,75,098**	**21,16,968**
Expenses:			
Other Expenses	20	1,70,421	1,83,829
Finance cost	21	17,74,304	19,54,764
Total Expenses		**19,44,725**	**21,38,593**
(Loss) Before Tax		(3,69,627)	(21,625)
Tax Expenses :			
Current Tax		-	-
Tax Adjustments of earlier years		-	(353)
(A) (Loss) for the year		**(3,69,627)**	**(21,978)**
(B) Other Comprehensive Income		-	-
Total Comprehensive Income for the Year (A+B)		**(3,69,627)**	**(21,978)**
Earning Per Equity Share: [Refer of Note " 26 "] Basic & Diluted EPS (Face Value of Rs. 10/- each)		**(0.16)**	**(0.01)**

Significant Accounting Policies and Notes to Accounts **1 to 29**

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 : 13th May, 2019

A. M. GHELANI & COMPANY C. A. MUMBAI

Atul Ruia
Director
(DIN - 00087396)

PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED

Shishir Shrivastava
Director
(DIN-01266095)

PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED
(CIN : U55209MH2006PTC161066)
Cash Flow Statement For The Year Ended March 31, 2019

(Amount In Rs.)

Sr. No.	Particulars	For the financial year ended March 31, 2019	For the financial year ended March 31, 2018
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit /(Loss) before Taxation	(3,69,627)	(21,625)
	Adjusted for :		
	Interest Income	(2,55,000)	(3,56,614)
	Interest Expense	17,74,304	19,54,764
	Operating Profit / (loss) before Working Capital Changes	**11,49,677**	**15,76,525**
	Adjustments for Changes in Working Capital:		
	Other Current Liabilities	(1,47,156)	(1,67,37,655)
	Trade and Other Receivables	(11,90,000)	-
	Trade Payables	88,950	14,902
		(98,529)	(1,51,46,228)
	Less: Taxes(paid)/ received	(1,55,500)	(35,407)
	Net Cash generated from/(used in) Operating Activities	**(2,54,029)**	**(1,51,81,635)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Interest Received on Inter Corporate Deposits	2,55,000	3,56,614
	Advances Recoverable in Cash / Kind	(56,432)	19,99,938
	Purchase of Equity shares [Investments] - CCDS / CONVERSIONS ETC	-	7,00,000
	Net Cash generated from/(used in) Investing Activities	**1,98,568**	**30,56,552**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Inter Corporate Deposits taken/(refunded) [Net]	(16,11,799)	1,54,60,699
	OFCD issued	3,03,18,000	16,35,000
	Interest Expense on ICD	(17,74,304)	(19,54,764)
	CCD Redeem	(3,03,18,000)	-
	Net Cash generated from/(used in) Financing Activities	**(33,86,103)**	**1,51,40,935**
	Net Increase/ (Decrease) in Cash and Cash Equivalents	**(34,41,564)**	**30,15,852**
	Opening Balance of Cash and Cash Equivalents	36,31,746	6,15,894
	Closing Balance of Cash and Cash Equivalents	1,90,182	36,31,746

Notes:-

a Cash and Cash Equivalents includes :
Cash and Bank Balances [As per Note "9"] **1,90,182** **36,31,746**

b The Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard - 7 "Statement of Cashflows " (Ind AS-7) issued by the Institute of Chartered Accountants of India.

c The figures in brackets represent Cash outflows.

d The Figures of the previous year have been regrouped and/or recast wherever necessary, so as to conform to the current year's classification.

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 : 13th May, 2019

A. M. GHELANI & COMPANY C. A. MUMBAI

For and on behalf of the Board of Directors

PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED

Atul Ruia	**Shishir Shrivastava**
Director	Director
(DIN- 00087396)	(DIN-01266095)

Phoenix Hospitality Co Pvt Ltd.
(CIN : U55209MH2006PTC161066)
Statement of changes in equity for the Year ended 31st March, 2019

A. Equity share capital

	Opening balance as at 1st April 2018	Changes in equity share capital during the year	Closing balance as at 31st March 2019
23,21,400 (P.Y. 23,21,400) Equity Shares of Rs.10/- each	2,32,14,000	-	2,32,14,000
	2,32,14,000	**-**	**2,32,14,000**

B. Other Equity

Other Equity	Equity Component of compounded Financials Instrument	Reserve & Surplus		Total
		Securities Premium	Retained Earnings	
Balances at April 1, 2017	26,28,18,000	1,52,84,20,836	(1,77,80,192)	1,77,34,58,644
Profit /(Loss) for the year	-	-	(21,978)	(21,978)
OFCD issued during the Year	16,35,000			16,35,000
Balances at April 1, 2018	26,44,53,000	1,52,84,20,836	(1,78,02,170)	1,77,50,71,666
Profit for the year		-	(3,69,627)	(3,69,627)
Balances at March 31, 2019	**26,44,53,000**	**1,52,84,20,836**	**(1,81,71,797)**	**1,77,47,02,039**

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

Chintan A. Ghelani
Partner
Membership No. 104391
Place : Mumbai
Date : 13th May, 2019

A. M. GHELANI & COMPANY ★ MUMBAI ★ C. A.

For and on behalf of the Board of Directors

PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED ★

Atul Ruia	**Shishir Shrivastava**
Director	Director
(DIN- 00087396)	(DIN-01266095)

PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED

Notes on Financial Statements for the year ended March 31, 2019

1. Corporate Information:

The Company is a private limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at Phoenix Mills Premises, 462 Senapati Bapat Marg, Lower Parel – West, Mumbai – 400 013.

The Company is engaged in Real Estate & Investment activities, The principle place of business is at 2nd Floor, R.R. Hosiery Bldg., Dr. E Moses road, Mahalaxmi, Mumbai – 400 011.

These financial statements were approved and adopted by the board of directors of the Company in their meeting dated 13th May, 2019.

2. Basis of Preparation of Financial Statements:

The Financial Statements have been prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The significant accounting policies used in preparing financial statements are set out in Note 3 of the Notes to Financial Statements.

With effect from 1st April 2018, Ind AS 115 – "Revenue from Contracts with Customers" (Ind AS 115) supersedes Ind AS 18 – "Revenue", Ind AS 11 – "Construction Contracts" and related Appendices. The Company has adopted Ind AS 115 using the modified retrospective approach. The application of Ind AS 115 did not have any impact on recognition and measurement principles. However, it results in additional presentation and disclosure requirements for the Company.

3. Significant Accounting Policies:

a) Revenue from Contracts with Customers

With effect from 1st April 2018, Ind AS 115 – "Revenue from Contracts with Customers" (Ind AS 115) supersedes Ind AS 18 – "Revenue", Ind AS 11 – "Construction Contracts" and related Appendices. The Company has adopted Ind AS 115 using the modified retrospective approach. The application of Ind AS 115 did not have any impact on recognition and measurement principles. However, it results in additional presentation and disclosure requirements for the Company.

b) Functional and presentation of currency:

The financial statements are presented in India Rupees, which is the Company's functional currency and all amounts are rounded to the nearest rupees.

c) Basis of measurement:

The Financial Statements have been prepared on historical cost basis, except the following:

- Certain financial assets and liabilities that are measured at fair value.
- Defined benefit plans – plan assets measured at fair value.
-

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d) **Property, Plant and Equipment:**

Freehold land is carried at historical cost. Capital work in progress, and all other items of property, plant and equipment are stated at historical cost net of accumulated depreciation and accumulated impairment losses, if any.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Such cost includes borrowing costs for long-term construction projects if the recognition criteria are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The expenditure incurred in connection with the Development project which is incomplete, is included in Capital Work-in- Progress and will be capitalized in the year of completion.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the Written Down Value Method to allocate their cost, net of their residual values, over their estimated useful lives as specified by Schedule II to the Companies Act; 2013. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives and method of depreciation are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

e) **Intangible asset:**

Identifiable intangible assets are recognised when the Company controls the asset & it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation methods and periods

Estimated useful lives of Intangible assets are considered as 5 years. Intangible assets are amortised over its useful life using the straight-line method. The amortisation period and the amortisation method for an intangible asset are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

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f) **Impairment of Non – Financial Asset:**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

g) **Cash and cash equivalents:**

Cash and cash equivalents includes cash on hand and at bank, deposits held with banks original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

h) **Financial Instrument:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity. Classifications of financial instrument are in accordance with the substance of the contractual arrangement and as per the definitions of financial assets, financial liability and an equity instruments.

Financial Assets and investments

i) Initial recognition and measurement:

At initial recognition, the company measures a financial asset (other than financial asset at fair value through profit or loss) at its fair value plus or minus, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit & loss.

ii) Subsequent recognition and measurement:

Subsequent measurement of financial asset depends on the company's business model for managing the asset and the cash flow characteristics of the asset. For the purpose of subsequent recognition and measurement financial assets are classified in three categories:

- **Debt instrument at amortised cost:**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

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- **Debt instrument at fair value through other comprehensive income (FVOCI):**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue which are recognised statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Debt instrument at fair value through profit and loss (FVTPL):**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit and loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

iii) De-recognition:

A financial asset is primarily derecognised i.e. removed from Company's financial statement when:

- The rights to receive cash flows from asset have expired or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under 'pass- through' arrangement and either;

  a) The Company has transferred substantially all the risks and rewards of the assets,
  b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

iv) Impairment of Financial asset:

The company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets carried at amortised cost;
- Financial asset measured at FVOCI debt instruments.

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The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

v) Trade receivables:

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value less provision for impairment, if any.

Financial Liabilities:

i) Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

ii) Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

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Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and has designated upon initial measurement recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and Borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit and when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Trade and other payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost.

iii) De - recognition:

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

i) Classification of assets and liabilities as current and non – current:

The Company presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Expected to be realised within twelve months after the reporting period, or

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d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

i) Equity share capital:

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

j) Revenue Recognition:

Revenue is recognised to the extent that it is probable that the future economic benefits will flow to the entity and it can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Interest income

Interest income from debt instrument is recognised using effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of financial asset to the gross carrying amount of financial asset. When calculating effective interest rate, the company expects cash flows by considering all contractual terms of financial instrument but does not consider the expected credit losses.

k) Borrowing Cost:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for such capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

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Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds.

l) **Provisions and contingencies:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using the government securities interest rate for the equivalent period. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate. Provisions are not recognised for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the notes to the financial statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

m) **Income Taxes:**

Current Income Tax:

Current Income Tax liabilities are measured at the amount expected to be paid to the taxation authorities using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulation are subject to interpretation and creates provisions where appropriate.

Deferred Tax:

Deferred Tax is recognised using Balance sheet approach, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred Income Tax is determined using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period.

Deferred Tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the company has a legally enforceable

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right offset and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

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

n) Earnings per share:

Basic earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

4. Critical accounting estimates, assumptions and judgements:

The preparation of the financial statements requires management to make estimates, judgements and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses during the period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur

In the process of applying the Company's accounting policies, management has made the following estimates and judgements, which have significant effect on the amounts recognised in the financial statement:

(a) Depreciation and useful lives of Property, Plant and Equipment

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

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(b) Investment Property

Management has assessed applicability of Ind AS 40- Investment property to the property held to earn income from licensee fees. In assessing such applicability, management has considered the ownership of assets, terms of license agreement, various services provided to the licensee etc. The Company considers these other services as significant in addition to the License fees charged. Based on such assessment, the management has considered the mall property as owner-occupied property and hence classified as Property, Plant & Equipment.

(c) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

(d) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Estimates and judgments are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. They are continuously evaluated.

(e) Fair Value measurement:

The Company measures financial instrument such as certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

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The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or Liabilities

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair Value measurement is directly or indirectly observable

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair Value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(f) STANDARDS ISSUED BUT NOT EFFECTIVE

On March 30, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 – Leases and certain amendment to existing Ind AS. These amendments shall be applicable to the Group from April 01, 2019.

A. ISSUE OF IND AS 116 - LEASES

Ind AS 116 will replace the existing leasing standard i.e. Ind AS 17 and related interpretations. Ind AS 116 introduces a single lessee accounting model and requires lessee to recognize assets and liabilities for all leases with non-cancellable period of more than twelve months except for low value assets. Ind AS 116 substantially carries forward the lessor accounting requirement in Ind AS 17.

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B. AMENDMENT TO EXISTING STANDARD

The MCA has also carried out amendments of the following accounting standards:

i. Ind AS 101- First time adoption of Indian Accounting Standards
ii. Ind AS 103 – Business Combinations
iii. Ind AS 109 - Financial Instruments
iv. Ind AS 111 – Joint Arrangements
v. Ind AS 12 – Income Taxes
vi. Ind AS 19 – Employee Benefits
vii. Ind AS 23 – Borrowing Costs
viii. Ind AS 28 - Investment in Associates and Joint Ventures

Application of above standards are not expected to have any significant impact on the Group's financial statements.

PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED

Phoenix Hospitality Company Private Limited.

(CIN : U55209MH2006PTC161066)

Notes to financial statements for the Year Ended March, 2019

Note 5: Property, Plant & Equipment

Particulars	Computer
Gross Block	
As at 1st April 2018	1,20,640
Additions/ (Disposals)	-
As at 31st March, 2019	**1,20,640**
Accumulated Depreciation	
As at 1st April 2018	1,15,375
Charged for the year	-
As at 31st March, 2019	**1,15,375**
Net Block[W.D.V.]	
As at 31st March, 2018	5,265
As at 31st March, 2019	**5,265**

PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED

Phoenix Hospitality Company Private Limited
(CIN : U55209MH2006PTC161066)
Notes to Financial Statements for the Year Ended 31st March, 2019

Notes	Particulars	As at March 31, 2019	As at March 31, 2018
6	**Investments**		
	Investments at cost, unless otherwise stated		
	Investments in equity instruments (Unquoted)		
	(Equity Shares of Rs. 10/- each, fully paid up & percentage of holding)		
	Investment in subsidiaries		
	52,250 - 77.73% (P.Y. 52,250 - 77.33%) Graceworks Realty & Leisure Pvt. Ltd.	5,22,500	5,22,500
	1,158,950 - 57.99% (P.Y.1,158,950 - 57.99%) Alliance Spaces Pvt. Ltd.	17,67,59,520	17,67,59,520
	Investment in fellow subsidiary		
	80 - 0.8% (P.Y.80-0.8%) Mugwort Land Holdings Private Limited	800	800
	15,759,062 - 47.71% (P.Y.15,759,062 - 47.71%) Palladium Construction Pvt Ltd.	1,54,41,50,161	1,54,41,50,161
	Investment in Associates		
	2,499,374 - 49.99% (P.Y. 2,499,374- 49.99%) Star Board Hotels Pvt. Ltd.	2,49,93,740	2,49,93,740
	5,000- 50% (P. Y. 5,000- 50%) Mirabel Entertainment Pvt Ltd.	53,528	53,528
	Investment in Debentures (Unquoted)		
	Investment in subsidiaries		
	601,183 (P.Y. 6,01,183) OCD's in Graceworks Realty & Leisure Pvt. Ltd. Face Value of 100 each	6,01,18,300	6,01,18,300
	Investment in Associates		
	7,000 (P.Y. 7,000) CCD's in Mirabel Entertainment Pvt Ltd. Face value Rs 100 each. ***	7,00,000	7,00,000
	351,564 (P.Y. 351,564) CCD's in Star Board Hotels Pvt Ltd. - Face value Rs 100 each. ***	3,51,56,410	3,51,56,410
	Investment in Others		
	4,000 (P.Y. 4,000) ACME Hospitality Services Pvt Ltd. - Face value Rs 100 each. ***	4,00,000	4,00,000
	*** Each CCD's shall be converted into 10 fully paid up equity shares at the request of the CCD Holders not before the expiry of 10 years from date of allotement. CCD's carrying coupon rate of 0.0001%		
		1,84,28,54,959	1,84,28,54,959
7	**Other Non-Current Asset**		
	Capital advances - Holding Company	95,000	95,000
		95,000	95,000
8	**Trade receivables**		
	(Unsecured)		
	Considered Good (Includes Rs.5,60,000/- P.Y.NIL from Fellow Subsideries)	11,90,000	-
	Considered doubtful	-	-
		11,90,000	-
9	**Cash & Cash Equivalents**		
	a. Balances with Banks		
	In current accounts	1,86,337	36,31,173
	b. Cash on hand	3,845	573
		1,90,182	36,31,746
10	**Loans**		
	(Unsecured and Considered Good)		
	Associates	21,25,000	21,25,000
		21,25,000	21,25,000
11	**Current Tax Assets (Net)**		
	Taxes Paid (Net of Provisions)	4,00,454	2,44,954
		4,00,454	2,44,954
12	**Other Current Assets**		
	Interest Receivable on ICD [From Associates]	56,589	-
	Accured Interest on CCD	-	157
		56,589	157

PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED

Phoenix Hospitality Company Private Limited
(CIN : U55209MH2006PTC161066)
Notes to Financial Statements for the Year Ended 31st March, 2019

Notes	Particulars	As at March 31, 2019	As at March 31, 2018
13	**Equity Share Capital**		
	Authorised		
	4,000,000 (P.Y. 4,000,000) Equity Shares of Rs.10/- each	4,00,00,000	4,00,00,000
	Issued, subscribed and fully paid up		
	2,321,400 (P.Y.2,321,400) Equity Shares of Rs.10/- each fully paid	2,32,14,000	2,32,14,000
		2,32,14,000	**2,32,14,000**
	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	23,21,400	23,21,400
	Shares Issued during the year	-	-
	Shares bought back during the year	-	-
	Shares outstanding at the end of the year	23,21,400	23,21,400
	b] Shares held by :-		
	Holding Company		
	The Phoenix Mills Limited, 1,321,400 (P.Y. 1,321,400) equity shares of Rs 10 each fully paid	1,32,14,000	1,32,14,000
	Associates		
	1) Ruia International Holding Company Private Limited 999,900 (P.Y. 999,800) equity shares of Rs 10 each fully paid	99,99,000	99,98,000
	2) Ruia International Holding Company Private Limited jointly with Ashok Ruia NIL (P.Y. 100) equity shares of Rs 10 each fully paid	-	1,000
	3) Ruia International Holding Company Private Limited Jointly with Atul Ruia 100 (P.Y. 100) equity shares of Rs 10 each fully paid	1,000	1,000

c] Details of shareholders holding more than 5% Shares in the company	March 31, 2019		March 31, 2018	
Equity Shares of Rs. 10 each fully paid	Number of shares	% of Holdings	Number of shares	% of Holdings
The Phoenix Mills Limited - Holding Company	13,21,400	56.92	13,21,400	56.92
Ruia International Holding Company Private Limited - Associates	9,99,900	43.07	9,99,800	43.07

d] The company has only one class of Equity Shares having a face value of Rs. 10 per share. Each

Notes	Particulars	March 31, 2019	March 31, 2018
14	**Other Equity**		
	Equity Component of Compound Financial Instrument		
	23,41,350 (P.Y. 23,41,350) OFCD of Rs 100 each. (Ref note below)	23,41,35,000	23,41,35,000
	Note : Note : The OFCD's with a face value of Rupees 100/-, carry a coupon rate of 0.0001%. Each OFCD shall be converted into fully paid -up equity shares of the Company at the request of the OFCD holders, 2. The OFCDs shall have the tenure of 10 years from the date of allotment. However, the parties shall extend the period of conversion as may be agreed to between the OFCD holders and approved by the shareholders in general meeting. After the expiry of 10 years or such other period as may be agreed by the OFCD holders and approved by the shareholders, , 1 OFCDs having face value of Rs 100/- each would be optionally converted into such number of equity shares of Rs 10 each of the Company at the premium of Rs 651/- per share.		
	3,03,180 (P.Y. NIL) OFCD of Rs 100 each. (Ref note below)	3,03,18,000	-
	Note : Note : The OFCD's with a face value of Rupees 100/-, carry a coupon rate of 0.0001%. Each OFCD shall be converted into fully paid -up equity shares of the Company at the request of the OFCD holders, 2. The ODCDs shall have the tenure of 10 years from the date of allotment. However, the parties shall extend the period of conversion as may be agreed to between the OFCD holders and approved by the shareholders in general meeting. After the expiry of 10 years or such other period as may be agreed by the OFCD holders and approved by the shareholders, , 1 OFCDs having face value of Rs 100/- each would be optionally converted		
	NIL (P.Y. 3,03,180,) Compulsorily Convertible Debentures (CCD's) of Rs 100 each. (Ref note below)	-	3,03,18,000
	Note : Note : The CCD's with a face value of Rupees 100/-, carry a coupon rate of 0.0001%. Each CCD shall be converted into fully paid -up equity shares of the Company at the request of the CCD holders, not before the expiry of 10 years from the date of allotment. However, the parties shall extend the period of conversion as may be agreed to between the CCD holders and approved by the shareholders in general meeting. After the expiry of 10 years or such other period as may be agreed by the CCD holders and approved by the shareholders, , 1 CCDs having face value of Rs 100/- each would be converted into such number of equity shares of Rs 10 each of the Company at the premium of Rs 1540/- per share.		

PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED

Phoenix Hospitality Company Private Limited
(CIN : U55209MH2006PTC161066)
Notes to Financial Statements for the Year Ended 31st March, 2019

Notes	Particulars	As at March 31, 2019	As at March 31, 2018
	Securities Premium	1,52,84,20,836	1,52,84,20,836
	Surplus/(deficit) in the statement of Profit and Loss		
	As at the Beginning of the year	(1,78,02,170)	(1,77,80,192)
	(+) Net Profit/(Net Loss) For the year	(3,69,627)	(21,978)
	As at the end of the year	**(1,81,71,797)**	**(1,78,02,170)**
		1,77,47,02,039	**1,77,50,71,666**

Nature and purpose of reserves
A.Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve,dividends or other distributions paid to shareholders.

B.Securities Premium : Securities Premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 for specified purposes.

Notes	Particulars	As at March 31, 2019	As at March 31, 2018
15	**Borrowings**		
	(Unsecured)		
	Inter Corporate Deposits [Repayable on Demand]:		
	The Phoenix Mills Limited - Holding Company	4,87,21,826	5,03,33,625
		-	-
		4,87,21,826	**5,03,33,625**
16	**Trade Payables**		
	Micro and Small Enterprises #		
	Dues to others	2,23,950	1,35,000
		2,23,950	**1,35,000**

There are no Micro and Small Enterprises, to whom the company ows dues, for more than 45days during the year as at March 31,2018 and March 31, 2019. The above information regarding Micro and Small Enterprises has been dertemined 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.

Notes	Particulars	As at March 31, 2019	As at March 31, 2018
	The disclosure pursuant to the said Act is as under	-	-
	a. Principal amount due to Supplier under MSMED Act, 2006	-	-
	b. Interest accrued and due on the above amount,unpaid	-	-
	c. Payment made beyond the appointed day during the year	-	-
	d. Interest paid	-	-
	e. Interest due and payable for the period of delay	-	-
	f. Interest remaining due and payable in succeeding year	-	-
		-	-
17	**Other Financial Liabilites**		
	Interest accrued and due [On CCD/ OFCD From Fellow Subsidiary]	-	264
		-	**264**
18	**Other Current Liabilities**		
	Statutory Dues	55,633	2,02,525
		55,633	**2,02,525**

PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED

Phoenix Hospitality Company Private Limited

(CIN : U55209MH2006PTC161066)

Notes on Financial Statement for the Year Ended 31st March, 2019

(Amount in Rs.)

Notes	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
19	**Other Income**		
	Interest on ICDs	2,55,000	3,78,617
	Interest on CCD	97	98
	Interest on Income Tax Refund	-	21,905
	Professional Fees	13,20,000	17,15,000
	Balance Written Back	1	1,348
		15,75,098	**21,16,968**
20	**Other Expenses**		
	Filing Fees	23,907	26,619
	Legal and Professional expenses	50,955	9,180
	Payment to the Auditors		
	Audit Fees	88,500	1,47,500
	Bank charges	1,304	530
	Interest on Late payment of TDS	5,755	-
		1,70,421	**1,83,829**
21	**Finance cost**		
	Interest On ICD [From Related Parties]	17,74,039	19,54,500
	Interest on CCD	-	30
	Interest on OFCD	265	234
		17,74,304	**19,54,764**

PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED

PHOENIX HOSPITALITY CO. PVT LTD.
(CIN : U55209MH2006PTC161066)
Notes to Financial Statements for year ended 31st March, 2019

22 Fair Value of Financial assets and Liabilities:

Set out below is the comparison by class of carrying amounts and fair value of Company's financial instruments that are reognised in the financial statements.

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets designated at amortised cost				
Cash and Cash Equivalents	1,90,182	1,90,182	36,31,746	36,31,746
Trade Receivables	11,90,000	11,90,000	-	-
Short-Term Loans and Advances	21,25,000	21,25,000	21,25,000	21,25,000
Total	**35,05,182**	**35,05,182**	**57,56,746**	**57,56,746**
Financial liabilities designated at amortised cost				
Borrowings - Fixed rate	4,87,21,826	4,87,21,826	5,03,33,625	5,03,33,625
Trade payables	2,23,950	2,23,950	1,35,000	1,35,000
Other financial liabilities	-	-	264	264
Total	**4,89,45,776**	**4,89,45,776**	**5,04,68,889**	**5,04,68,889**

Fair valuation techniques:

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values

1 Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

2 Long-term variable-rate borrowings are evaluated by the Company based on parameters such as interest rates, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. Risk of non-performance for the company is considered to be insignificant in valuation.

Fair Value hierarchy:

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

Level 1: Quoted prices / published NVA (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). It includes fair value of the financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Particulars	2018-19			2017-18		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets /Liabilities measured at fair value						
Financial Asset:						
Investments			1,84,28,54,959	-	-	1,84,35,54,959

During the year ended March 31, 2018 and March 31, 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements. There is no transaction / balance under level 3.

23 Financial risk Management:

The Company's financial liabilities comprise borrowings, trade payables and other payables. The main purpose of managing financial liabilities is to manage finances for the Company's operations. The Company has loan and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management has establised a risk management policy to identify an analyse the risks, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk managemnet policy is reviewed periodically to reflect changes in market conditions and the Company's activities. It is the Compny's policy not to acquire or issue derivative financial instrument for trading or speculative purposes. The Company's senior management reviews and agrees policies for managing each of these risks, which are summarised below.

PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED

- **Market risk:**
  Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and investments in securities.

  Foreign currency risk
  Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

  The Company is exposed to foreign exchange risk through purchases of goods or services from overseas supplier in foreign currency. The Company generally transcats in US dollar. The foreign exchange rate exposure is balanced by purchasing of goods or services in the respective currency.

  The Company is exposed to insignificant foreign exchange risk as at the respective reporting dates.

  Interest rate risk
  Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
  The Company is not exposed to interest rate risk as the Company has fixed rate of borrowings as at the respective reporting dates.

  Commodity and Other price risk
  The Company is not exposed to the comodity and other price risk.

- **Credit Risk**
  Credit risk is the risk of financial loss to the Company that a customer or counter party to a financial instrument fails to meet its obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds and financial institutions and other financial instruments.

  Trade and other recivables:
  The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers.

  Cash and cash equivalents an other Investments
  The Company is exposed to counter party risk relating to medium term deposits with banks
  The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations.

  Exposure to credit risk
  The gross carrying amount of financial assets, net of impairment losses recognised represents the maximum credit exposure. The maximum exposure to credit risk as at March 31, 2018 and March 31, 2019 is as follows:

	As at 31/03/2019	As at 31/03/2018
Financial assets for which loss allowances is measured using 12 months Expected Credit Losses (ECL):		
Other Investments	1,84,28,54,959	1,84,28,54,959
Cash and cash equivalents	1,90,182	36,31,746
Loans	21,25,000	21,25,000
Financial assets for which loss allowances is measured using Life time Expected Credit Losses (ECL):		
Trade receivables	11,90,000	-

Cash and Cash equivalent, other Investment, Loans an other financial assets are neither past due nor impaired. Management is of view that these financial assets are considered good and 12 months ECL is not provided.

PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED

PHOENIX HOSPITALITY CO. PVT LTD.
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Notes to Financial Statements for year ended 31st March, 2019

- **Liquidity risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.
The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current borrowings are sufficient to meet its short to medium term expansion needs. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.
The Company is required to maintain ratios (such as debt service coverage ratio and secured coverage ratio) as mentioned in the loan agreements at specified levels. In the event of failure to meet any of these ratios these loans become callable to the extent of failture at the option of lenders, except where exemption is provided by lender.

Particulars	As at March 31, 2019					
	Carrying Amount	On Demand	Less than 6 months	6- 12 months	>1 years	Total
Borrowings	4,87,21,826	4,87,21,826	-	-	-	4,87,21,826
Trade and other payables	2,23,950	2,23,950	-	-	-	2,23,950

Particulars	As at March 31, 2018					
	Carrying Amount	On Demand	Less than 6 months	6- 12 months	>1 years	Total
Borrowings	5,03,33,625	5,03,33,625	-	-	-	5,03,33,625
Other Financial Liabilities	264	264	-	-	-	264
Trade and other payables	1,35,000	1,35,000	-	-	-	1,35,000

Capital management

The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended March 31, 2018 and March 31, 2019.
For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves. Net debt includes,

Particulars	As At 31-03-2019	As At 31-03-2018
Loans and Borrowings	4,87,21,826	4,87,21,826
Less: Cash and cash equivalents	1,90,182	1,90,181
Net Debt	4,85,31,644	4,85,31,645
Total Capital	1,79,79,16,039	1,79,78,57,039
Capital+Net Debt	1,84,64,47,683	1,84,63,88,684
Gearing Ratio	0.03	0.03

PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED

24 Related party Disclosure:

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods, are:

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

	Name of the party	Relationship
1	The Phoenix Mills Limited	Holding Company
2	Gracework Realty & Leisure Private Limited	Subsidiary
3	Alliance Spaces Private Limited	Subsidiary
4	Mugwort Land Holdings Private Limited	Fellow Subsidiary
5	Island Star Mall Developers Private Limited	Fellow Subsidiary
6	Palladium Construction Private Limited	Fellow Subsidiary
7	Gangetic Developers Private Limited	Fellow Subsidiary
8	Sangam Infrabuild Corp Pvt Ltd	Fellow Subsidiary
9	Mirabel Entertainment Private Limited	Associates
10	Starboard Hotels Private Limited	Associates

b) Transactions during the year:

	Nature of transactions	Interest on ICD/ OFCD - Paid	ICD Taken	OFCD Issue	ICD Refunded	Interest on ICD - Received	CCD sold
1	The Phoenix Mills Limited	17,74,304 (19,00,487)	- (1,86,60,000)	- (16,35,000)			(7,00,000)
2	Island Star Mall Developers Private Limited.	- 54,247	- -	- -	- -	-	
3	Mirabel Entertainment Pvt Ltd.	- -	- -	- -	- (20,00,000)	2,55,000 (3,78,617)	- -

c) Closing Balance as on March 31, 2019:

	Particulars	With Holding Company				
		Inter Corporate Deposit	Interest Accured	Capital Advance	Long Term Borrowings (CCD's)	OFCD
1	The Phoenix Mills Ltd.	4,87,21,826 (5,03,33,625)	4,31,334 (17,10,228)	95,000 (95,000)	26,44,53,000 (3,03,18,000)	- (16,35,000)

	Particulars	With Subsidiary Company	
		Investment in Debentures	Investment in Equity Instrument
1	Gracework Realty & Leisure Private Limited	6,01,18,300 (6,01,18,300)	5,22,500 (5,22,500)
2	Alliance Spaces Private Limited	- (-)	17,67,59,520 (17,67,59,520)

Sr. No.	Particulars	With Fellow Subsidiary Company
		Investment in Equity Instrument
1	Mugwort Land Holdings Private Limited	800 (800)
2	Palladium Construction Co. Pvt Ltd.	1,54,41,50,161 (1,54,41,50,161)

Sr. No.	Particulars	With Associate Company			
		Investment in Debentures	Investment in Equity Instrument	Inter Corporate Deposit	Interest Accured
1	Mirabel Entertainment Co. Pvt Ltd.	7,00,000 (7,00,000)	53,528 (53,528)	21,25,000 (21,25,000)	56,589 (1,17,395)
2	Star Board Hotels Pvt. Ltd.	3,51,56,410 (3,51,56,410)	2,49,93,740 (2,49,93,740)	- -	- -

Note : - Figures in brackets represents previous year's figures.

