

**MARKET CITY RESOURCES
PRIVATE LIMITED**

TENTH ANNUAL REPORT

FOR THE YEAR ENDED MARCH 31, 2016

INDEPENDENT AUDITOR'S REPORT

**To the Members of Market City Resources Private Limited
Report on the Financial Statements**

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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



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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit 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" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact on its financial position.



- ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts that require provision under any law or accounting standards for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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



Jignesh Mehta
Partner
Membership No.:102749



Mumbai
Date: 12th May, 2016

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

- i. In respect of its fixed assets :
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) As the Company has no immovable assets during the year, clause (c) (i) of paragraph 3 of the Order is not applicable to the company
- 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, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, the requirement of clause (iii) (a) to clause (iii) (c) of paragraph 3 of the Order is not applicable to the Company.
- iv. Company has not granted any loans, investments, guarantees and securities covered under section 185 and 186 of the Act.
- v. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.
- vi. To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act in respect of the activities undertaken by the Company.
- vii. In respect of Statutory dues :
 - a) According to the records of the Company, undisputed statutory dues including provident fund, employees’ state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been generally regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at March 31, 2016 for a period of more than six months from the date they became payable.



- b) According to the information and explanations given to us, there are no dues of income tax, sales 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 dues to a financial institution or bank or debenture holders of the company.
- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and terms loans were applied for the purposes for which those are raised.
- x. Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion company is not a nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.
- xiii. In respect of transactions with related parties :
- In our opinion and according to the information and explanations given to us, section 177 of the Act is not applicable to the Company.
- In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with section 188 of the Act and their details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- xiv. In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the company.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.



- xvi. To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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



Jignesh Mehta
Partner
Membership No.: 102749



Mumbai
Date: 12th May, 2016

“Annexure B” to Independent Auditors’ Report referred to in paragraph 2(f) under the heading “Report on other legal and regulatory requirements” of our report of even date.

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

We have audited the Internal Financial Control over financial reporting of Market City Resources Private Limited (“the company”) as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year then ended.

Management Responsibility for the Internal Financial Controls

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

Auditor’s Responsibility

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

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

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



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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



Jignesh Mehta
Partner
Membership No.: 102749



Mumbai
Date: 12th May, 2016

Market City Resources Private Limited
(CIN : U55100MH2006PTC159544)
Balance sheet as at 31st March, 2016

Particulars	Note	As at	
		31st March, 2016	31st March, 2015
EQUITY AND LIABILITIES			
Shareholders Funds			
Share Capital	2	100,000	100,000
Reserves and Surplus	3	93,653,421	85,548,549
		93,753,421	85,648,549
Non Current Liabilities			
Long Term Borrowings	4	3,685,297	3,143,131
Deferred Tax Liability (Net)	5	1,150,457	1,790,497
Long Term Provisions	6	457,593	2,689,843
		5,293,347	7,623,471
Current Liabilities			
Short Term Borrowing	7	-	65,000,000
Trade Payables	8	-	-
Small and Micro Enterprises		-	-
Other Payables		1,182,675	4,880,791
Other Current Liabilities	9	32,474,293	42,777,439
Short Term Provisions	10	3,533,339	2,241,413
		37,190,307	114,899,643
TOTAL		136,237,076	208,171,663
ASSETS			
Non current assets			
Fixed Assets			
Tangible Assets	11	64,675,000	69,986,646
Intangible Assets	11	866,222	1,144,416
Non Current Investment	12	-	72,500,000
Long Term Loans and Advances	13	1,931,364	1,084,347
		67,472,587	144,715,409
Current Assets			
Trade Receivables	14	44,022,935	47,812,031
Cash and Cash Equivalents	15	10,114,949	3,440,663
Short Term Loans and Advances	16	11,126,605	10,203,499
Other Current Assets	17	3,500,000	2,000,061
		68,764,489	63,456,254
TOTAL		136,237,076	208,171,663

Significant Accounting Policies and
Notes on Financial Statements

1 to 31

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

For and on behalf of the Board of Directors



Jignesh Mehta
Partner

Membership No. 102749





Rajendra Kalkar
Director

(DIN-03269314)



