

**PHOENIX HOSPITALITY COMPANY
PRIVATE LIMITED**

TENTH ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

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 Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that we are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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



A. M. GHELANI & COMPANY
CHARTERED ACCOUNTANTS

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required under provisions of section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial control over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".



A. M. GHELANI & COMPANY
CHARTERED ACCOUNTANTS

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations.
 - ii. The Company did not have any long term contracts including derivative contracts that require provision under any law or accounting standards for which there were any material foreseeable losses.
 - iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year.

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


Chintan Ghelani

Partner
Membership No.: 104391



Place : Mumbai

Dated : **6 MAY 2016**

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

- i) In respect of its Fixed Assets :
- a. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets on the basis of 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) In respect of its Inventories :
- As the company did not carry any items of raw materials, Components, stores and spare parts in the inventory during the year, clause (ii) of paragraph 3 of the aforesaid order is not applicable to the company.
- iii) The Company has granted unsecured loan, to Companies / firms or other parties covered in the register maintained under section 189 of the Act.
- a. The repayment of principal amounts and interest if any are regular.
 - b. There are no overdue amounts.
- iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the companies Act, 2013 in respect of loans, investments, guarantees and security.
- 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 namely Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, if applicable, and any other applicable statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2016 for a period of more than six months from the date of becoming payable.
 - b. According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess on account of any dispute, which have not been deposited.



A. M. GHELANI & COMPANY
CHARTERED ACCOUNTANTS

- viii) According to the records examined by us and the information and explanation given to us, we are of the opinion that the company has not defaulted in re-payment of dues to financial institution and banks.
- ix) The Company has not raised any money by way of initial public offering or further public offer (including Debt instruments). The Company has not obtained any Term Loans during the year.
- x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) Based upon the audit procedures performed and information and explanation given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of section 197 read with "schedule V" to the companies Act, 2013.
- 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 debentures during the year under review. Accordingly, the provision of clause (xiv) of paragraph 3 of the Order Not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.
- xvi) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. .

For A.M. Ghelani & Company

Chartered Accountants

Registration No : 103173W



Chintan Ghelani

Partner

Membership No.: 104391



Place : Mumbai

Dated : 6 MAY 2016

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

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

We have audited the internal financial controls over financial reporting of **Phoenix Hospitality Company Private Limited** (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures



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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting" criteria established by the Company considering the essential components of internal financial control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chintan Ghelani
Partner

Membership No.: 104391



Place : Mumbai

Dated : **6 MAY 2016**

Phoenix Hospitality Company Private Limited

(CIN : U55209MH2006PTC161066)

Balance Sheet as at 31st March, 2016

(Amount in Rs.)

Particulars	Notes	As at March 31, 2016	As at March 31, 2015
<u>Equity and Liabilities</u>			
Shareholders Funds			
Share Capital	A	23,214,000	23,214,000
Reserves and Surplus	B	1,527,232,229	1,540,658,160
		1,550,446,229	1,563,872,160
Non Current Liabilities			
Long Term Borrowings	C	30,318,000	30,318,000
Deferred Tax Liability <i>[Refer B(6) of Note "P"]</i>		-	1,504
		30,318,000	30,319,504
Current Liabilities			
Short Term Borrowings	D	256,179,769	25,009,001
Trade Payables Total outstanding dues of creditors other than micro and small enterprises	E	282,598	266,866
Other Current Liabilities	F	12,465,871	63,204
		268,928,238	25,339,071
TOTAL		1,849,692,467	1,619,530,735
<u>Assets</u>			
Non Current Assets			
Fixed Assets Tangible	G	5,265	5,265
Non Current Investments	H	1,843,554,959	1,611,709,656
Long Term Loans and advances	I	95,000	95,000
		1,843,655,224	1,611,809,921
Current Assets			
Cash and Cash Equivalents	J	1,302,088	2,557,438
Short Term Loans and Advances	K	4,735,061	4,597,905
Other Current Assets	L	95	565,472
		6,037,244	7,720,815
TOTAL		1,849,692,467	1,619,530,735

Significant Accounting Policies and Notes to Accounts

P

The accompanying Notes are an integral part of the financial statements

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

Chintan A. Ghelani
Partner
Membership No.: 104391
Place : Mumbai
Date : 6th May 2016



For and on behalf of the Board of Directors

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, 2016

(Amount in Rs.)