25 Segment reporting:

The Company is mainly engaged in real estate activities and hospitality services. 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 Indian Accounting Standard (IND AS)108 –'Segment

26 Earning per share:

Particulars	2018-19	2017-18
i) Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	(3,69,627)	(21,978)
ii) Weighted Average number of equity shares used as denominator for calculating EPS	23,21,400	23,21,400
iii) Basic and Diluted Earnings per share (Rs.)	(0.16)	(0.01)
iv) Face value per equity share (Rs.)	10	10

27 Additional information as required under Section 186(4) of the Companies Act, 2013 during the year:

Name of the Company	2018-19	2017-18
i) Investment made in Body Corporate.		
a) Investment in Equity Shares		
Graceworks Realty & Leisure Pvt. Ltd.	5,22,500	5,22,500
Alliance Spaces Pvt. Ltd.	17,67,59,520	17,67,59,520
Mugwort Land Holdings Private Limited	800	800
Palladium Construction Pvt Ltd.	1,54,41,50,161	1,43,99,80,161
Star Board Hotels Pvt. Ltd.	2,49,93,740	2,49,93,740
Mirabel Entertainment Pvt Ltd.	53,528	53,528

b) Investment in Debentures	2018-19	2017-18
OCD's -Graceworks Realty & Leisure Pvt. Ltd.	6,01,18,300	6,01,18,300
CCD's - Mirabel Entertainment Pvt Ltd.	7,00,000	7,00,000
CCD's -Star Board Hotels Pvt Ltd.	3,51,56,410	3,51,56,410

ii) Loan given by the Company to Body Corporate or person is as under:

Name of the Company	2018-19	2017-18	Purpose
Mirabel Entertainment Pvt Ltd.	21,25,000	21,25,000	Inter corporate Deposit

iii) No Guarantee is given by the Company.

PHOENIX HOSPITALITY CO. PVT LTD.
(CIN : U55209MH2006PTC161066)
Notes to Financial Statements for year ended 31st March, 2019

28 Trade payables are subject to confirmations and reconciliations/ adjustments arising there from, if any. The same is not expected to have any material impact on the financial statements, as per the management.

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

Chintan A. Ghelani
Partner
Membership No. : 104391
Place : Mumbai
Date : 13th May, 2019

A. M. GHELANI & COMPANY
C. A.
MUMBAI

For and on behalf of the Board of Directors

Atul Ruia
Director
(DIN - 00087396)

Shishir Shrivastava
Director
(DIN-01266095)

PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED

A. M. GHELANI & COMPANY
CHARTERED ACCOUNTANTS

224, Champaklal Industrial Estate,
Sion-Koliwada Road, Sion (East),
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Tel : 2402 4909 / 8739
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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
Phoenix Hospitality Company Private Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Phoenix Hospitality Company Private Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act, read with relevant rules issued there under. 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 standalone Ind AS 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 standalone Ind As 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the financial position of the Company as at March 31, 2018 and its financial performance including other comprehensive income, its cash flows and the changes in equity 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" 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 March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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".

   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.

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Tel/Fax No. 2402 4909-8739/24071138 E-mail : amghelaniandco@gmail.com

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

A. M. GHELANI & COMPANY
C.A.
MUMBAI

Chintan Ghelani
Partner
Membership No.: 104391

Place : Mumbai
Dated : - 5 MAY 2018

224, Champaklal Industrial Estate, 2nd Floor, Sion-Koliwada Road, Sion(E), Mumbai-400 022
Tel/Fax No. 2402 4909-8739/24071138 E-mail : amghelaniandco@gmail.com

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

The Annexure referred to in Independent Auditor's Report to the members of the company on the standalone Ind AS Financial Statements for the year ended March 31, 2018, we report that:

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. The Company does not own any immovable property.

ii) As the company had no inventories during the year, clause (ii) of paragraph of 3 of the Order is not applicable to the Company.

iii) The Company has not granted any loans, secured or unsecured, to Companies / firms 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) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the grant of loans, making investments and providing guarantees and securities.

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, 2018 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) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loan or borrowing to a financial institution, bank, government or dues to debenture holders of the company.

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ix) According to the information and explanations given to us, monies raised by way of Debenture have prima-facie been applied for the purpose for which they were raised.

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 not been paid or provided. Therefore, the provision of clause (xi) of the Paragraph 3 of the Order Not applicable to the Company.

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, 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 made a private placement of optionally fully convertible debenture during the year under review and the requirement of section 42 of The Companies Act, 2013 have been complied with, as regards thereto. According to the information and explanations given to us, the amounts so raised have prima-facie used for the purposes for which these were raised.

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

A. M. GHELANI & COMPANY
MUMBAI

Chintan Ghelani
Partner
Membership No.: 104391

Place : Mumbai
Dated : - 5 MAY 2018

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"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 **Phoenix Hospitality Company Private Limited** ("the Company") as of March 31, 2018 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 1responsibilities 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 controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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".

A. M. GHELANI & COMPANY
MUMBAI

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

Chintan Ghelani
Partner
Membership No.: 104391

Place : Mumbai
Dated : - 5 MAY 2018

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PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED

Notes on Financial Statements for the year ended March 31, 2018

1. Corporate Information:

The Company is a private limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at Phoenix Mills Premises, 462 Senapati Bapat Marg, Lower Parel – West, Mumbai – 400 013.

The Company is engaged in Real Estate & Investment activities, The principle place of business is at 2nd Floor, R.R. Hosiery Bldg., Dr. E Moses road, Mahalaxmi, Mumbai – 400 011.

These financial statements were approved and adopted by the board of directors of the Company in their meeting dated 5th May, 2018.

2. Basis of Preparation of Financial Statements:

The Financial Statements have been prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The significant accounting policies used in preparing financial statements are set out in Note 3 of the Notes to Financial Statements.

3. Significant Accounting Policies:

a) Functional and presentation of currency:

The financial statements are presented in India Rupees, which is the Company's functional currency and all amounts are rounded to the nearest rupees.

b) Basis of measurement:

The Financial Statements have been prepared on historical cost basis, except the following:

- Certain financial assets and liabilities that are measured at fair value.
- Defined benefit plans – plan assets measured at fair value.

c) Property, Plant and Equipment:

Freehold land is carried at historical cost. Capital work in progress, and all other items of property, plant and equipment are stated at historical cost net of accumulated depreciation and accumulated impairment losses, if any.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Such cost includes borrowing costs for long-term construction projects if the recognition criteria are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The expenditure incurred in connection with the Development project which is incomplete, is included in Capital Work-in- Progress and will be capitalized in the year of completion.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the Written Down Value Method to allocate their cost, net of their residual values, over their estimated useful lives as specified by Schedule II to the Companies Act; 2013. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives and method of depreciation are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

d) Intangible asset:

Identifiable intangible assets are recognised when the Company controls the asset & it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation methods and periods

Estimated useful lives of Intangible assets are considered as 5 years. Intangible assets are amortised over its useful life using the straight-line method. The amortisation period and the amortisation method for an intangible asset are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

e) Impairment of Non – Financial Asset:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

f) **Cash and cash equivalents:**

Cash and cash equivalents includes cash on hand and at bank, deposits held with banks original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

g) **Financial Instrument:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity. Classifications of financial instrument are in accordance with the substance of the contractual arrangement and as per the definitions of financial assets, financial liability and an equity instruments.

Financial Assets and investments

i) Initial recognition and measurement:

At initial recognition, the company measures a financial asset (other than financial asset at fair value through profit or loss) at its fair value plus or minus, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit & loss.

ii) Subsequent recognition and measurement:

Subsequent measurement of financial asset depends on the company's business model for managing the asset and the cash flow characteristics of the asset. For the purpose of subsequent recognition and measurement financial assets are classified in three categories:

- **Debt instrument at amortised cost:**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Debt instrument at fair value through other comprehensive income (FVOCI):**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue which are recognised statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Debt instrument at fair value through profit and loss (FVTPL):**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit and loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

iii) De-recognition:

A financial asset is primarily derecognised i.e. removed from Company's financial statement when:

- The rights to receive cash flows from asset have expired or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under 'pass- through' arrangement and either;

  a) The Company has transferred substantially all the risks and rewards of the assets,
  b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

iv) Impairment of Financial asset:

The company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets carried at amortised cost;
- Financial asset measured at FVOCI debt instruments.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

v) Trade receivables:

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value less provision for impairment, if any.

Financial Liabilities:

i) Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

ii) Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and has designated upon initial measurement recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and Borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit and when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Trade and other payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost.

iii) De - recognition:

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

h) Classification of assets and liabilities as current and non – current:

The Company presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

i) Equity share capital:

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

j) Revenue Recognition:

Revenue is recognised to the extent that it is probable that the future economic benefits will flow to the entity and it can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Interest income

Interest income from debt instrument is recognised using effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of financial asset to the gross carrying amount of financial asset. When calculating effective interest rate, the company expects cash flows by considering all contractual terms of financial instrument but does not consider the expected credit losses.

k) Borrowing Cost:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for such capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds.

l) Provisions and contingencies:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using the government securities interest rate for the equivalent period. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate. Provisions are not recognised for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the notes to the financial statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

m) Income Taxes:

Current Income Tax:

Current Income Tax liabilities are measured at the amount expected to be paid to the taxation authorities using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulation are subject to interpretation and creates provisions where appropriate.

Deferred Tax:

Deferred Tax is recognised using Balance sheet approach, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred Income Tax is determined using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period.

Deferred Tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

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

n) **Earnings per share:**

Basic earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

4. Critical accounting estimates, assumptions and judgements:

The preparation of the financial statements requires management to make estimates, judgements and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses during the period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur

In the process of applying the Company's accounting policies, management has made the following estimates and judgements, which have significant effect on the amounts recognised in the financial statement:

(a) Depreciation and useful lives of Property, Plant and Equipment

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

(b) Investment Property

Management has assessed applicability of Ind AS 40- Investment property to the property held to earn income from licensee fees. In assessing such applicability, management has considered the ownership of assets, terms of license agreement, various services provided to the licensee etc. The Company considers these other services as significant in addition to the License fees charged. Based on such assessment, the management has considered the mall property as owner-occupied property and hence classified as Property, Plant & Equipment.

(c) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

(d) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Estimates and judgments are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. They are continuously evaluated.

(e) Fair Value measurement:

The Company measures financial instrument such as certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or Liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Phoenix Hospitality Company Private Limited

(CIN : U55209MH2006PTC161066)

Balance Sheet as at 31st March, 2018

Particulars	Notes	As At March 31, 2018	As At March 31, 2017
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant & Equipment	5	5,265	5,265
(b) Financial Asset			
(i) Investments	6	1,842,854,959	1,843,554,959
(c) Other Non-Current Asset	7	95,000	95,000
(2) Current assets			
(a) Financial Asset			
(i) Cash and Cash Equivalents	8	3,631,746	615,894
(ii) Short-Term Loans and Advances	9	2,125,000	4,125,000
(b) Current Tax Assets (Net)	10	244,954	209,900
(c) Other Current Assets	11	157	95
Total		**1,848,957,080**	**1,848,606,112**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	12	23,214,000	23,214,000
(b) Other Equity	13	1,775,071,666	1,773,458,644
LIABILITIES			
(1) Current Liabilities			
(a) Financial Liability			
(i) Borrowings	14	50,333,625	34,872,926
(ii) Trade Payables	15	135,000	120,098
(iii) Other Financial Liabiities	16	264	15,310,320
(b) Other Current Liabilities	17	202,525	1,630,124
Total		**1,848,957,080**	**1,848,606,112**

Significant Accounting Policies and Notes to Accounts **1 to 26**

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

A. M. GHELANI & COMPANY MUMBAI

For and on behalf of the Board of Directors

Chintan A. Ghelani
Partner
Membership No.: 104391
Place : Mumbai
Date : 5th May, 2018

Ashokkumar Ruia
Director
(DIN-0086762)

Atul Ruia
Director
(DIN-00087396)

Phoenix Hospitality Company Private Limited

(CIN : U55209MH2006PTC161066)

Statement of Profit and Loss for the Year Ended 31st March, 2018

(Amount in Rs.)

Particulars	Notes	For the financial year ended March 31, 2018	For the financial year ended March 31, 2017
Income:			
Other Income	18	2,116,968	540,800
Total Income		**2,116,968**	**540,800**
Expenses:			
Other Expenses	19	183,829	216,795
Finance cost	20	1,954,764	16,915,590
Total Expenses		**2,138,593**	**17,132,385**
(Loss) Before Tax		(21,625)	(16,591,585)
Tax Expenses :			
Current Tax		-	-
Tax Adjustments of earlier years		(353)	-
(A) (Loss) for the year		**(21,978)**	**(16,591,585)**
(B) Other Comprehensive Income		-	-
Total Comprehensive Income for the Year (A+B)		**(21,978)**	**(16,591,585)**
Earning Per Equity Share: [Refer Note "25"] Basic & Diluted EPS (Face Value of Rs. 10/- each)		**(0.01)**	**(7.15)**

Significant Accounting Policies and Notes to Accounts **1 to 26**

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 : 5th May, 2018.

Ashokkumar Ruia
Director
(DIN-00086762)

Atul Ruia
Director
(DIN-00087396)

A. M. GHELANI & COMPANY MUMBAI

PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED
(CIN : U55209MH2006PTC161066)
Cash Flow Statement For The Year Ended March 31, 2018

(Amount In Rs.)

Sr. No.	Particulars	For the financial year ended March 31, 2018	For the financial year ended March 31, 2017
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit /(Loss) before Taxation	(21,625)	(16,591,585)
	Adjusted for :		
	Interest Income	(2,116,968)	(538,912)
	Interest Expense	1,954,764	16,915,590
	Operating Profit / (loss) before Working Capital Changes	**(183,829)**	**(214,907)**
	Adjustments for Changes in Working Capital:		
	Other Current Liabilities	(16,737,655)	4,528,615
	Trade Payables	14,902	(162,500)
		(16,906,582)	4,151,208
	Less: Taxes(paid)/ received	(35,407)	(53,881)
	Net Cash generated from/(used in) Operating Activities	**(16,941,989)**	**4,097,327**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Interest Received on Inter Corporate Deposits	2,116,968	538,912
	Inter Corporate Deposits (placed) / refunded [net]	-	400,000
	Advances Recoverable in Cash / Kind	1,999,938	-
	Purchase of Equity shares [Investments] - CCDS / CONVERSIONS ETC	700,000	-
	Net Cash generated from/(used in) Investing Activities	**4,816,906**	**938,912**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Inter Corporate Deposits taken/(refunded) [Net]	15,460,699	(221,306,843)
	OFCD issued	1,635,000	232,500,000
	Interest Expense on ICD	(1,954,764)	(16,915,590)
	Net Cash generated from/(used in) Financing Activities	**15,140,935**	**(5,722,433)**
	Net Increase/ (Decrease) in Cash and Cash Equivalents	**3,015,852**	**(686,194)**
	Opening Balance of Cash and Cash Equivalents	615,894	1,302,088
	Closing Balance of Cash and Cash Equivalents	3,631,746	615,894

Notes:-

a Cash and Cash Equivalents includes :
Cash and Bank Balances [As per Note "8"] **3,631,746** **615,894**

b The Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard - 7 "Statement of Cashflows " (Ind AS-7) issued by the Institute of Chartered Accountants of India.

c The figures in brackets represent Cash outflows.

d The Figures of the previous year have been regrouped and/or recast wherever necessary, so as to conform to the current year's classification.