Pramod Rawool
Director

(DIN-00087466)

Place : Mumbai
Date : 12th May, 2016

Market City Resources Private Limited

(CIN : U55100MH2006PTC159544)

Statement of Profit and Loss for Year Ended 31st March, 2016


Particulars	Notes	2015-16	2014-15
Income:			
Revenue from Operations	18	209,887,123	179,085,000
Other Income	19	972,135	4,597,446
Total Revenue		210,859,258	183,682,446
Expenditure :			
Employee Benefit Expenses	20	126,394,966	104,129,924
Finance Costs	21	1,356,588	1,035,714
Depreciation and Amortisation	22	12,936,174	12,444,958
Other Expenses	23	58,208,638	53,269,351
Total Expenses		198,896,366	170,879,946
Profit Before Tax		11,962,892	12,802,500
Less : Tax expenses			
Current Tax		4,821,000	5,545,000
Deferred Tax		(640,039)	(1,052,072)
Excess Provision Written Back		(322,941)	(75,275)
Profit for the year		8,104,872	8,384,847
Earning per Equity share of Face Value of Rs 10 each Basic and Diluted (In Rs.)	27	810.49	838.48

Significant Accounting Policies and
Notes on Financial Statements

1 to 31

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

For and on behalf of the Board of Directors

Jignesh Mehta
Partner
Membership No. 102749

Rajendra Kalkar
Director
(DIN-03269314)


Pramod Rawool
Director
(DIN-00087466)
Place : Mumbai
Date : 12th May 2016

Market City Resources Private Limited

(CIN : U55100MH2006PTC159544)

Cash Flow Statement for the Financial Year ended 31st March, 2016

(Amount in Rupees)

Sr. No.	Particulars	2015-16	2014-15
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit Before Tax as per Profit and Loss Account	11,962,892	12,802,500
	Adjusted for:		
	Interest Income	(220,098)	-
	(Profit)/Loss on sale of Fixed Assets	(751,971)	-
	Interest on CCD	(66)	(61)
	Depreciation	12,936,174	12,444,958
	Operating Cash flow before Working Capital Changes	23,926,931	25,247,398
	Adjusted for:		
	Trade and Other Receivables	2,842,228	(24,849,697)
	Trade and Other Payables	(15,347,542)	(3,249,190)
	Cash generated from / (Used In) Operations	11,421,617	(2,851,490)
	(Taxes Paid)/Refund Received	(6,821,253)	4,388,669
	Net Cash generated / (used in) from Operating Activities (A)	4,600,364	1,537,179
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	(7,878,807)	(12,036,719)
	Interest on CCD	66	61
	Sale of Fixed Asset	1,284,533	2,967,680
	Interest Income	220,098	-
	Sale of Investment	72,500,000	-
	Net Cash generated from (used in) Investing Activities (B)	66,125,800	(9,068,978)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceed from Long Term Borrowings	1,859,964	3,800,933
	Repayment of Long Term Borrowings	(911,841)	-
	Movement in Short Term Borrowings (Net)	(65,000,000)	1,500,000
	Net Cash generated from (Used in) Financing Activities (C)	(64,051,877)	5,300,933
	Net Increase/ (Decrease) in Cash and Cash Equivalents (A + B + C)	6,674,287	(2,230,865)
	Cash and cash equivalents at beginning of the year	3,440,663	5,671,529
	Cash and cash equivalents at the end of the year	10,114,950	3,440,663

Notes:-

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

As per our Report of even date

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

Ajay Mehta
Partner
Membership No. 102749

Place : Mumbai
Dated : 12th May, 2016



For and on behalf of the Board


Rajendra Kalkar
Director
(DIN-03269314)


Pramod Rawool
Director
(DIN 00087466)

(Amount in Rs.)

Notes	Particulars	As at	As at
		31st March, 2016	31st March, 2015
2	Share Capital		
	Authorised		
	10,000 (P.Y. 10,000) Equity Shares of Rs.10/- each	100,000	100,000
	Issued, Subscribed and Paid up		
	10,000 (P.Y.10,000) Equity Shares of Rs.10/- each fully paid up	100,000	100,000
		100,000	100,000
	a) Reconciliation of the Shares outstanding at the beginning and at the end of the year 2015 - 2016		
		Nos of Shares	
	Equity Shares outstanding at the beginning the year	10,000	10,000
	Shares Issued during the year		
	Equity Shares at the end of the year	10,000	10,000

b) Terms and Rights attached to shares.