Particulars	Notes	For the financial year ended March 31, 2016	For the financial year ended March 31, 2015
Income:			
Revenue from operations		-	-
Other Income	M	632,501	2,335,324
TOTAL REVENUE		632,501	2,335,324
Expenses:			
Operational and Other Expenses	N	599,882	341,246
Finance cost	O	13,257,156	1,398,686
TOTAL EXPENSES		13,857,038	1,739,932
Profit Before Tax		(13,224,537)	595,392
Tax Expenses :			
Current Tax		-	120,000
Deferred Tax		(1,504)	(16)
		(13,223,033)	475,408
Tax Adjustments of earlier years		(202,898)	-
Profit for the year		(13,425,931)	475,408
Earning Per Equity Share:			
[Refer B(4) of Note "P"]			
Basic & Diluted EPS (Face Value of Rs. 10/- each)		(5.78)	0.20

Significant Accounting Policies and Notes to Accounts

P

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 : 6th May 2016



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)
Cash Flow Statement For The Year Ended March 31, 2016

(Amount In Rs.)

Sr. No.	Particulars	For the financial year ended March 31, 2016	For the financial year ended March 31, 2015
A CASH FLOW FROM OPERATING ACTIVITIES			
	Net Profit /(Loss) before Taxation	(13,224,537)	595,392
	<u>Adjusted for :</u>		
	Interest Income	(540,677)	(2,335,324)
	Interest Expense	13,257,156	1,398,686
	Operating Profit / (loss) before Working Capital Changes	(508,058)	(341,246)
	<u>Adjustments for Changes in Working Capital:</u>		
	Advances Recoverable in Cash / Kind	218,160	484,996,028
	Other Current Liabilities	11,224,823	(38,566,561)
	Trade Payables	15,732	29,113
		10,950,657	446,117,334
	Less: Taxes(paid)/ received	1,185,007	729,447
	Net Cash generated from/(used in) Operating Activities	12,135,664	446,846,781
B CASH FLOW FROM INVESTING ACTIVITIES			
	Interest Received on Inter Corporate Deposits	540,677	2,335,324
	Inter Corporate Deposits (placed) / refunded [net]	231,170,768	23,960,869
	Purchase of Equity shares [Investments] - CCDS / CONVERSIONS ETC	(231,845,303)	(500,605,555)
	Net Cash generated from/(used in) Investing Activities	(133,858)	(474,309,362)
C CASH FLOW FROM FINANCING ACTIVITIES			
	Inter Corporate Deposits taken/(repaid) [Net]	-	30,318,000
	Interest Expense on ICD	(13,257,156)	(1,398,686)
	Net Cash generated from/(used in) Financing Activities	(13,257,156)	28,919,314
	Net Increase/ (Decrease) in Cash and Cash Equivalents	(1,255,350)	1,456,733
	Opening Balance of Cash and Cash Equivalents	2,557,438	1,100,705
	Closing Balance of Cash and Cash Equivalents	1,302,088	2,557,438

Notes:-

- a Cash and Cash Equivalents includes :
Cash and Bank Balances [As per Note "J"] 13 02 088 2,557,438
- b The Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard - 3 "Cashflow Statements" (AS-3) 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 : 6th May 2016

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 Year ended 31st March, 2016

(Amount in Rs.)

Notes	Particulars	As at March 31, 2016	As at March 31, 2015
A	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		
	<u>Equity Shares</u>		
	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, 2016	March 31, 2015
		Number of shares	% of Holdings
	<u>Equity Shares of Rs. 10 each fully paid</u>		
	The Phoenix Mills Limited - Holding Company	1,321,400	56.92
	Ruia International Holding Company Private Limited - Associates	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.		
B	Reserves and Surplus	As at March 31, 2016	As at March 31, 2015
	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	12,237,324	11,761,916
	(+) Net Profit/(Net Loss) For the year	(13,425,931)	475,408
	As at the end of the year	(1,188,607)	12,237,324
		1,527,232,229	1,540,658,160
C	Long Term Borrowings		
	Unsecured		
	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 : The CCD's with a face value of Rupees 100/-, carry a coupon rate of 0.0001%. Each CCD 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 allotment.		
		30,318,000	30,318,000
D	Short Term Borrowings		
	(Unsecured)		
	Inter Corporate Deposits [Repayable on Demand]:		
	The Phoenix Mills Limited - Holding Company	241,179,769	8,709,001
	Island Star Mall Developers Pvt Ltd.- Fellow Subsidiary	15,000,000	16,300,000
		256,179,769	25,009,001