As per our Report of even date

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

A. M. GHELANI & COMPANY MUMBAI

Chintan A. Ghelani
Partner
Membership No. 104391
Place : Mumbai
Date : 5th May, 2018

For and on behalf of the Board of Directors

Ashokkumar Ruia
Director
(DIN-00086762)

Atul Ruia
Director
(DIN- 00087396)

Phoenix Hospitality Company Private Limited.
(CIN : U55209MH2006PTC161066)

Notes to financial statements for the Year Ended March, 2018

Note 5: Property, Plant & Equipment

	Computer
Gross Block	
As at 1st April 2017	120,640
Additions/ (Disposals)	-
As at 31st March 2018	**120,640**
Accumulated Depreciation	
As at 1st April 2017	115,375
Charged for the year	-
As at 31st March 2018	**115,375**
Net Block[W.D.V.]	
As at 31st March 2017	5,265
As at 31st March 2018	**5,265**

Phoenix Hospitality Company Private Limited
(CIN : U55209MH2006PTC161066)
Notes to Financial Statements for the Year Ended 31st March, 2018

Notes	Particulars	As at March 31, 2018	As at March 31, 2017
6	**Investments**		
	Investments at cost, unless otherwise stated		
	Investments in equity instruments (Unquoted)		
	(Equity Shares of Rs. 10/- each, fully paid up & percentage of holding)		
	Investment in subsidiaries		
	52,250 - 77.73% (P.Y. 52,250 - 77.33%) Graceworks Realty & Leisure Pvt. Ltd.	522,500	522,500
	1,158,950 - 57.99% (P.Y.1,158,950 - 57.99%) Alliance Spaces Pvt. Ltd.	176,759,520	176,759,520
	Investment in fellow subsidiary		
	80 - 0.8% (P.Y.80-0.8%) Mugwort Land Holdings Private Limited	800	800
	15,759,062 - 47.71% (P.Y.14,357,706 - 43.80%) Palladium Construction Pvt Ltd.	1,544,150,161	1,439,980,161
	NIL (P.Y.2,070,800 - 41.48%) Gangetic Hotels Pvt. Ltd.	-	104,170,000
	Investment in Associates		
	2,499,374 - 49.99% (P.Y. 2,499,374- 49.99%) Star Board Hotels Pvt. Ltd.	24,993,740	24,993,740
	5,000- 50% (P. Y. 5,000- 50%) Mirabel Entertainment Pvt Ltd.	53,528	53,528
	Investment in Debentures (Unquoted)		
	Investment in subsidiaries		
	601,183 (P.Y. 6,01,183) OCD's in Graceworks Realty & Leisure Pvt. Ltd. Face Value of 100 each	60,118,300	60,118,300
	Investment in Associates		
	7,000 (P.Y. 7,000) CCD's in Mirabel Entertainment Pvt Ltd. Face value Rs 100 each. ***	700,000	700,000
	351,564 (P.Y. 351,564) CCD's in Star Board Hotels Pvt Ltd. - Face value Rs 100 each. ***	35,156,410	35,156,410
	Investment in Others		
	4,000 (P.Y. 4,000) ACME Hospitality Services Pvt Ltd. - Face value Rs 100 each. ***	400,000	400,000
	NIL (P.Y 7,000) Insight Hotels & Leisure Pvt. LTD. - Face value Rs 100 each. ***	-	700,000
	*** Each CCD's shall be converted into 10 fully paid up equity shares at the request of the CCD Holders not before the expiry of 10 years from date of allotement. CCD's carrying coupon rate of 0.0001%		
		1,842,854,959	**1,843,554,959**
7	**Other Non-Current Asset**		
	Capital advances - Holding Company	95,000	95,000
		95,000	**95,000**
8	**Cash & Cash Equivalents**		
	a. Balances with Banks		
	In current accounts	3,631,173	614,155
	b. Cash on hand	573	1,739
		3,631,746	**615,894**
9	**Short term loans & advances**		
	Inter Corporate Deposits :		
	Associates	2,125,000	4,125,000
		2,125,000	**4,125,000**

Phoenix Hospitality Company Private Limited

(CIN : U55209MH2006PTC161066)

Notes to Financial Statements for the Year Ended 31st March, 2018

Notes	Particulars	As at March 31, 2018	As at March 31, 2017
10	**Current Tax Assets (Net)**		
	Taxes Paid (Net of Provisions)	244,954	209,900
		244,954	209,900
11	**Other Current Assets**		
	Accured Interest on CCD	157	95
		157	95
12	**Equity Share Capital**		
	Authorised		
	4,000,000 (P.Y. 4,000,000) Equity Shares of Rs.10/- each	40,000,000	40,000,000
	Issued, subscribed and fully paid up		
	2,321,400 (P.Y.2,321,400) Equity Shares of Rs.10/- each fully paid up	23,214,000	23,214,000
		23,214,000	23,214,000
	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	2,321,400	2,321,400
	Shares issued during the year	-	-
	Shares bought back during the year	-	-
	Shares outstanding at the end of the year	2,321,400	2,321,400
	b] Shares held by :-		
	Holding Company		
	The Phoenix Mills Limited,		
	1,321,400 (P.Y. 1,321,400) equity shares of Rs 10 each fully paid	13,214,000	13,214,000
	Associates		
	1) Ruia International Holding Company Private Limited 999,800 (P.Y. 999,800) equity shares of Rs 10 each fully paid	9,998,000	9,998,000
	2) Ruia International Holding Company Private Limited jointly with Ashok Ruia 100 (P.Y. 100) equity shares of Rs 10 each fully paid	1,000	1,000
	3) Ruia International Holding Company Private Limited Jointly with Atul Ruia 100 (P.Y. 100) equity shares of Rs 10 each fully paid	1,000	1,000

c] Details of shareholders holding more than 5% Shares in the company	March 31, 2018		March 31, 2017	
Equity Shares of Rs. 10 each fully paid	Number of	% of	Number of shares	% of Holdings
The Phoenix Mills Limited - Holding Company	1,321,400	56.92	1,321,400	56.92
Ruia International Holding Company Private Limited - Associates	999,800	43.07	999,800	43.07

d] The company has only one class of Equity Shares having a face value of Rs. 10 per share. Each

Notes	Particulars	March 31, 2018	March 31, 2017
13	**Other Equity**		
	Equity Component of Compound Financial Instrument	234,135,000	232,500,000
	Note : Note : The OFCD's with a face value of Rupees 100/-, carry a coupon rate of 0.0001%. Each OFCD shall be converted into fully paid - up equity shares of the Company at the request of the OFCD holders, 2. The ODCDs shall have the tenure of 10 years from the date of allotment. However, the parties shall extend the period of conversion as may be agreed to between the OFCD holders and approved by the shareholders in general meeting. After the expiry of 10 years or such other period as may be agreed by the OFCD holders and approved by the shareholders, , 1 OFCDs having face value of Rs 100/- each would be compulsorily converted into such number of equity shares of Rs 10 each of the Company at the premium of Rs 651/- per share.		
	3,03,180 (P.Y. 3,03,180,) Compulsorily Convertible Debentures (CCD's) of Rs 100 each. (Ref note below)	30,318,000	30,318,000
	Note : Note : The CCD's with a face value of Rupees 100/-, carry a coupon rate of 0.0001%. Each CCD shall be converted into fully paid -up equity shares of the Company at the request of the CCD holders, not before the expiry of 10 years from the date of allotment. However, the parties shall extend the period of conversion as may be agreed to between the CCD holders and approved by the shareholders in general meeting. After the expiry of 10 years or such other period as may be agreed by the CCD holders and approved by the shareholders, , 1 CCDs having face value of Rs 100/- each would be compulorily converted into such number of equity shares of Rs 10 each of the Company at the premium of Rs 1540/- per share.		

Phoenix Hospitality Company Private Limited

(CIN : U55209MH2006PTC161066)

Notes to Financial Statements for the Year Ended 31st March, 2018

Notes	Particulars	As at March 31, 2018	As at March 31, 2017
	Securities Premium	1,528,420,836	1,528,420,836
	Surplus/(deficit) in the statement of Profit and Loss		
	As at the Beginning of the year	(17,780,192)	(1,188,607)
	(+) Net Profit/(Net Loss) For the year	(21,978)	(16,591,585)
	As at the end of the year	(17,802,170)	(17,780,192)
		1,775,071,666	1,773,458,644
14	**Current Financial liabilities - Borrowings**		
	(Unsecured)		
	Inter Corporate Deposits [Repayable on Demand]:		
	The Phoenix Mills Limited - Holding Company	50,333,625	18,070,095
	Island Star Mall Developers Pvt Ltd.- Fellow Subsidiary	-	16,802,831
		50,333,625	34,872,926
15	**Trade Payables**		
	Micro and Small Enterprises		
	Total outstanding dues of creditors other than micro and small enterprises	135,000	120,098
		135,000	120,098
16	**Current Financial Liabilites - Others**		
	Interest accrued and due [On ICD from Holding Company]	-	13,603,530
	Interest accrued and due [On ICD From Fellow Subsidiary]	-	1,706,790
	Interest accrued and due [On CCD/ OFCD From Fellow Subsidiary]	264	-
		264	15,310,320
17	**Other Current Liabilities**		
	Statutory Dues	202,525	1,630,124
		202,525	1,630,124

Phoenix Hospitality Company Private Limited

(CIN : U55209MH2006PTC161066)

Notes on Financial Statement for the Year Ended 31st March, 2018

(Amount in Rs.)

Notes	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
18	**Other Income**		
	Interest on ICDs	378,617	538,814
	Interest on CCD	98	98
	Interest on Income Tax Refund	21,905	1,888
	Professional Fees	1,715,000	-
	Balance Written Back	1,348	-
		2,116,968	**540,800**
19	**Other Expenses**		
	Filing Fees	26,619	24,597
	Legal and Professional expenses	9,180	46,510
	Payment to the Auditors		
	Audit Fees	147,500	145,000
	Bank charges	530	688
		183,829	**216,795**
20	**Finance cost**		
	Interest On ICD [From Related Parties]	1,954,500	16,915,444
	Interest on CCD	30	30
	Interest on OFCD	234	116
		1,954,764	**16,915,590**

Phoenix Hospitality Co Pvt Ltd.
(CIN : U55209MH2006PTC161066)
Statement of changes in equity for the Year ended 31st March, 2018

Note "13"
A. Equity share capital

	Opening balance as at 1st Apr 2017	Changes in equity share capital during the year	Closing balance as at 31st Mar 2018
23,21,400 (P.Y. 23,21,400) Equity Shares of Rs.10/- each	23,214,000	-	23,214,000
	23,214,000	**-**	**23,214,000**

B. Other Equity

Other Equity	Equity Component of compounded Financials Instrument	Reserve & Surplus		Total
		Securities Premium	Retained Earnings	
Balances at April 1, 2017	262,818,000	1,528,420,836	(17,780,192)	1,773,458,644
Profit for the year		-	(21,978)	(21,978)
OFCD issued during the Year	1,635,000			1,635,000
Balances at March 31, 2018	**264,453,000**	**1,528,420,836**	**(17,802,170)**	**1,775,071,666**

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

Chintan A. Ghelani
Partner
Membership No. 104391
Place : Mumbai
Date : 5th May, 2018

For and on behalf of the Board of Directors

Ashokkumar Ruia
Director
(DIN-00086762)

Atul Ruia
Director
(DIN- 00087396)

PHOENIX HOSPITALITY CO. PVT LTD.
(CIN : U55209MH2006PTC161066)
Notes to Financial Statements for year ended 31st March, 2018

21 Fair Value of Financial assets and Liabilities:

Set out below is the comparison by class of carrying amounts and fair value of Company's financial instruments that are reognised in the financial statements.

Particulars	As at March 31, 2018		As at March 31, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets designated at amortised cost				
Cash and Cash Equivalents	3,631,746	3,631,746	615,894	615,894
Total	**3,631,746**	**3,631,746**	**615,894**	**615,894**
Financial liabilities designated at amortised cost				
Borrowings - Fixed rate	50,333,625	50,333,625	34,872,926	34,872,926
Trade payables	135,000	135,000	120,098	120,098
Other financial liabilities	264	264	15,310,320	15,310,320
Total	**50,468,889**	**50,468,889**	**50,303,344**	**50,303,344**

Fair valuation techniques:

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values

1 Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

2 Long-term variable-rate borrowings are evaluated by the Company based on parameters such as interest rates, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. Risk of non-performance for the company is considered to be insignificant in valuation.

Fair Value hierarchy:

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

Level 1: Quoted prices / published NVA (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). It includes fair value of the financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Particulars	2017-18			2016-17		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets /Liabilities measured at fair value						
Financial Asset:						
Investments			1,842,854,959	-	-	1,843,554,959

During the year ended March 31, 2017 and March 31, 2018, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements. There is no transaction / balance under level 3.

22 Financial risk Management:

The Company's financial liabilities comprise borrowings, trade payables and other payables. The main purpose of managing financial liabilities is to manage finances for the Company's operations. The Company has loan and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management has establised a risk management policy to identify an analyse the risks, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk managemnet policy is reviewed periodically to reflect changes in market conditions and the Company's activities. It is the Compny's policy not to acquire or issue derivative financial instrument for trading or speculative purposes. The Company's senior management reviews and agrees policies for managing each of these risks, which are summarised below.

- **Market risk:**

  Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and investments in securities.

  Foreign currency risk

  Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

  The Company is exposed to foreign exchange risk through purchases of goods or services from overseas supplier in foreign currency. The Company generally transcats in US dollar. The foreign exchange rate exposure is balanced by purchasing of goods or services in the respective currency.

  The Company is exposed to insignificant foreign exchange risk as at the respective reporting dates.

  Interest rate risk

  Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as the Company has fixed rate of borrowings as at the respective reporting dates.

  Commodity and Other price risk

  The Company is not exposed to the comodity and other price risk.

- **Credit Risk**

  Credit risk is the risk of financial loss to the Company that a customer or counter party to a financial instrument fails to meet its obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds and financial institutions and other financial instruments.

  Trade and other recivables:

  The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers.

  Cash and cash equivalents an other investments

  The Company is exposed to counter party risk relating to medium term deposits with banks

  The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations.

  Exposure to credit risk

  The gross carrying amount of financial assets, net of impairment losses recognised represents the maximum credit exposure. The maximum exposure to credit risk as at March 31, 2017 and March 31, 2018 is as follows:

	As at 31/03/2018	As at 31/03/2017
Financial assets for which loss allowances is measured using 12 months Expected Credit Losses (ECL):		
Other Investments	1,842,854,959	1,843,554,959
Cash and cash equivalents	3,631,746	615,894
Loans	2,125,000	4,125,000
Financial assets for which loss allowances is measured using Life time Expected Credit Losses (ECL):		
Trade receivables	-	-

Cash and Cash equivalent, other Investment, Loans an other financial assets are neither past due nor impaired. Management is of view that these financial assets are considered good and 12 months ECL is not provided.

PHOENIX HOSPITALITY CO. PVT LTD.
(CIN : U55209MH2006PTC161066)
Notes to Financial Statements for year ended 31st March, 2018

- **Liquidity risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current borrowings are sufficient to meet its short to medium term expansion needs. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Company is required to maintain ratios (such as debt service coverage ratio and secured coverage ratio) as mentioned in the loan agreements at specified levels. In the event of failure to meet any of these ratios these loans become callable to the extent of failture at the option of lenders, except where exemption is provided by lender.

	As at March 31, 2018					
Particulars	Carrying Amount	On Demand	Less than 6 months	6- 12 months	>1 years	Total
Borrowings	50,333,625	50,333,625	-	-	-	50,333,625
Other Financial Liabilities	264	264	-	-	-	264
Trade and other payables	135,000	135,000	-	-	-	135,000

	As at March 31, 2017					
Particulars	Carrying Amount	On Demand	Less than 6 months	6- 12 months	>1 years	Total
Borrowings	34,872,926	34,872,926	-	-	-	34,872,926
Other Financial Liabilities	15,310,320	15,310,320	-	-	-	15,310,320
Trade and other payables	120,098	120,098	-	-	-	120,098

Capital management

The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended March 31, 2017 and March 31, 2018.

For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, trade and other payables less cash and short term deposits.

Particulars	As At 31-03-2018	As At 31-03-2017
Loans and Borrowings	50,333,625	34,872,926
Less: Cash and cash equivalents	3,631,746	615,894
Net Debt	46,701,879	34,257,032
Total Capital	1,798,285,666	1,796,672,644
Capital+Net Debt	1,844,987,545	1,830,929,676
Gearing Ratio	0.03	0.02

23 Related party Disclusure:

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods, are:

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

	Name of the party	Relationship
1	The Phoenix Mills Limited	Holding Company
2	Gracework Realty & Leisure Private Limited	Subsidiary
3	Alliance Spaces Private Limited	Subsidiary
4	Mugwort Land Holdings Private Limited	Fellow Subsidiary
5	Island Star Mall Developers Private Limited	Fellow Subsidiary
6	Palladium Construction Private Limited	Fellow Subsidiary
7	Gangetic Hotels Pvt Ltd	Fellow Subsidiary
8	Mirabel Entertainment Private Limited	Associates
9	Starboard Hotels Private Limited	Associates

b) Transactions during the year:

	Nature of transactions	Interest on ICD/ OFCD - Paid	ICD Taken	OFCD Issue	ICD Refunded	Interest on ICD - Received	CCD Sold
1	The Phoenix Mills Limited	1,900,487 (15,115,033)	18,660,000 -	1,635,000 (232,500,000)	- -	- -	700,000 -
2	Island Star Mall Developers Private Limited	54,247 (1,800,411)	- (23,255,550)	- -	- -	- -	- -
3	Mirabel Entertainment Pvt Ltd	- -	- -	- -	2,000,000 (400,000)	378,617 (538,814)	- -

c) Closing Balance as on March 31, 2018:

	Particulars	With Holding Company				
		Inter Corporate Deposit	Interest Accured	Capital Advance	Long Term Borrowings (CCD's)	OFCD
1	The Phoenix Mills Ltd	50,333,625 (18,070,095)	1,710,228 (13,603,500)	95,000 (95,000)	30,318,000 (30,318,000)	1,635,000 232,500,000

	Particulars	With Subsidiary Company	
		Investment in Debentures	Investment in Equity Instrument
1	Gracework Realty & Leisure Private Limited	60,118,300 (60,118,300)	522,500 (522,500)
2	Alliance Spaces Private Limited	- (-)	176,759,520 (176,759,520)

Sr. No.	Particulars	With Fellow Subsidiary Company		
		Investment in Equity Instrument	Inter Corporate Deposit	Interest Accured
1	Mugwort Land Holdings Private Limited	800 (800)	- -	- -
2	Palladium Construction Co. Pvt Ltd.	1,544,150,161 1,544,150,161	- -	- -
3	Island Star Mall Developers Pvt Ltd.	- -	- 15,000,000	- 1,706,790.0

Sr. No.	Particulars	With Associate Company			
		Investment in Debentures	Investment in Equity Instrument	Inter Corporate Deposit	Interest Accured
1	Mirabel Entertainment Co. Pvt Ltd.	700,000 (700,000)	53,528 (53,528)	2,125,000 (4,125,000)	117,395 (538,814)
2	Star Board Hotels Pvt. Ltd.	35,156,410 (35,156,410)	24,993,740 (24,993,740)	- -	- -

Note : - Figures in **brackets** represents previous year's figures.