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

c)

Details of shareholders holding

more than 5% shares in the company

As at 31st March, 2016

As at 31st March, 2015

	As at 31st March, 2016		As at 31st March, 2015	
	Number of shares	% of Holdings	Number of shares	% of Holdings
Equity Shares of Rs. 10 each fully paid				
The Phoenix Mills Limited	10000	100	10000	100

d)

Details of Shares held by

As at 31st March, 2016

As at 31st March, 2015

Name of shareholder	As at 31st March, 2016		As at 31st March, 2015	
	Number of shares	% of Holdings	Number of shares	% of Holdings
The Phoenix Mills Limited (Holding Company)	10000	100	100	100

3 Reserve and Surplus

Surplus in the statement of Profit and Loss

As per Last Balance Sheet

Add : Profit / (Loss) for the current Period

Less : (-) Adjustment of depreciation as per transitional provision of Part 'C' note 7(b) of Schedule II of Companies Act, 2013

Closing Balance

	As at 31st March, 2016	As at 31st March, 2015
As per Last Balance Sheet	85,548,549	80,145,467
Add : Profit / (Loss) for the current Period	8,104,872	8,384,847
Less : (-) Adjustment of depreciation as per transitional provision of Part 'C' note 7(b) of Schedule II of Companies Act, 2013	-	(2,981,765)
Closing Balance	93,653,421	85,548,549

4 Long Term Borrowings

(Secured)

Vehicle Loan from Bank

	As at 31st March, 2016		As at 31st March 2015	
	Non Current	Current	Non Current	Current
Vehicle Loan from Bank	3,685,297	1,063,758	3,143,131	657,802
Total	3,685,297	1,063,758	3,143,131	657,802

4.1 Vehicle Loan are recurred against the respective vehicles purchased

4.2 Maturity Profile of Secured Loan is given below :

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Secured Loan					
Vehicle Loan from Bank	1,063,758	1,177,075	1,302,466	1,166,032	39,724
Total	1,063,758	1,177,075	1,302,466	1,166,032	39,724



Market City Resources Private Limited
(CIN : U55100MH2006PTC159544)
Notes on Financial Statements for Year Ended 31st March, 2016

(Amount in Rs.)

Notes	Particulars	As at	As at
		31st March, 2016	31st March, 2015
5	Deferred Tax Liability		
	Related to fixed assets	1,790,497	4,175,948
	Deferred Tax Assets		
	Disallowance under the Income Tax Act, 1961	640,039	2,385,451
	Deffered Tax Liabilities (Net)	1,150,457	1,790,497
6	Long Term Provisions		
	Provision for Leave Encashment	211,397	2,689,843
	Provision for Gratuity	246,196	-
		457,593	2,689,843
7	Short Term Borrowing		
	(Unsecured)		
	Loan from Related Party, repayable on demand (Refer Note No. 24)	-	65,000,000
		-	65,000,000
8	Trade Payables		
	Small & Micro Enterprises (Refer Note No. 28)		-
	Others	1,182,675	4,880,791
		1,182,675	4,880,791
	* There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and as at March 31, 2016. The above information, regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company This has been relied upon by the Auditors.		
9	Other Current liabilities		
	Current Maturities of Long Term Loan	1,063,758	657,802
	Deposit received from Customers	27,500,000	37,500,000
	Others		
	a) Statutory Liabilities	2,954,811	2,740,439
	b) Outstanding Liabilities	833,728	1,154,750
	c) Creditors for Capital Assets	90,454	724,448
	e) Interest accrued but not due	31,542	-
		32,474,293	42,777,439
10	Short Term Provision		
	Provision for Gratuity	-	2,199,560
	Provislon for Leave Encashment	3,533,339	41,853
		3,533,339	2,241,413
12	Non Current Investment		
	Other Unquoted		
	NIL (P.Y. 7,25,0000) Compulsorily Convertible		
	Debentures (CCD's) in Padmashil Hospitality		
	Face Value of 10 Each *	-	72,500,000
	* These are non transferable.		
		-	72,500,000
13	Long Term Loans and Advances		
	(Unsecured, and considered good)		
	Security Deposit	1,881,499	1,081,499
	Prepaid Expenses	49,865	2,848
		1,931,364	1,084,347
14	Trade Receivable		
	(Unsecured and considered good)		
	Over six months from the date they become due for payment	11,101,846	28,601,265
	Others	32,921,089	19,210,766
		44,022,935	47,812,031