E Trade Payables		
Micro and Small Enterprises (Refer B(1) of Note "P" for details of dues to micro and small enterprises)		
Total outstanding dues of creditors other than micro and small enterprises	282,598	266,866
	282,598	266,866
F Other Current Liabilities		
1) Statutory Dues	1,272,684	63,189
2) Interest accrued and due [On ICD from Holding Company]	9,390,326	-
3) Interest accrued and due [On ICD From Fellow Subsidiary]	1,802,831	-
5) Others	30	15
	12,465,871	63,204
H Non Current Investments		
Investments at cost, unless otherwise stated		
Investments in equity instruments (Unquoted)		
<i>[Equity Shares of Rs. 10/- each, fully paid up & percentage of holding]</i>		
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
15,586,495 - 47.55% (P.Y.14,357,706 - 43.80%)		
Palladium Construction Pvt Ltd.	1,439,980,161	1,208,134,858
2,070,800 - 41.48% (P.Y.2,070,800 - 41.48%)		
Gangetic Hotels Pvt. Ltd.	104,170,000	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	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) CCD's in ACME Hospitality Services Pvt Ltd. -	400,000	400,000
7,000 (P.Y 7,000) Insight Hotels & Leisure Pvt. LTD. - Face value Rs 100 each. ***	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 allotment. CCD's Carrying coupon rate		
	1,843,554,959	1,611,709,656
I Long Term Loans and Advances		
(Unsecured, considered Good, unless otherwise stated)		
Capital advances - Holding Company	95,000	95,000
	95,000	95,000
J Cash & Cash Equivalents		
a. Balances with Banks		
In current accounts	1,299,798	2,554,414
b. Cash on hand	2,290	3,024
	1,302,088	2,557,438
K Short Term Loans and Advances		
Inter Corporate Deposits :		
Associates	4,525,000	3,525,000
Taxes Paid (Net of Provisions)	210,061	1,072,905
	4,735,061	4,597,905
L Other Current Assets		
Interest Receivable on ICD [From Associates]		565,380
Interest Receivable on CCD	95	92
	95	565,472

Phoenix Hospitality Company pvt Ltd.

Notes to financial statements for the year ended March, 2016

Note G : Fixed Assets

Fixed Assets	Gross Block (At Cost)		Accumulated Depreciation		Net Block (W.D.V.)	
	As at 1 April 2015	As at 31 March 2016	As at 1 April 2015	Charged for the year	As at 31 March 2016	As at 31 March 2015
Tangible Assets						
Computers	120,640	120,640	115,375	-	115,375	5,265
Total	120,640	120,640	115,375	-	115,375	5,265
Previous year	120,640	120,640	115,375	-	5,265	-



Phoenix Hospitality Company Private Limited

(CIN : U55209MH2006PTC161066)

Notes on Financial Statement for the Year Ended 31st March, 2016

(Amount in Rs.)

Notes	Particulars	For the financial year ended March 31, 2016	For the financial year ended March 31, 2015
M	Other Income		
	Interest on ICDs	540,424	2,335,232
	Interest on CCD	253	92
	Interest on Income Tax Refund	91,824	-
		<u>632,501</u>	<u>2,335,324</u>
N	Operating and Other Expenses		
	General expenses	13,656	35,159
	Legal and Professional expenses	151,550	44,826
	<u>Payment to the Auditors</u>		
	Audit Fees	286,250	247,192
	Certification Charges	-	-
	Bank charges	8,165	14,070
	Sundry Balances Written Off	(1)	(1)
	Interest on Income Tax	140,262	-
		<u>599,882</u>	<u>341,246</u>
O	Finance cost		
	Interest On ICD [From Related Parties]	13,257,126	1,398,671
	Interest on CCD	30	15
		<u>13,257,156</u>	<u>1,398,686</u>



PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED

Note "P"

NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

b) INFLATION

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

c) USE OF ESTIMATES

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

d) REVENUE RECOGNITION

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

e) FIXED ASSETS AND DEPRECIATION:

• Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation and Impairment loss, if any.