24 Segment reporting:

The Company is mainly engaged in real estate activities and hospitality services. 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 Indian Accounting Standard (IND AS)108 – 'Segment Reporting'

25 Earning per share:

Particulars	2017-18	2016-17
i) Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	(21,978)	(16,591,585)
ii) Weighted Average number of equity shares used as denominator for calculating EPS	2,321,400	2,321,400
iii) Basic and Diluted Earnings per share (Rs.)	(0.01)	(7.15)
iv) Face value per equity share (Rs.)	10	10

26 Additional Information as required under Section 186(4) of the Companies Act, 2013 during the year:

Name of the Company	2017-18	2016-17
I) Investment made in Body Corporate.		
a) Investment in Equity Shares		
Graceworks Realty & Leisure Pvt. Ltd.	522,500	522,500
Alliance Spaces Pvt. Ltd.	176,759,520	176,759,520
Mugwort Land Holdings Private Limited	800	800
Palladium Construction Pvt Ltd.	1,544,150,161	1,439,980,161
Gangetic Hotels Pvt. Ltd.	-	104,170,000
Star Board Hotels Pvt. Ltd.	24,993,740	24,993,740
Mirabel Entertainment Pvt Ltd.	53,528	53,528

b) Investment in Debentures	2017-18	2016-17
OCD's -Graceworks Realty & Leisure Pvt. Ltd.	60,118,300	60,118,300
CCD's - Mirabel Entertainment Pvt Ltd.	700,000	700,000
CCD's -Star Board Hotels Pvt Ltd.	35,156,410	35,156,410

ii) Loan given by the Company to Body Corporate or person is as under:

Name of the Company	2017-18	2016-17	Purpose
Mirabel Entertainment Pvt Ltd	2,125,000	4,125,000	Inter corporate Deposit

iii) No Guarantee is given by the Company.

PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED

Reg. Off.: Phoenix Mills Premises, 462 Senapati Bapat Marg, Lower Parel, Mumbai - 400013
CIN: U55209MH2006PTC161066

NOTICE

NOTICE is hereby given that the Annual General Meeting of the members of **PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED** ("the Company") will be held on Saturday, September 30, 2017 at 12.15 PM at C/o Market City Resources Private Limited, Ground Floor, R.R. Hosiery Building, Laxmi Woollen Mills Estate, Mahalaxmi, Mumbai- 400011 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company for the financial year ended March 31, 2017, Profit and Loss Statement as at that date together with the Reports of Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Ajaykumar Kejriwal who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint a Director in place of Mr. Shishir Shrivastava who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint , M/s A.M. Ghelani & Company, Chartered Accountants (firm regn no. 103173W), as Statutory Auditors of the Company for a period of five years i.e. from FY 2017-18 to FY 2021-2022 (subject to ratification of their re-appointment at every AGM).

By order of the Board of Directors
For Phoenix Hospitality Company Private Limited

Place : Mumbai
Date : August 8, 2017

Ashokkumar Ruia
Director
DIN: 00086762

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("THE MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Shareholders are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Meeting.
3. Authorised Representative of Shareholders should fill in the attendance slip for attending the Meeting.
4. The Register of Directors Shareholding shall be available for inspection at the Meeting.
5. The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 in respect of business under Item Nos. 5 and 6 is annexed hereto.

By order of the Board of Directors
For Phoenix Hospitality Company Private Limited

Place : Mumbai
Date : August 8, 2017

Ashokkumar Ruia
Director
DIN: 00086762

PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED

Reg. Off.: Phoenix Mills Premises, 462 Senapati Bapat Marg, Lower Parel, Mumbai – 400013
CIN: U55209MH2006PTC161066

ATTENDANCE SLIP

I/We hereby record my/our presence at the Annual General Meeting of the Company held on Saturday, September 30, 2017 at 12.15 PM at C/o Market City Resources Private Limited, Ground Floor, R.R. Hosiery Building, Laxmi Woollen Mills Estate, Mahalaxmi, Mumbai- 400011.

Name

____

Regd. Folio. No. ____________________No. of Shares held

____

Client ID. No. ____________________DP. ID. No.

____

Name of Proxy/Representative, if any____________________

Signature of the Shareholder(s)/Proxy/Representative ____________________

Note: Member/ Proxy attending the Meeting must fill-in this Attendance Slip and hand it over at the entrance of the venue of this Meeting.

PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED

Reg. Off.: Phoenix Mills Premises, 462 Senapati Bapat Marg, Lower Parel, Mumbai – 400013
CIN: U55209MH2006PTC161066

Form No. MGT-11
Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014*]*

CIN: U55209MH2006PTC161066
Name of the company: PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED

Registered office: Phoenix Mill Premises 4-62 Senapati Bapat Marg, Lower Parel, Mumbai- 400013

Name of the Member(s)	
Address	
Email ID	
DP ID Client Id/ Folio No.	

I/We, being the member (s) of .... shares of the above named company, hereby appoint
1. Name:
____
Address:
____
E-mail Id:
____
Signature:________________ or failing him
2. Name: ....
Address:
E-mail Id:
Signature:................, or failing him
3. Name: ....
Address:
E-mail Id:
Signature:................

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held Saturday, September 30, 2017 at 12.15 PM at C/o Market City Resources Private Limited, Ground Floor, R.R. Hosiery Building, Laxmi Woollen Mills Estate, Mahalaxmi, Mumbai- 400011 and at any adjournment thereof in respect of such resolutions as are indicated below:

PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED

Reg. Off.: Phoenix Mills Premises, 462 Senapati Bapat Marg, Lower Parel, Mumbai – 400013
CIN: U55209MH2006PTC161066

Resolution No.

1. To receive, consider and adopt the Audited Balance Sheet of the Company for the financial year ended March 31, 2017, Profit and Loss Statement as at that date together with the Reports of Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Ajaykumar Kejriwal who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint a Director in place of Mr. Shishir Shrivastava who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint , M/s A.M. Ghelani & Company, Chartered Accountants (firm regn no. 103173W), as Statutory Auditors of the Company for a period of five years i.e. from FY 2017-18 to FY 2021-2022 (subject to ratification of their re-appointment at every AGM).

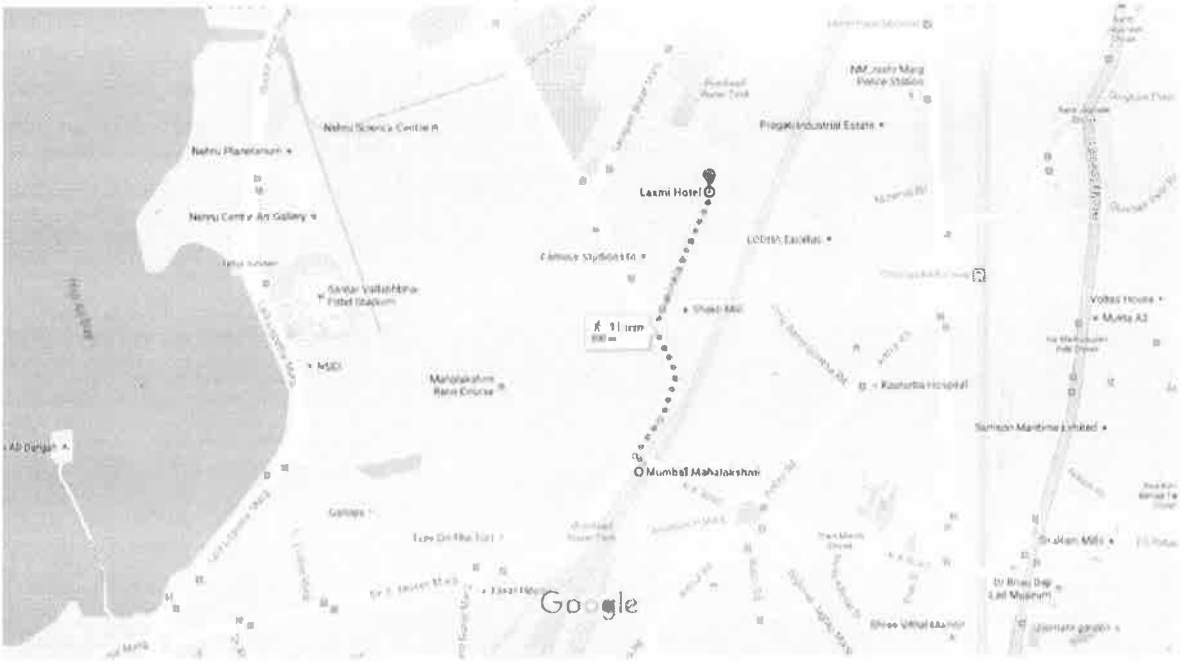
Affix Re. 1 revenue Stamp

Signed this...... day of......... 20....
Signature of shareholder...
Signature of Proxy holder(s)..
Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED
Reg. Off.: Phoenix Mills Premises, 462 Senapati Bapat Marg, Lower Parel, Mumbai – 400013
CIN: U55209MH2006PTC161066

Route map to the venue of AGM

Venue: Market City Resources Private Limited, Ground Floor, R.R. Hosiery Building, Laxmi Woollen Mills Estate, Mahalaxmi, Mumbai- 400011



Landmark: Next to Laxmi Hotel
Distance from Mahalaxmi Railway Station: 850 m

PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED

Reg. Off.: Phoenix Mills Premises, 462 Senapati Bapat Marg, Lower Parel, Mumbai - 400013
CIN: U55209MH2006PTC161066

DIRECTORS' REPORT

To
The Members,
Phoenix Hospitality Company Private Limited

Your Directors have pleasure in presenting Directors' Report of the Company together with the Audited Statement of Accounts for the year ended March 31, 2017.

1. FINANCIAL STATEMENTS & RESULTS

a. Financial Results

The Company's performance during the year ended March 31, 2017 as compared to the previous financial year, is summarized below:

Particulars	For the financial year ended March 31, 2017 (in Rs.)	For the financial year ended March 31, 2016 (in Rs.)
Total Income	5,40,800	6,32,501
Total Expenditure	1,71,32,385	1,38,57,038
Profit / (Loss) Before Tax		
Tax Expenses		
• Current tax	-	-
• Deferred tax	-	(1,504)
• Excess/Short Provision	-	-
Profit / (Loss) After Tax	(1,65,91,585)	(1,34,25,931)

b. Operations

There was no change in nature of the business of the Company, during the year under review.

c. Report on performance of subsidiaries, associates and joint venture companies

Sr No.	Name of Company	No of Shares	% Holding
1.	Palladium Constructions Private Limited	1,55,86,495	47.55%

	(Associate)		
2.	Graceworks Realty & Leisure Private Limited (Subsidiary)	52,250	77.33%
3.	Alliance Spaces Private Limited (Subsidiary)	1,158,950	57.99%
4.	Gangetic Hotels Private Limited (Associate)	2,070,800	41.48%
5.	Starboard Hotels Private Limited (Associate)	2,499,374	49.99%
6.	Mirabel Entertainment Private Limited (Associate)	5,000	50.00%

d. Share Capital

Authorized Share Capital:

The Company has an authorized share capital of Rs. 4,00,00,000/- (Rupees Four Crores Only) divided into 40,00,000 Equity Shares of Rs.10/- each.

Issued, Subscribed and Paid up Share Capital:

The Company has an Issued, Subscribed and Paid up Share Capital of Rs. 2,32,14,000/- (Rupees Two Crore Thirty Two Lakh Fourteen Thousand only) divided into 23,21,400 Equity Shares of Rs.10/- each.

During the year, the company has not issued shares with differential voting rights nor issued any sweat equity shares. Further, the Company has not issued any equity shares under employee's stock options scheme during the year under review.

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.

e. Dividend

Considering the loss incurred in the current financial year, your Directors have not recommended any dividend for the financial year under review.

f. Transfer To Reserves

In view of loss incurred during the year under review, the Board of Directors has not recommended transfer of any amount to reserves.

g. Revision Of Financial Statement

There was no revision of the financial statements for the year under review.

h. Deposits

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

i. Disclosures Under Section 134(3)(l) Of The Companies Act, 2013

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position, have occurred between the end of the financial year of the Company and date of this report.

j. Disclosure of orders passed by regulators or courts or tribunal

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

k. Particular of contracts or arrangement with related parties

During the financial year 2016-17, the Company has not entered into any related party transactions as per provisions of the Companies Act, 2013 read with relevant rules framed thereunder. All other related party transactions as per the Accounting Standards were entered into during the financial year 2016-17 were on arm's length basis and were in the ordinary course of the business.

There are no materially significant related party transactions entered into by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

The details of transactions/contracts/arrangements entered by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013 and Accounting Standards, during the financial year 2016-18 under review, has been furnished in notes to the financial statements.

l. Particulars of Loans, Guarantees, Investments and Securities

Full particulars of loans, guarantees, investments and securities provided during the financial year under review along with the purposes for which such loans, guarantees and securities are proposed to be utilized by the recipients thereof, has been furnished in notes to the financial statements.

2. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) Board Of Directors & Key Managerial Personnel

Mr. Ajaykumar Kejriwal who retires by rotation and being eligible, offers himself for re-appointment.

Mr. Shishir Shrivastava who retires by rotation and being eligible, offers himself for re-appointment.

3. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

a. Board Meetings

The Board of Directors met 07 times during the financial year ended March 31, 2017 i.e. on May 6, 2016, August 5, 2016, September 9, 2016, October 1, 2016, November 8, 2016, December 21, 2016, and February 9, 2017 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

b. Internal Control Systems

Adequate internal control systems commensurate with the nature of the Company's business and its size and complexity of operations are in place has been found to be operating satisfactorily. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

c. **Disclosure Under Section 197(12) Of The Companies Act, 2013 And Other Disclosures As Per Rule 5 Of Companies (Appointment & Remuneration) Rules, 2014:** Not Applicable

d. **Payment Of Remuneration / Commission To Directors From Holding Or Subsidiary Companies: Not Applicable**

4. DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended March 31, 2017, the Board of Directors hereby confirms that:

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
b. such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit/loss of the Company for that year;
c. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d. the annual accounts of the Company have been prepared on a going concern basis;
e. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

5. AUDITORS AND REPORTS

The matters related to Auditors and their Reports are as under:

a. Observations of Statutory Auditors on accounts for the year ended March 31, 2017

The observations made by the Statutory Auditors in their report for the financial year ended March 31, 2017 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

b. Ratification of Appointment of Auditors

As per the provisions Section 139 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules framed thereunder, as amended from time to time, as M/s A.M. Ghelani and Company, Chartered Accountants are eligible to be appointed as Statutory Auditors of the Company. Hence, it has been proposed to appoint M/s A.M. Ghelani and Company, Chartered Accountants, as the Statutory Auditors of the Company for a period of five years to hold office, from the conclusion of this ensuing Annual General Meeting (AGM) till the conclusion of the Annual General Meeting of the Company to be held for financial year 2021-2022 (subject to ratification of their re-appointment at every AGM).

Necessary resolution for appointment of the said Auditors is included in the Notice of AGM for seeking approval of members.

6. OTHER DISCLOSURES

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

a. Extract Of Annual Return

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended March 31, 2017 made under the provisions of Section 92(3) of the Act forms part of this Report as Annexure III.

b. Conservation Of Energy, Technology Absorption And Foreign Exchange Earnings And Outgo

In view of the nature of activities which are being carried on by the Company, the particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies' (Accounts) Rules, 2014 regarding Conservation of Energy and Technology Absorption are not applicable to the Company.

c. FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of earnings and outgo in foreign currency are given below:

Particulars	2016 -17 (In Rs.)	2015-2016 (In Rs.)
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Nil	Nil

7. BUSINESS RISK MANAGEMENT

The Company's management systems, organization structure, standard operating procedures governs how the Company conducts the business and manages associated risks. The identification and evaluation of the business risks in the Company is carried out by the Board.