Market City Resources Private Limited
(CIN : U55100MH2006PTC159544)
Notes on Financial Statements for Year Ended 31st March, 2016

(Amount in Rs.)

Notes	Particulars	As at	As at
		31st March, 2016	31st March, 2015
15	Cash & Cash Equivalents		
	a) Balances with Banks	10,038,283	3,319,842
	b) Cash on hand	76,666	120,822
		10,114,949	3,440,663
16	Short Term Loans and Advances (Unsecured and considered good)		
	Advance Income Tax (net of provision for taxation)	9,658,567	7,335,373
	Balance with Customs and Central Excise Authorities	74,514	187,126
	Other loans and advances		
	a) Prepaid Expenses	1,352,216	1,852,524
	b) Advance to vendor	17,383	803,649
	c) Other Advances	23,925	24,827
		11,126,605	10,203,499
17	Other Current Assets		
	Interest Accured on Investments	-	61
	Insurance Claim Receivable	-	2,000,000
	Unbilled Revenue	3,500,000	-
		3,500,000	2,000,061



Market City Resources Private Limited

(CIN : U51000MH2006PTC159544)

Notes to financial statements for the Year Ended 31st March 2016

Note 11. Fixed Assets

	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2015	Additions	Disposals	Balance as at 31st Mar - 2016	Balance as at 1st April 2015	Depreciation charge for the Period	On disposals	Excess Dep Transfer to Retained Earning	Balance as at 31st March 2016	Balance as at 31st March 2015
a										
Tangible Assets										
Leasehold Improvements	83,693,976	287,000	-	83,980,976	25,983,970	6,045,815	-	-	32,029,785	57,710,006
Air Conditioner	7,607,895	575,711	245,503	7,938,103	7,059,858	220,129	233,228	-	7,046,760	548,037
Electrical Installation	2,353,409	1,336,248	541,215	3,148,442	1,593,713	427,419	316,470	-	1,704,662	759,696
Computers - Hardware	19,931,487	1,591,363	-	21,522,850	17,369,793	2,002,102	-	-	19,371,895	2,561,694
Elevator	685,109	437,046	-	1,122,155	494,438	160,531	-	-	654,969	190,671
Office equipment	5,816,914	329,860	-	6,146,774	4,979,474	393,901	-	-	5,373,375	837,440
Vehicles	7,366,962	2,581,731	2,270,424	7,678,269	2,221,111	2,280,048	1,974,882	-	2,526,277	5,145,851
Furniture & Fixtures	9,593,535	421,313	-	10,014,848	7,360,283	809,411	-	-	8,169,694	2,233,252
Total (A)	137,049,287	7,560,272	3,057,142	141,552,417	67,062,641	12,339,356	2,524,580	-	76,877,417	69,986,646
b										
Intangible Assets										
Computers - Software	8,173,759	318,625	-	8,492,384	7,029,343	596,818	-	-	7,626,162	1,144,416
Total (B)	8,173,759	318,625	-	8,492,384	7,029,343	596,818	-	-	7,626,162	1,144,416
Total (A+ B)	145,223,046	7,878,897	3,057,142	150,044,801	74,091,984	12,936,174	2,524,580	-	84,503,578	71,131,062
Previous year	137,949,678	12,036,719	4,763,351	145,223,046	59,127,553	12,444,958	1,795,671	4,315,144	74,091,984	78,822,125



Market City Resources Private Limited

(CIN : U55100MH2006PTC159544)

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

(Amount In Rupees)