• Depreciation

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

• Impairment of Assets

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



f) INVESTMENTS

Investments are valued at cost of acquisition less diminution if any, of a permanent nature.

g) TAXES ON INCOME

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

Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset if any, is recognized and carried forward only to the extent that there is a reasonable certainty that the asset will be realized in future.

h) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

B. OTHERS NOTES :

1. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2016. The above information, regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.
2. In the opinion of the management, the Current Assets, Loans and advances are approximately of the value stated in the balance sheet if realized in the ordinary course of the business and provision for all known liabilities is adequate and not in excess of amount considered reasonably necessary.
The said account balances are however, subject to confirmations from the respective parties and the adjustments / reconciliation arising there from, if any.
3. Considering the nature of the company's business and operations, there are no reportable segments (business and/or geographical) in accordance with the requirements of Accounting Standard 17; "Segment Reporting", issued by the Institute of Chartered Accountants of India
4. Basic Earning Per Share [EPS]:

Particulars	2015-16	2014-15
Nominal value of Equity Shares (Rs.)	10	10
Profit after Tax	(1,34,25,931)	4,75,408
Profit attributable to equity shareholders	(1,34,25,931)	4,75,408
Weighted number of equity shares outstanding during the year	23,21,400	23,21,400
Basic Earning Per Share (Rs.)	(5.78)	0.20



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

a) Particulars of the Related Parties: -:

Sr. No.	Name of the Related Party	Relationship
1	The Phoenix Mills Limited	Holding Company
2	Graceworks Realty & Leisure Private Limited	Subsidiary Company
3	Alliance Spaces Private Limited	Subsidiary Company
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 Private Limited	Fellow Subsidiary
8	Mirabel Entertainment Private Limited	Associate
9	Starboard Hotels Private Limited	Associate

b) Transactions during the year with the Related Parties: -

Sr. No.	Nature of Transactions	2015-16 Amount (Rs.)	2014-15 Amount (Rs.)
With Holding Company			
1	Interest on ICD [Expenses]	1,12,53,980	13,43,893
2	Inter Corporate Deposit Taken	23,25,00,000	-
3	Issue of Compulsory Convertible Debentures's	-	3,03,18,000
With Subsidiaries			
1	Security Deposit Refunded by Party	-	43,82,75,500
With Fellow Subsidiaries			
1	Inter Corporate Deposit Refunded to Party	13,00,000	1,12,00,000
2	Inter Corporate Deposit Taken	-	1,63,00,000
3	Interest on ICD[Expense]	20,03,146	54,778
4	Equity Shares received on account of Merger.	-	74,44,85,713



With Associates			
1	Inter Corporate Deposit Refunded by Party	10,00,000	15,50,000
2	Interest on ICD [Income]	5,40,424	23,35,232
3	CCD's issued against Debenture application money	-	3,58,56,410

c) Balances as at March 31, 2016:-

(Amount in Rs.)

Sr. No.	Nature of Balances	As at 31-Mar-16	As at 31-Mar-15
Of Holding Company			
1	Inter Corporate Deposit [Liability]	24,11,79,769	87,09,001
2	Interest accrued and due [Liability]	93,90,326	-
3	Capital Advance - Car Space [Assets]	95,000	95,000
4	Long term Borrowings (CCD's)	3,03,18,000	3,03,18,000
Of Subsidiaries			
1	Debentures [Investments]	6,01,18,300	6,01,18,300
2	Investments in Equity Shares	17,72,82,020	17,72,82,020
Of Fellow Subsidiary			
1	Investments in Equity Shares	1,54,41,50,961	1,20,81,35,658
2	Inter corporate Deposit [Liability]	1,50,00,000	1,63,00,000
3	Interest Accrued	18,02,831	-
Of Associates			
1	Inter Corporate Deposit Given [Assets]	45,25,000	35,25,000
2	Investments in Equity Shares	2,50,47,268	12,92,17,268
3	Accrued Interest on ICD [Assets]	-	5,65,380
4	CCD's issued against Debenture Application money	3,58,56,410	3,58,56,410



6. Deferred Tax:

In accordance with the Accounting Standard (AS) 22 "Accounting for Taxes on Income", the break up of the net deferred tax liability as on March 31, 2016 is as under:-

Particulars	(Amount in Rs.)		
	Deferred tax Asset/(Liability) as at April 1, 2015	Current Year (Charge)/ credit	Deferred tax Asset/(Liability) as at March 31, 2016
Difference between Book and Tax depreciation	(1,504)	1,504	NIL

7. 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



For and on behalf of the Board of Directors


Ashokkumar Ruia
Director
(DIN-00086762)


Atul Ruia
Director
(DIN-00087396)

Place: Mumbai
Date : 6th May 2016