8. SEXUAL HARASSMENT POLICY

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace and has also established an Internal Complaints

Committee, as stipulated by The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder. During the year under review, no complaints in relation to such harassment at workplace have been reported.

9. <u>ACKNOWLEDGEMENTS AND APPRECIATION:</u>

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company.

For and on behalf of the Board
For Phoenix Hospitability Company Private Limited

Ashokkumar Ruia	**Shishir Shrivastava**
Director	**Director**
DIN: 00086762	**DIN: 01266095**

August 8, 2017
Place: Mumbai

ANNEXURE I

EXTRACT OF ANNUAL RETURN
As on financial year ended on 31st March 2017
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	:	U55209MH2006PTC161066
Registration Date	:	10/04/2006
Name of the Company		Phoenix Hospitality Company Private Limited
Category / Sub-Category of the Company	:	Private Limited Company
Address of the Registered office and contact details	:	Phoenix Mill Premises 462 Senapati Bapat Marg, Lower Parel, Mumbai 400013
Whether listed company	:	No
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:- Not Applicable

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
-	-	-	-

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN / GLN	Holding / subsidiary / associate	% of shares held	Applicable section
1	The Phoenix Mills Ltd Phoenix Mill Premises 462 Senapati Bapat Marg, Lower Parel, Mumbai 400013	L17100MH1905PLC000200	Holding	56.92%	2(46)
2	Graceworks Realty	U72900MH2000PTC126232	Subsidiar	77.33	2(87)(ii)

	& Leisure Private Limited		y		
3	Alliance Spaces Private Limited C/o Marketcity Resources Pvt Ltd, R R Hosiery Bldg Shree Laxmi Woollen Mills Estate, Opp Shakti Mills Mumbai-400011	U55101MH2007PTC169101	Subsidiary	57.99	2(87)(ii)
4	Gangetic Hotels Private Limited MAHMOODABAD ESTATE BUILDING 15, HAZRATGANJ LUCKNOW UP 226001	U55101UP2007PTC033633	Associate	41.48	2(6)
5	Starboard Hotels Private Limited C/o Marketcity Resources Pvt Ltd, R R Hosiery Bldg Shree Laxmi Woollen Mills Estate, Opp Shakti Mills Mumbai-400011	U55101MH1996PTC101044	Associate	49.99	2(6)
6	Mirabel Entertainment Private Limited Phoenix Mill Premises 462 Senapati Bapat Marg, Lower Parel, Mumbai 400013	U55101MH2007PTC172946	Associate	50.00	2(6)
7	Palladium Constructions Private Limited C/o Marketcity Resources Pvt Ltd, R R Hosiery Bldg Shree Laxmi Woollen Mills Estate, Opp Shakti Mills Mumbai-400011	U45400MH2008PTC178115	Associate	47.55	2(6)

I SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i. Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a)Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp. –	-	2321400	2321400	100		2321400	2321400	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):	-	2321400	2321400	100		2321400	2321400	100	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	2321400	2321400	100		2321400	2321400	100	-
B. Public Shareholding									
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e)Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h)Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	-	-	-	-	-	-	-	-	-

(2)Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
	-								-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2):	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	2321400	2321400	100		2321400	2321400	100	-

ii. SHAREHOLDING OF PROMOTERS:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	The Phoenix Mills Ltd	1321400	56.92	-	1321400	56.92	-	-
2	Ruia International Holding Co Pvt Ltd	1000000	43.08	-	1000000	43.08		-
	Total	2321400	100.00	-	2321400	100.00	-	00.00

iii. CHANGE IN PROMOTERS' SHAREHOLDING : Not Applicable

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company

	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	-	-	-	-
	At the End of the year	-	-	-	-

iv. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS): Not Applicable

Sr. No.	Name of the shareholder	Shareholding		Date	Increase /Decrease in Shareholding	Reason	Cumulative Shareholding during the year(April 01, 2014 to March 31, 2015	
		No. of shares at the beginning of the year	% of total shares of the Company				No. of shares	% of total shares of the Company
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: Not Applicable

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For each of the Directors and KMP	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the End of the year	-	-	-	-

II INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the FY 2016 - 17	-	256,179,769		256,179,769
i) Principal Amount				
ii) Interest due but not paid		11,193,157		11,193,157
iii) Interest accrued but not due	-			-
Total (i+ii+iii)	-	267,372,926		267,372,926
Change in Indebtedness during the year				
• Addition		-		-
• Reduction	-	232,500,000		232,500,000
Net Change				
Indebtedness at the end of the FY 2016-17	-	34,872,926		34,872,926
i) i) Principal Amount				
ii) Interest due but not paid	-	15,310,320		15,310,320
iii) Interest accrued but not due				
Total (i+ii+iii)	-	50,183,246		50,183,246

III REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: N.A.

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager				Total Amount
		____	____	____	____	
1	Gross salary					

	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit					
	- others, specify					
5	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. REMUNERATION TO OTHER DIRECTORS: Nil

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
	1. Independent Directors	-	-	-	-	-
	Fee for attending board / committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)					
	2. Other Non-Executive Directors					
	Fee for attending board / committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD : Nil

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
					Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	-	-	-

IV PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD /NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					

Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board
For Phoenix Hospitability Company Private Limited

Ashokkumar Ruia
Director
DIN: 00086762

Shishir Shrivastava
Director
DIN: 01266095

August 8, 2017
Place: Mumbai

A. M. GHELANI & COMPANY
CHARTERED ACCOUNTANTS

224, Champaklal Industrial Estate,
Sion-Koliwada Road, Sion (East),
Mumbai - 400 022.
Tel : 2402 4909 / 8739
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E-mail : amghelaniandco@gmail.com

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
Phoenix Hospitality Company Private Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Phoenix Hospitality Company Private Limited ("the Company"),** which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act, read with relevant rules issued there under. 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 standalone Ind AS 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 standalone Ind As 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 standalone Ind AS financial statements are free from material misstatement.

A.M. GHELANI & COMPANY C.A. MUMBAI

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the financial position of the Company as at March 31, 2017 and its financial performance including other comprehensive income, its cash flows and the changes in equity 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" 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 March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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".

   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.

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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.

iv. The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. [Refer Note 28 to the standalone Ind AS financial statements]

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

A.M. GHELANI & COMPANY * MUMBAI *

Chintan Ghelani
Partner
Membership No.: 104391

Place : Mumbai
Dated : 5th May, 2017

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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

The Annexure referred to in Independent Auditor's Report to the members of the company on the standalone Ind AS Financial Statements for the year ended March 31, 2017, we report that:

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. The Company does not own any immovable property.

ii) As the company had no inventories during the year, clause (ii) of paragraph of 3 of the Order is not applicable to the Company.

iii) The Company has not granted any loans, secured or unsecured, to Companies / firms 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) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the grant of loans, making investments and providing guarantees and securities.

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, 2017 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) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loan or borrowing to a financial institution, bank, government or dues to debenture holders of the company.

A.M.GHELANI & COMPANY
C.A.
MUMBAI

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ix) According to the information and explanations given to us, monies raised by way of Debenture have prima-facie been applied for the purpose for which they were raised.

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 not been paid or provided. Therefore, the provision of clause (xi) of the Paragraph 3 of the Order Not applicable to the Company.

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, 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 made a private placement of optionally fully convertible debenture during the year under review and the requirement of section 42 of The Companies Act, 2013 have been complied with, as regards thereto. According to the information and explanations given to us, the amounts so raised have prima-facie used for the purposes for which these were raised.

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

A.M. GHELANI & COMPANY MUMBAI C.A.

Chintan Ghelani
Partner
Membership No.: 104391

Place : Mumbai
Dated : 5th May, 2017

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"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 **Phoenix Hospitality Company Private Limited** ("the Company") as of March 31, 2017 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 1responsibilities 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

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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, 2017, 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 : 5th May, 2017

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PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED

Notes on Financial Statements for the year ended March 31, 2017

1. Corporate Information:

The Company is a private limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at Phoenix Mills Premises, 462 Senapati Bapat Marg, Lower Parel – West, Mumbai – 400 013.

The Company is engaged in Real Estate & Investment activities, The principle place of business is at 2nd Floor, R.R. Hosiery Bldg., Dr. E Moses road, Mahalaxmi, Mumbai – 400 011.

These financial statements were approved and adopted by the board of directors of the Company in their meeting dated 5th May, 2017.

2. Basis of Preparation of Financial Statements:

The Financial Statements have been prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The Financial statements for all the periods upto and including the year ended March 31, 2016 were prepared in accordance with the accounting standards notified under the section 133 of the Companies Act, 2013 read together with the paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These Financial Statements for the year ended March 31, 2017 are the first financial statements of the Company prepared in accordance with Ind AS. Refer Note 29 for an explanation how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance.

The Financial statements provide comparative information in respect of the previous year. In addition, the company presents Balance sheet as at beginning of the previous year, which is the transition date of Ind AS.

The significant accounting policies used in preparing financial statements are set out in Note 3 of the Notes to Financial Statements.

3. Significant Accounting Policies:

a) Functional and presentation of currency:

The financial statements are presented in India Rupees, which is the Company's functional currency and all amounts are rounded to the nearest rupees.

b) Basis of measurement:

The Financial Statements have been prepared on historical cost basis, except the following:

- Certain financial assets and liabilities that are measured at fair value.
- Defined benefit plans – plan assets measured at fair value.

A.M.GHELANI & COMPANY C.A. MUMBAI

c) **Property, Plant and Equipment:**

Freehold land is carried at historical cost. Capital work in progress, and all other items of property, plant and equipment are stated at historical cost net of accumulated depreciation and accumulated impairment losses, if any.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Such cost includes borrowing costs for long-term construction projects if the recognition criteria are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The expenditure incurred in connection with the Development project which is incomplete, is included in Capital Work-in- Progress and will be capitalized in the year of completion.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the Written Down Value Method to allocate their cost, net of their residual values, over their estimated useful lives as specified by Schedule II to the Companies Act; 2013. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives and method of depreciation are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

d) **Intangible asset:**

Identifiable intangible assets are recognised when the Company controls the asset & it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation methods and periods

Estimated useful lives of Intangible assets are considered as 5 years. Intangible assets are amortised over its useful life using the straight-line method. The amortisation period and the amortisation method for an intangible asset are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

A.M. CHELANI & COMPANY
C.A.
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e) Impairment of Non – Financial Asset:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

f) Cash and cash equivalents:

Cash and cash equivalents includes cash on hand and at bank, deposits held with banks original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

g) Financial Instrument:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity. Classifications of financial instrument are in accordance with the substance of the contractual arrangement and as per the definitions of financial assets, financial liability and an equity instruments.

Financial Assets and investments

i) Initial recognition and measurement:

At initial recognition, the company measures a financial asset (other than financial asset at fair value through profit or loss) at its fair value plus or minus, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit & loss.

ii) Subsequent recognition and measurement:

Subsequent measurement of financial asset depends on the company's business model for managing the asset and the cash flow characteristics of the asset. For the purpose of subsequent recognition and measurement financial assets are classified in three categories:

- **Debt instrument at amortised cost:**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised

A.M.GHELANI & COMPANY C.A. MUMBAI

in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Debt instrument at fair value through other comprehensive income (FVOCI):**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue which are recognised statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Debt instrument at fair value through profit and loss (FVTPL):**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit and loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

iii) De-recognition:

A financial asset is primarily derecognised i.e. removed from Company's financial statement when:

- The rights to receive cash flows from asset have expired or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under 'pass- through' arrangement and either;

  a) The Company has transferred substantially all the risks and rewards of the assets,
  b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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iv) Impairment of Financial asset:

The company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets carried at amortised cost;
- Financial asset measured at FVOCI debt instruments.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

v) Trade receivables:

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value less provision for impairment, if any.

Financial Liabilities:

i) Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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The Company's financial liabilities include trade and other payables, loans and borrowings.

ii) Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and has designated upon initial measurement recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and Borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit and when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Trade and other payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost.

iii) De - recognition:

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

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h) Classification of assets and liabilities as current and non – current:

The Company presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

i) Equity share capital:

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

j) Revenue Recognition:

Revenue is recognised to the extent that it is probable that the future economic benefits will flow to the entity and it can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Interest income

Interest income from debt instrument is recognised using effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of financial asset to the gross carrying amount of financial asset. When calculating effective interest rate, the company expects cash flows by considering all contractual terms of financial instrument but does not consider the expected credit losses.

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k) Borrowing Cost:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for such capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds.

l) Provisions and contingencies:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using the government securities interest rate for the equivalent period. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate. Provisions are not recognised for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the notes to the financial statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

m) Income Taxes:

Current Income Tax:

Current Income Tax liabilities are measured at the amount expected to be paid to the taxation authorities using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulation are subject to interpretation and creates provisions where appropriate.

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Deferred Tax:

Deferred Tax is recognised using Balance sheet approach, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred Income Tax is determined using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period.

Deferred Tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

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

n) Earnings per share:

Basic earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

4. Critical accounting estimates, assumptions and judgements:

The preparation of the financial statements requires management to make estimates, judgements and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses during the period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur

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In the process of applying the Company's accounting policies, management has made the following estimates and judgements, which have significant effect on the amounts recognised in the financial statement:

(a) Depreciation and useful lives of Property, Plant and Equipment

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

(b) Investment Property

Management has assessed applicability of Ind AS 40- Investment property to the property held to earn income from licensee fees. In assessing such applicability, management has considered the ownership of assets, terms of license agreement, various services provided to the licensee etc. The Company considers these other services as significant in addition to the License fees charged. Based on such assessment, the management has considered the mall property as owner-occupied property and hence classified as Property, Plant & Equipment.

(c) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

(d) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Estimates and judgments are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. They are continuously evaluated.

(e) Fair Value measurement:

The Company measures financial instrument such as certain investments, at fair value at each balance sheet date.

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Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or Liabilities

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

A.M.GHELANI & COMPANY C.A. MUMBAI

Phoenix Hospitality Company Private Limited
Balance Sheet as at March 31, 2017

(Amount in Rs.)

Particulars	Notes	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
ASSETS				
(1) Non-Current Assets				
(a) Property, Plant & Equipment	5	5,265	5,265	5,265
(b) Financial Asset				
(i) Investments	6	1,843,554,959	1,843,554,959	1,611,709,656
(c) Other Non-Current Asset	7	95,000	95,000	95,000
(2) Current assets				
(a) Financial Asset				
(i) Cash and Cash Equivalents	8	615,894	1,302,088	2,557,438
(ii) Loans	9	4,125,000	4,525,000	3,525,000
(b) Current Tax Assets (Net)	10	209,900	210,061	1,072,905
(c) Other Current Assets	11	95	95	565,471
Total		**1,848,606,112**	**1,849,692,467**	**1,619,530,735**
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	12	23,214,000	23,214,000	23,214,000
(b) Other Equity	13	1,773,458,644	1,557,550,229	1,570,976,160
LIABILITIES				
(1) Non-Current Liabilities				
(a) Deferred Tax Liability (Net)		-	-	1,504
(2) Current Liabilities				
(a) Financial Liability				
(i) Borrowings	14	34,872,926	256,179,769	25,009,001
(ii) Trade Payables	15	120,098	282,598	266,866
(iii) Other Financial Liabiities	16	15,310,320	11,193,157	-
(b) Provisions	17	-	30	15
(c) Other Current Liabilities	18	1,630,124	1,272,684	63,189
Total		**1,848,606,112**	**1,849,692,467**	**1,619,530,735**

Significant Accounting Policies and Notes to Accounts **1 to 31**

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

A.M. GHELANI & COMPANY C.A. MUMBAI

Chintan A. Ghelani
Partner
Membership No.: 104391
Place : Mumbai
Date : 5th May, 2017

For and on behalf of the Board of Directors

Ashokkumar Ruia
Director
(DIN-0086762)

Atul Ruia
Director
(DIN-00087396)

Phoenix Hospitality Company Private Limited
Statement of Profit and Loss for the Financial Year Ended March 31, 2017

(Amount In Rs.)