Notes	Particulars	Year Ended 31st March, 2016	Year Ended 31st March, 2015
18	Revenue from Operations		
	Sale of Services	209,887,123	179,085,000
		209,887,123	179,085,000
	Particulars of Sale of Services		
	Project Management Consultancy Fees / Shared Services	209,887,123	179,085,000
		209,887,123	179,085,000
19	Other Income		
	Interest Income	9,771	5,548
	Interest on Income Tax Refund	210,327	3,739,514
	Profit on Sale of Assets	751,971	852,323
	Interest on CCD	66	61
		972,135	4,597,446
20	Employee Benefits Expense		
	Salaries, wages and bonus	119,536,419	98,886,039
	Contribution to Provident Fund and Other funds	1,640,849	1,163,645
	Staff welfare expenses	5,217,698	4,080,240
		126,394,966	104,129,924
21	Finance Costs		
	Bank Charges	20,719	16,995
	Interest on ICD	798,688	963,506
	Interest on Car Loan	537,180	55,213
		1,356,588	1,035,714
22	Depreciation and Amortisation Expenses		
	Depreciation and Amortisation Expenses	12,936,174	12,444,958
		12,936,174	12,444,958
23	Operation and Other Expenses		
	Electricity charges	3,496,875	3,330,561
	Rent	19,135,954	18,846,108
	Rates and Taxes	58,669	14,284
	Insurance	247,781	305,612
	General Expenses	3,408,309	2,903,525
	Repairs and maintenance		
	Others	10,998,454	12,092,261
	Brokerage		
	Travelling and Conveyance	4,436,778	5,148,987
	Communication expenses	5,777,080	4,074,902
	Postage & Courier	551,354	532,986
	Printing & stationary expenses	582,555	610,556
	Legal & Professional fees	8,124,844	3,741,090
	Payment to Auditor	500,375	547,000
	Miscellaneous expenses	889,610	1,121,479
		58,208,638	53,269,351
	a) Payment to Auditor		
	As Auditor:		
	Audit Fees	450,375	447,000
	Tax Audit Fees	50,000	100,000
	Total	500,375	547,000



Market City Resources Private Limited

Note "1"

Notes to Accounts

SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of Preparation of Financial Statements

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

b) Use of Estimates

The preparation of Financial Statements in conformity with Indian GAAP requires Judgments, estimates and assumptions to be made that affect the reported amount of assets & liabilities, disclosure of contingent liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

c) Fixed Assets

Fixed Assets initially are stated at cost, which comprises of purchase consideration and other directly attributable cost of bringing the assets to its working condition for the intended use. After initial recognition, an assets are carried at it's cost less any accumulated depreciation and any accumulated impairment loss.

d) Depreciation

Depreciation on Fixed Assets is provided on Written Down Value method over the useful life prescribe in Schedule II of the Companies Act, 2013 and in manner stated therein.

Depreciation on Leasehold improvements are charged off over lease terms.
Software is amortized over five years.

e) Employee Retirement Benefits

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



- ii) Post employment and other long term employee benefits are charged off in the year in which employee has rendered services.

The amount charged off is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefits are charged to Statement of Profit & Loss.

f) Foreign Currency Transaction

- a) Transaction denominated in foreign currencies are normally recorded at the at exchange rate prevailing at the time of transaction
- b) Monetary items are denominated in foreign currencies at the year end are restated at year end rates.
- c) Non Monetary items are carried at Cost.
- d) Non Monetary items are carried at Cost.
- e) Any Income or expenses on account of exchange difference either on settlement or on transaction is recognized in the relevant year profit and loss A/c.

g) Revenue Recognition

- i) Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenues on account of Project Management Consultancy are recognized when services are rendered.
- ii) Interest is recognised on time proportion basis.
- iii) Dividend Income is recognised when the right to receive the same is established.

h) Investment

Long term Investment are stated as cost less provision for diminution in value to recognizing a decline, other than temporary, whereas applicable. Cost includes expenditure attributed to acquisition of Investments. Current Investments are stated at lower of cost and Market Value determined on an individual investment basis

i) Impairment of Assets

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



j) Preliminary Expense

Preliminary Expenses includes share issue and related expenditure amortized in the year in which they are incurred.