Particulars	Notes	For the financial year ended March 31, 2017	For the financial year ended March 31, 2016
Income:			
Other Income	19	540,800	632,501
Total Income		**540,800**	**632,501**
Expenses:			
Other Expenses	20	216,795	599,882
Finance cost	21	16,915,590	13,257,156
Total Expenses		**17,132,385**	**13,857,038**
Profit Before Tax		(16,591,585)	(13,224,537)
Tax Expenses :			
Current Tax		-	-
Deferred Tax		-	(1,504)
		(16,591,585)	(13,223,033)
Tax Adjustments of earlier years		-	(202,898)
(loss) for the year (A)		**(16,591,585)**	**(13,425,931)**
Other Comprehensive Income (B)		-	-
Total Comprehensive Income for the period (A + B)		**(16,591,585)**	**(13,425,931)**
Earning Per Equity Share: [Refer Note "26 '] Basic & Diluted EPS (Face Value of Rs. 10/- each)		**(7.15)**	**(5.78)**

Significant Accounting Policies and Notes to Accounts 1 to 31

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

A.M. GHELANI & COMPANY C.A. MUMBAI

Chintan A. Ghelani
Partner
Membership No. : 104391
Place : Mumbai
Date : 5th May, 2017

For and on behalf of the Board of Directors

Ashokkumar Ruia
Director
(DIN-00086762)

Atul Ruia
Director
(DIN-00087396)

PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED
Cash Flow Statement For The Year Ended 31, March 2017

(Amount In Rs.)

Sr. No.	Particulars	For the financial year ended March 31, 2017	For the financial year ended March 31, 2016
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit /(Loss) before Taxation	(16,591,585)	(13,224,537)
	Adjusted for :		
	Interest Income	(538,912)	(540,677)
	Interest Expense	16,915,590	13,257,156
	Operating Profit / (loss) before Working Capital Changes	**(214,907)**	**(508,058)**
	Adjustments for Changes in Working Capital:		
	Other Current Liabilities	4,528,615	11,224,823
	Trade Payables	(162,500)	15,732
		4,151,208	10,732,497
	Less: Taxes(paid)/ received	(53,881)	1,185,007
	Net Cash generated from/(used in) Operating Activities	**4,097,327**	**11,917,504**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Interest Received on Inter Corporate Deposits	538,912	540,677
	Advances Recoverable in Cash / Kind	400,000	218,160
	Purchase of Equity shares [Investments] - CCDS / CONVERSIONS ETC	-	(231,845,303)
	Net Cash generated from/(used in) Investing Activities	**938,912**	**(231,086,466)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Inter Corporate Deposits taken/(refunded) [Net]	(221,306,843)	231,170,768
	OFCD issued	232,500,000	-
	Interest Expense on ICD	(16,915,590)	(13,257,156)
	Net Cash generated from/(used in) Financing Activities	**(5,722,433)**	**217,913,612**
	Net Increase/ (Decrease) in Cash and Cash Equivalents	**(686,194)**	**(1,255,350)**
	Opening Balance of Cash and Cash Equivalents	1,302,088	2,557,438
	Closing Balance of Cash and Cash Equivalents	615,894	1,302,088

Notes:-

a	Cash and Cash Equivalents includes :		
	Cash and Bank Balances [As per Note "8"]	**615,894**	**1,302,088**

b The figures in brackets represent Cash outflows.

c The Figures of the previous year have been regrouped and/or recast wherever necessary, so as to conform to the current year's classification.

As per our Report of even date

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

A.M. GHELANI & COMPANY C.A. MUMBAI

Chintan A. Ghelani
Partner
Membership No. 104391
Place : Mumbai
Date : 5th May 2017

For and on behalf of the Board of Directors

Ashokkumar Ruia
Director
(DIN-00086762)

Atul Rũia
Director
(DIN- 00087396)

Phoenix Hospitality Co Pvt Ltd.
Statement of changes in equity for the Year ended March 31, 2017

A. Equity share capital

	Opening balance as at April 1, 2015	Changes in equity share capital during the year	Closing balance as at March 31, 2016	Changes in equity share capital during the year	Closing balance as at March 31, 2017
Equity Shares Capital	23,214,000	-	23,214,000	-	23,214,000
	23,214,000	**-**	**23,214,000**	**-**	**23,214,000**

B. Other Equity

Other Equity	Equity Component of compounded Financial Instruments	Reserves & Surplus		Total
		Securities Premium	Retained Earnings	
Balances at April 1, 2015	30,318,000	1,528,420,836	12,237,324	1,570,976,160
Profit for the year		-	(13,425,931)	(13,425,931)
Balances at March 31, 2016	**30,318,000**	**1,528,420,836**	**(1,188,607)**	**1,557,550,229**
Profit for the year	-	-	(16,591,585)	(16,591,585)
OFCD issued during the Year	232,500,000	-	-	232,500,000
Balances at March 31, 2017	**262,818,000**	**1,528,420,836**	**(17,780,192)**	**1,773,458,644**

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

Chintan A. Ghelani
Partner
Membership No.: 104391
Place : Mumbai
Date : 5th May, 2017

A. M. GHELANI & COMPANY * MUMBAI *

For and on behalf of the Board of Directors

Ashokkumar Ruia
Director
(DIN-0086762)

Atul Ruia
Director
(DIN-00087396)

Phoenix Hospitality Company Private Limited.

Notes to financial statements for the Year Ended March 31, 2017

Note 5: Property, Plant & Equipment

	Computer
Gross Block	
As at April 1, 2015	120,640
Additions/ (Disposals)	-
As at March 31, 2016	120,640
Additions/ (Disposals)	-
As at March 31, 2017	**120,640**
Accumulated Depreciation	
As at April 1,2015	115,375
Charged for the year	-
To be trfd to Retained Earnings	-
As at March 31, 2016	115,375
Charged for the year	-
As at March 31, 2017	**115,375**
Net Block[W.D.V.]	
As at 1, April 2015	**5,265**
As at March 31, 2016	5,265
As at March 31, 2017	**5,265**

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Phoenix Hospitality Company Private Limited

Notes forming part of Balance Sheet as at March 31, 2017

(Amount in Rs.)

Notes	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
6	**Non current financial assets : Investments**			
	Investments at cost, unless otherwise stated			
	Investments in equity Instruments (Unquoted)			
	(Equity Shares of Rs. 10/- each, fully paid up & percentage of holding)			
	Investment in subsidiaries			
	52,250 - 77.73% (March 31, 2016 - 52,250 - 77.33% , April 1, 2015 - 52,250 - 77.33%) Graceworks Realty & Leisure Pvt. Ltd.	522,500	522,500	522,500
	1,158,950 - 57.99% (March 31, 2016 -1,158,950 - 57.99%,	176,759,520	176,759,520	176,759,520
	Investment in fellow subsidiary			
	80 - 0.8% (March 31, 2016 -80-0.8%, April 1, 2015 -80-0.8%)) Mugwort Land Holdings Private Limited	800	800	800
	15,586,495 - 47.55% (March 31, 2016 -14,357,706 - 43.80% , April 1, 2015 -14,357,706 - 43.80%) Palladium Construction Pvt Ltd.	1,439,980,161	1,439,980,161	1,208,134,858
	2,070,800 - 41.48% (March 31, 2016 -2,070,800 - 41.48%, April 1, 2015 -2,070,800 - 41.48%)) Gangetic Hotels Pvt. Ltd.	104,170,000	104,170,000	104,170,000
	Investment In Associates			
	2,499,374 - 49.99% (March 31, 2016- 2,499,374- 49.99%, April 1, 2015- 2,499,374- 49.99%) Star Board Hotels Pvt. Ltd	24,993,740	24,993,740	24,993,740
	5,000- 50% (March 31, 2016- 5,000- 50%, April 1, 2015- 5,000- 50%)) Mirabel Entertainment Pvt Ltd.	53,528	53,528	53,528
	Investment In Debentures (Unquoted)			
	Investment In subsidiaries			
	601,183 (March 31, 2016- 6,01,183, April 1, 2015 - 6,01,183) OCD's in Graceworks Realty & Leisure Pvt. Ltd. Face Value of 100 each	60,118,300	60,118,300	60,118,300
	Investment In Associates			
	7,000 (March 31, 2016 - 7,000, April 1, 2015 - 7,000) CCD's in Mirabel Entertainment Pvt Ltd. Face value Rs 100 each.	700,000	700,000	700,000
	351,564 (March 31, 2016 - 351,564, April 1, 2015 - 351,564) CCD's in Star Board Hotels Pvt Ltd. - Face value Rs 100 each. ***	35,156,410	35,156,410	35,156,410
	Investment In Others			
	4,000 (March 31, 2016 - 4,000, April 1, 2015 - 4,000) ACME Hospitality Services Pvt Ltd. - Face value Rs 100 each. ***	400,000	400,000	400,000
	7,000 (March 31, 2016 -7,000, April 1, 2015 -7,000) Insight Hotels & Leisure Pvt. LTD. - Face value Rs 100 each. ***	700,000	700,000	700,000
	*** Each CCD's shall be converted into 10 fully paid up equity shares at the request of the CCD Holders not before the expiry of 10 years from date of allotement. CCD's carrying coupon rate of 0.0001%			
		1,843,554,959	**1,843,554,959**	**1,611,709,656**
7	**Other Non-Current Asset**			
	Capital advances - Holding Company	95,000	95,000	95,000
		95,000	**95,000**	**95,000**
8	**Cash & Cash Equivalents**			
	a. Balances with Banks			
	In current accounts	614,155	1,299,798	2,554,414
	b. Cash on hand	1,739	2,290	3,024
		615,894	**1,302,088**	**2,557,438**
9	**Current financial assets : Loans**			
	Inter Corporate Deposits :			
	Associates	4,125,000	4,525,000	3,525,000
		4,125,000	**4,525,000**	**3,525,000**
10	**Current Tax Assets (Net)**			
	Taxes Paid (Net of Provisions)	209,900	210,061	1,072,905
		209,900	**210,061**	**1,072,905**
11	**Other Current Assets**			
	Interest Receivable on ICD (From Associates)	-	-	565,379
	Interest Receivable on CCD	95	95	92
		95	**95**	**565,471**

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Phoenix Hospitality Company Private Limited
Notes forming part of Balance Sheet as at March 31, 2017

(Amount In Rs.)

Notes	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
12	**Equity Share Capital**			
	Authorised			
	4,000,000 (March 31, 2016 - 4,000,000, April 1, 2015 - 4,000,000) Equity Shares of Rs.10/- each	40,000,000	40,000,000	40,000,000
	Issued, subscribed and fully paid up			
	2,321,400 (March 31, 2016 -2,321,400, April 1, 2015 -2,321,400) Equity Shares of Rs.10/- each fully paid up	23,214,000	23,214,000	23,214,000
		23,214,000	23,214,000	23,214,000
	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	2,321,400	2,321,400	2,321,400
	Shares issued during the year	-	-	-
	Shares bought back during the year	-	-	-
	Shares outstanding at the end of the year	2,321,400	2,321,400	2,321,400
	b) Shares held by :-			
	Holding Company			
	The Phoenix Mills Limited, 1,321,400 (March 31, 2016 - 1,321,400, April 1, 2015 - 1,321,400) equity shares of Rs 10 each fully paid	13,214,000	13,214,000	13,214,000
	Associates			
	1) Ruia International Holding Company Private Limited 999,800 (March 31, 2016 - 999,800, April 1, 2015 - 999,800) equity shares of Rs 10 each fully paid	9,998,000	9,998,000	9,998,000
	2) Ruia International Holding Company Private Limited jointly with Ashok Ruia 100 (March 31, 2016 - 100, April 1, 2015 - 100) equity shares of Rs 10 each fully paid	1,000	1,000	1,000
	3) Ruia International Holding Company Private Limited Jointly with Atul Ruia 100 (March 31, 2016 - 100,April 1, 2015 - 100) equity shares of Rs 10 each fully paid	1,000	1,000	1,000

c) Details of shareholders holding more than 5% Shares in the company Equity Shares of Rs. 10 each fully paid	March 31, 2017		March 31, 2016		April 1, 2015	
	Number of shares	% of Holdings	Number of shares	% of Holdings	Number of shares	% of Holdings
The Phoenix Mills Limited - Holding Company	1,321,400	56.92	1,321,400	56.92	1,321,400	56.92
Ruia International Holding Company Private Limited	999,800	43.07	999,800	43.07	999,800	43.07

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.

Notes	Particulars	March 31, 2017	March 31, 2016	April 1, 2015
13	**Other Equity**			
	Equity Component of Compound Financial Instrument	232,500,000	-	-
	3,03,180 (March 31, 2016 - 3,03,180, April 1, 2015 - 3,03,180) Compulsorily Convertible Debentures (CCD's) of Rs 100 each. (Ref note below)	30,318,000	30,318,000	30,318,000
	Note : Note : The CCD's with a face value of Rupees 100/-, carry a coupon rate of 0.0001%. Each CCD shall be converted into fully paid -up equity shares of the Company at the request of the CCD holders, not before the expiry of 10 years from the date of allotment. However, the parties shall extend the period of conversion as may be agreed to between the CCD holders and approved by the shareholders in general meeting. After the expiry of 10 years or such other period as may be agreed by the CCD holders and approved by the shareholders, , 1 CCDs having face value of Rs 100/- each would be complulorily converted into such number of equity shares of Rs 10 each of the Company at the premium of Rs 1,540/- per share.			
	Securities Premium	1,528,420,836	1,528,420,836	1,528,420,836
	Surplus/(deficit) in the statement of Profit and Loss			
	As at the Beginning of the year	(1,188,607)	12,237,324	11,761,916
	(+) Net Profit/(Net Loss) For the year	(16,591,585)	(13,425,931)	475,408
	As at the end of the year	(17,780,192)	(1,188,607)	12,237,324
		1,773,458,644	1,557,550,229	1,570,976,160
14	**Current Financial liabilities - Borrowings**			
	(Unsecured)			
	Inter Corporate Deposits (Repayable on Demand):			
	The Phoenix Mills Limited - Holding Company	18,070,095	241,179,769	8,709,001
	Island Star Mall Developers Pvt Ltd.- Fellow Subsidiary	16,802,831	15,000,000	16,300,000
		34,872,926	256,179,769	25,009,001
15	**Trade Payables**			
	Micro and Small Enterprises	-	-	-
	Total outstanding dues of creditors other than micro and small enterprises	120,098	282,598	266,866
		120,098	282,598	266,866

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Phoenix Hospitality Company Private Limited
Notes forming part of Balance Sheet as at March 31, 2017

(Amount in Rs.)

Notes	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
16	**Current Financial Liabilites - Others**			
	Interest accrued and due [On ICD from Holding Company]	13,603,530	9,390,326	-
	Interest accrued and due [On ICD From Fellow Subsidiary]	1,706,790	1,802,831	-
		15,310,320	11,193,157	-
17	**Current Liablities - Provisions**			
	Provision for Expenses	-	30	15
		-	30	15
18	**Other Current Liabilities**			
	Statutory Dues	1,630,124	1,272,684	63,189
		1,630,124	1,272,684	63,189

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Phoenix Hospitality Company Private Limited
Notes on Financial Statement for the Financial Year Ended March 31, 2017

(Amount in Rs.)

Notes	Particulars	For the Financial Year ended March 31, 2017	For the financial year ended March 31, 2016
19	**Other Income**		
	Interest on ICDs	538,814	540,424
	Interest on CCD	98	253
	Interest on Income Tax Refund	1,888	91,824
		540,800	**632,501**
20	**Other Expenses**		
	Filing Fees	24,597	13,656
	Legal and Professional expenses	46,510	151,550
	Payment to the Auditors		
	Audit Fees	145,000	286,250
	Bank charges	688	8,164
	Interest on Income Tax	-	140,262
		216,795	**599,882**
21	**Finance cost**		
	Interest On ICD [From Related Parties]	16,915,444	13,257,126
	Interest on CCD	30	30
	Interest on OFCD	116	-
		16,915,590	**13,257,156**

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22 Fair Value of Financial assets and Liabilities:

Set out below is the comparison by class of carrying amounts and fair value of Company's financial instruments that are reognised in the financial

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets designated at amortised cost						
Cash and Cash Equivalents	615,894	615,894	1,302,088	1,302,088	2,557,438	2,557,438
Total	615,894	615,894	1,302,088	1,302,088	2,557,438	2,557,438
Financial liabilities designated at amortised cost						
Borrowings - Fixed rate	34,872,926	34,872,926	256,179,769	256,179,769	25,009,001	25,009,001
Trade payables	120,098	120,098	282,598	282,598	266,866	266,866
Other financial liabilities	15,310,320	15,310,320	11,193,157	11,193,157	-	-
Total	50,303,344	50,303,344	267,655,524	267,655,524	25,275,867	25,275,867

Fair valuation techniques:

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values

1 Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

2 Long-term variable-rate borrowings are evaluated by the Company based on parameters such as interest rates, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. Risk of non-performance for the company is considered to be insignificant in valuation.

Fair Value hierarchy:

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:
Level 1: Quoted prices / published NVA (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). It includes fair value of the financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Particulars	2016-17			2015-16		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets /Liabilities measured at fair value						
Financial Asset:						
Investments		-	1,843,554,959	-	-	1,843,554,959

During the year ended March 31, 2016 and March 31, 2015, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements. There is no transaction / balance under level 3.

23 Financial risk Management:

The Company's financial liabilities comprise borrowings, trade payables and other payables. The main purpose of managing financial liabilities is to manage finances for the Company's operations. The Company has loan and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management has establised a risk management policy to identify an analyse the risks, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk managemnet policy is reviewed periodically to reflect changes in market conditions and the Company's activities. It is the Compny's policy not to acquire or issue derivative financial instrument for trading or speculative purposes. The Company's senior management reviews and agrees policies for managing each of these risks, which are summarised below.

- **Market risk:**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and investments in securities.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign exchange risk through purchases of goods or services from overseas supplier in foreign currency. The Company generally transcats in US dollar. The foreign exchange rate exposure is balanced by purchasing of goods or services in the respective currency.

The Company is exposed to insignificant foreign exchange risk as at the respective reporting dates.

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Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as the Company has fixed rate of borrowings as at the respective reporting dates.

Commodity and Other price risk

The Company is not exposed to the comodity and other price risk.

- **Credit Risk**

Credit risk is the risk of financial loss to the Company that a customer or counter party to a financial instrument fails to meet its obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds and financial institutions and other financial instruments.

Trade and other recivables:

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers.

Cash and cash equivalents on other investments

The Company is exposed to counter party risk relating to medium term deposits with banks

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations.

Exposure to credit risk

The gross carrying amount of financial assets, net of impairment losses recognised represents the maximum credit exposure. The maximum exposure to credit risk as at March 31.2017 and March 31, 2016 is as follows:

	As at 31/03/2017	As at 31/03/2016
Financial assets for which loss allowances is measured using 12 months Expected Credit Losses (ECL):		
Other Investments	1,843,554,959	1,843,554,959
Cash and cash equivalents	615,894	1,302,088
Loans	4,125,000	4,525,000
Financial assets for which loss allowances is measured using Life time Expected Credit Losses (ECL):		
Trade receivables	-	-

Cash and Cash equivalent, other investment, Loans an other financial assets are neither past due nor impaired. Management is of view that these financial assets are considered good and 12 months ECL is not provided.

- **Liquidity risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current borrowings are sufficient to meet its short to medium term expansion needs. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Company is required to maintain ratios (such as debt service coverage ratio and secured coverage ratio) as mentioned in the loan agreements at specified levels. In the event of failure to meet any of these ratios these loans become callable to the extent of failture at the option of lenders, except where exemption is provided by lender.

	As at March 31, 2017					
Particulars	Carrying Amount	On Demand	Less than 6 months	6- 12 months	>1 years	Total
Borrowings	34,872,926	34,872,926	-	-	-	34,872,926
Other Financial Liabilities	15,310,320	15,310,320	-	-	-	15,310,320
Trade and other payables	120,098	120,098	-	-	-	120,098

	As at March 31, 2016					
Particulars	Carrying Amount	On Demand	Less than 6 months	6- 12 months	>1 years	Total
Borrowings	256,179,769	256,179,769	-	-	-	256,179,769
Other Financial Liabilities	11,193,157	11,193,157	-	-	-	11,193,157
Trade and other payables	282,598	282,598	-	-	-	282.598

Capital management

The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended March 31, 2017 and March 31, 2016.

For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves. Net debt includes,

Particulars	As At 31-03-2017	As At 31-03-2016
Loans and Borrowings	34,872,926	256,179,769
Less: Cash and cash equivalents	615,894	1,302,088
Net Debt	34,257,032	254,877,681
Total Capital	1,796,672,644	1,580,764,229
Capital+Net Debt	1,830,929,676	1,835,641,910
Gearing Ratio	0.02	0.14

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Particulars

Taxation

24 Related party Disclusure:

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods, are:

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

	Name of the party	Relationship
1	The Phoenix Mills Limited	Holding Company
2	Gracework Realty & Leisure Private Limited	Subsidiary
3	Alliance Spaces Private Limited	Subsidiary
4	Mugwort Land Holdings Private Limited	Fellow Subsidiary
5	Island Star Mall Developers Private Limited	Fellow Subsidiary
6	Palladium Construction Private Limited	Fellow Subsidiary
7	Gangetic Hotels Pvt Ltd	Fellow Subsidiary
8	Mirabel Entertainment Private Limited	Associates
9	Starboard Hotels Private Limited	Associates

b) Transactions during the year:

(Amount in Rs.)

	Nature of transactions	Interest on ICD - Paid	ICD Taken	OFCD Issue	ICD Refunded	Interest on ICD - Received
1	The Phoenix Mills Limited	15,115,033 (10,433,695)	- (232,500,000)	232,500,000 (-)		
2	Island Star Mall Developers Private Limited.	1,800,411 (2,003,146)	23,255,550 13,252,100	- -	- (1,300,000)	- -
3	Mirabel Entertainment Pvt Ltd.	- -	- -	- -	400,000 (1,000,000)	538,814 (540,424)

c) Closing Balance as on March 31, 2017:

	Particulars	With Holding Company			
		Borrowings	Interest Accured	Capital Advance	Compulsorily Convertible Debentures-
1	The Phoenix Mills Ltd.	18,070,095 (241,179,769) (8,709,001)	13,603,500 (9,390,326) -	95,000 (95,000) (95,000)	30,318,000 (30,318,000) (30,318,000)

	Particulars	With Subsidiary Company
		Investment in Debentures
1	Gracework Realty & Leisure Private Limited	60,118,300 (60,118,300) (60,118,300)
2	Alliance Spaces Private Limited	- (-) (-)

Sr. No.	Particulars	With Fellow Subsidiary Company	
		Inter Corporate Deposit	Interest Accured
1	Island Star Mall Developers Pvt Ltd.	15,000,000 (15,000,000) (16,300,000)	1,706,790.0 (1,802,831.0) (-)

Sr. No.	Particulars	With Associate Company		
		Investment in Debentures	Inter Corporate Deposit	Interest Accured
1	Mirabel Entertainment Co. Pvt Ltd.	700,000 700,000 (700,000)	4,125,000 (4,525,000) (3,525,000)	538,814 (540,424) (565,379)
2	Star Board Hotels Pvt. Ltd.	35,156,410 (35,156,410) (35,156,410)	- - -	- - -

Note : - Figures in brackets represents previous year's figures.

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25 Segment reporting:

The Company is mainly engaged in Real Estate & Investment activities. 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 Indian Accounting Standard (IND AS)108 –'Segment Reporting'

26 Earning per share:

Particulars	**2016-17**	**2015-16**
i) Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	(16,591,585)	(13,425,931)
ii) Weighted Average number of equity shares used as denominator for calculating EPS	2,321,400	2,321,400
iii) Basic and Diluted Earnings per share (Rs.)	(7.15)	(5.78)
iv) Face value per equity share (Rs.)	10	10

27 Additional Information as required under Section 186(4) of the Companies Act, 2013 during the year:

Name of the Company	**Amount**
i) Investment made in Body Corporate.	
a) Investment in Equity Shares	
Graceworks Realty & Leisure Pvt. Ltd.	522,500
Alliance Spaces Pvt. Ltd.	176,759,520
Mugwort Land Holdings Private Limited	800
Palladium Construction Pvt Ltd.	1,439,980,161
Gangetic Hotels Pvt. Ltd.	104,170,000
Star Board Hotels Pvt. Ltd.	24,993,740
Mirabel Entertainment Pvt Ltd.	53,528
b) Investment in Debentures	
OCD's -Graceworks Realty & Leisure Pvt. Ltd.	60,118,300
CCD's - Mirabel Entertainment Pvt Ltd.	700,000
CCD's -Star Board Hotels Pvt Ltd.	35,156,410

ii) Loan given by the Company to Body Corporate or person is as under:

Name of the Company	**Amount**	**Purpose**
Mirabel Entertainment Pvt Ltd.	4,125,000	Inter corporate Deposit

iii) No Guarantee is given by the Company.

28 Details of Specified Bank Notes (SBN) held and transcated during the period 8/11/2016 to 30/12/2016:

Particulars	**SBNs**	**Other denomination notes**	**Total**
Closing cash in hand as on 08.11.2016	-	2,290	2,290
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing balance 30.12.2016	-	2,290	2,290

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29 First Time Adoption:

Basis of preparation:
For all period up to and including the year ended March 31, 2016, the Company has prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements for the year ended March 31, 2017 are the Company's first annual IND AS financial statements and have been prepared in accordance with IND AS.

Accordingly, the Company has prepared financial statements which comply with IND AS applicable for periods beginning on or after April 1, 2015 as described in the accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as at April 1, 2015 the Company's date of transition to IND AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP Balance Sheet as at April 1, 2015 and its previously published Indian GAAP financial statements for the year ended March 31, 2016.

Exemptions Applied:

IND AS 101 First-time adoption of Indian Accounting Standards allows first time adopters certain exemptions from the retrospective application of certain IND AS, effective for April 1, 2015 opening balance sheet.

Following exceptions to the retrospective application of other IND AS as per Appendix D of IND AS 101.

Deemed cost of Property,Plant and Equipment:
The Company has elected to continue with the carrying value for all of its PPE as recognised in the financial statements as at the date of transition to IND as and measured as per previous GAAP an used that as its deemed cost as at the date of transition to IND AS.

The Company has decided to disclose prospectively from the date of transition the following as required by IND AS 19

The present value of the defined benefit obligation, the fair value of the plan assets and the surplus or deficit in the plan, and

The experience adjustments arising on;
a) The plan liabilities expressed as either an amount or a percentage of the plan liabilities at the end of the reporting period; and

b) The plan assets expressed as either an amount or a percentage of the plan liabilities at the end of the reporting period.

Financial assets and liabilities:
The Company has financial receivables and payables that are non-derivative financial instruments. Under previous GAAP, these were carried at transactions cost less allowances for impairment, if any. Under IND AS, these are financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost, less allowance for impairment, if

Impact of transition to IND AS

The following is a summary of the effects of the differences between IND AS and Indian GAAP on the Company's total equity shareholders' funds and profit and loss for the financial periods previously reported under Indian GAAP following the date of transition to IND AS.

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PHOENIX HOSPITALITY COMPANY PVT LTD.
Notes on Financial Statements for year ended March 31, 2017

Reconcilition of Balance Sheet as at April 1, 2015

(Amount in Rs.)

Particulars	As per Indian GAAP As at March 31,2015	Adjustment	As per IND AS As At April 1, 2015
I. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant & Equipment	5,265	-	5,265
(b) Financial Asset		-	-
(i) Investments	1,611,709,656	-	1,611,709,656
(c) Other Non-Current Asset	95,000	-	95,000
(2) Current assets			
(a) Financial Asset			
(i) Cash and Cash Equivalents	2,557,438		2,557,438
(ii) Short-Term Loans and Advances	3,525,000	-	3,525,000
(b) Current Tax Assets (Net)	1,072,905	-	1,072,905
(c) Other Current Assets	565,471	-	565,471
		-	-
TOTAL	**1,619,530,735**	**-**	**1,619,530,735**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	23,214,000	-	23,214,000
(b) Other Equity	1,540,658,160	30,318,000	1,570,976,160
		-	-
		-	-
LIABILITIES			
(1) Non-Current Liabilities			
(a) Deferred Tax Liability (Net)	1,504		1,504
			-
(2) Current Liabilities		-	-
(a) Financial Liability			-
(I) Borrowings	25,009,001	-	25,009,001
(II) Trade Payables	266,866	-	266,866
(iii) Other Financial Liabiities	63,189	-	63,189
(b) Provisions	15	-	15
TOTAL	**1,589,275,924**	**30,318,000**	**1,619,530,735**

Reconciliation of Other Equity as at April1, 2015

Particulars	Securities Premium	Retained Earnings	Total
As at April 1, 2015 (IGAAP)	1,528,420,836	12,237,324	1,540,658,160
Less:			
Expected credit loss provision as per IND AS	-	-	-
As at April 1, 2015 (IND AS)	1,528,420,836	12,237,324	1,540,658,160

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PHOENIX HOSPITALITY COMPANY PVT LTD.
Notes on Financial Statements for year ended March 31, 2017

30 Reconciltion of Balance Sheet as at March 31, 2016

(Amount in Rs.)

Particulars	Notes	As per IGAAP As at March 31, 2016	Adjustments	As per IND AS As at March 31, 2016
ASSETS				
(1) Non-Current Assets				
(a) Property, Plant & Equipment		5,265	-	5,265
(b) Financial Asset			-	-
(i) Investments		1,843,554,959	-	1,843,554,959
(c) Other Non-Current Asset		95,000	-	
			-	-
(2) Current assets			-	
(a) Financial Asset			-	-
(i) Cash and Cash Equivalents		1,302,088	-	1,302,088
(ii) Short-Term Loans and Advances		4,525,000	-	4,525,000
(b) Current Tax Assets (Net)		210,061	-	210,061
(c) Other Current Assets		95	-	95
TOTAL		**1,849,692,467**	**-**	**1,849,597,467**
EQUITY AND LIABILITIES				
EQUITY			-	-
(a) Equity Share Capital		23,214,000	-	23,214,000
(b) Other Equity		1,557,550,229	-	1,557,550,229
		-	-	
			-	
LIABILITIES			-	-
(1) Non-Current Liabilities			-	-
(a) Deferred Tax Liability (Net)		-	-	-
			-	-
(2) Current Liabilities			-	-
(a) Financial Liability			-	-
(i) Borrowings		256,179,769	-	256,179,769
(iii) Other Financial Liabiities		11,193,157	-	11,193,157
(b) Provisions		30	-	30
(c) Other Current Liabilities		1,272,684	-	1,272,684
			-	-
TOTAL		**1,849,692,467**	**-**	**1,849,692,467**

Reconciliation of Other Equity as at March 31, 2016

Particulars	Securities Premium	Retained Earnings	Total
As at March 31, 2016 (IGAAP)	1,528,420,836	(1,188,607)	1,527,232,229
Less:			
Expected credit loss provision as per IND AS	-	-	-
Other Comprehensive income, net of income tax	-	-	-
As at March 31, 2016 (IND AS)	**1,528,420,836**	**(1,188,607)**	**1,527,232,229**

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C.A.
MUMBAI

PHOENIX HOSPITALITY COMPANY PVT LTD.
Notes on Financial Statements for year ended March 31, 2017

Reconciliation of statement of Profit and Loss for the year ended March 31, 2016.

(Amount In Rs.)

Particulars	2015-16	Adjustment	2015-16
Income:			
	-	-	-
Other Income	632,501	-	632,501
Total Revenue	**632,501**	-	**632,501**
Expenses:			
	-	-	-
Other Expenses	599,882		599,882
			-
Finance cost	13,257,156		13,257,156
			-
Total Expenses	**13,857,038**	-	**13,857,038**
Profit Before Tax	(13,224,537)	-	(13,224,537)
Less : Tax expenses			
Current Tax	-	-	-
Deferred Tax	(1,504)	-	(1,504)
Tax Adustment for Earlier year	(202,898)	-	(202,898)
			-
Profit for the year	**(13,425,931)**	-	**(13,425,931)**
Other Comprehensive Income			
Items that will be reclassified to Profit & Loss	-	-	-
Income tax relating to Items that will be reclassified to Profit	-	-	-
			-
			-
Other Comprehensive Income for the period (B)	-	-	-
Total Comprehensive Income for the period (A+B)	**(13,425,931)**	-	**(13,425,931)**
		-	-
Earning per Equity share of Face Value of Rs 10 each			
Basic and Diluted (In Rs.)	-		**-5.78**
	-		-

31 **Segment reporting:**

The Company is mainly engaged in real estate & Investment activities. Accordingly, the Company has only one identifiable segment reportable under IndAS 108"Operating Segment".

Director (the'Chief Operational Decision Maker as defined in Ind AS 108 – Operating Segments) monitors the operating results of the entity's business for the purpose of making decisions about resource allocation and performance assessment.

Trade receivables and trade payables are subject to confirmations and reconciliations/ adjustments arising there from, If any. The same is not expected to have any material impact on the financial statements, as per the management.

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

A. M. GHELANI & COMPANY C.A. MUMBAI

Chintan A. Ghelani
Partner
Membership No.: 104391
Place : Mumbai
Date : 5th May, 2017

For and on behalf of the Board of Directors

Ashokkumar Rula
Director
(DIN-0086762)

Atul Rula
Director
(DIN-00087396)