k) Provision for Current & Deferred tax

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

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

l) Provisions, Contingent Liabilities and Contingent Assets

- i) 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.
- ii) Contingent Assets are neither recognized nor disclosed in the financial Statements.

m) Classification of Assets and Liabilities as Current and Non Current

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



24) **Related Party Disclosures:**

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

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

Sr. No.	Name of the Related Party	Relationship
1	The Phoenix Mills Limited	Holding
2	Vamona Developers Private Limited	Fellow Subsidiary
3	Pallazzio Hotels & Leisure Limited	Fellow Subsidiary
4	Palladium Constructions Private Limited	Fellow Subsidiary
5	Alliance Spaces Private Limited	Fellow Subsidiary
6	Gracework Realty & Leisure Private Limited	Fellow Subsidiary
7	Island Star Mall Developers Private Limited	Fellow Subsidiary
8	Offbeat Developers Private Limited.	Fellow Subsidiary
9	Classic Mall Development Company Private Limited.	Fellow Subsidiary
10	Gangetic Hotels Pvt Ltd	Fellow Subsidiary
11	Bellona Hospitality Services Pvt Ltd	Fellow Subsidiary
12	Shishir Shrivastava	Key Managerial Personnel



b) Transactions during the year

(Amount in Rupees)

Sr. No.	Name of Company	Payment of Rent	Project Management Consultancy Fees / Shared Services	Security Deposit repaid	Short Term Borrowings (Net)	Remuneration to Key Managerial Personnel	Interest On ICD	Total
1	The Phoenix Mills Limited	16,078,608	37,108,950	10,000,000	65,000,000	-	798,688	12,898,6246
		(16,078,608)	(33,050,000)	(-)	(1,500,000)	(-)	(963,506)	(51,592,114)
2	Vamona Developers Private Limited	-	13,252,100	-	-	-	-	13,252,100
		(-)	(10,753,000)	(-)	(-)	(-)	(-)	(10,753,000)
3	Pallazio Hotels & Leisure Limited	-	22,521,300	(-)	-	-	-	22,521,300
		(-)	(22,073,000)	(6,500,000)	(-)	(-)	(-)	(28,573,000)
4	Palladium Constructions Private Limited	-	31,029,979	-	-	-	-	31,029,979
		(-)	(28,500,000)	(-)	(-)	(-)	(-)	(28,500,000)
5	Alliance Spaces Private Limited	-	11,723,672	-	-	-	-	11,723,672
		(-)	(11,164,000)	(-)	(-)	(-)	(-)	(11,164,000)
6	Island Star Mall Developers Private Limited.	-	20,445,622	-	-	-	-	20,445,622
		(-)	(16,495,000)	(-)	(-)	(-)	(-)	(16,495,000)



Sr. No.	Name of Company	Payment of Rent	Project Management Consultancy Fees / Shared Services	Security Deposit repaid	Short Term Borrowings (Net)	Remuneration to Key Managerial Personnel	Interest On ICD	Total
7	Offbeat Developers Private Limited.	- (-)	22,987,150 (18,867,000)	- (-)	- (-)	- (-)	- (-)	22,987,150 (18,867,000)
8	Graceworks Realty & Leisures Private Limited.	- (-)	14,925,950 (13,327,000)	- (-)	- (-)	- (-)	- (-)	14,925,950 (13,327,000)
9	Classic Mall Development Company Private Limited.	- (-)	12,835,000 (11,120,000)	- (-)	- (-)	- (-)	- (-)	12,835,000 (11,120,000)
10	Gangetic Hotels Pvt Ltd	- (-)	1,098,550 (-)	- (-)	- (-)	- (-)	- (-)	1,098,550 (-)
11	Bellona Hospitality Ser. Pvt Ltd	- (-)	698,350 (-)	- (-)	- (-)	- (-)	- (-)	698,350 (-)
12	Shishir Shrivastava	- (-)	- (-)	- (-)	- (-)	18,165,401 (20,992,500)	- (-)	18,165,401 (20,992,500)



c) Closing Balance as at March 31, 2016

(Amount in Rupees)

Sr. No.	Name of Company	Trade Payable	Trade Receivable	Security Deposits	Short Term Borrowings	Total
1	The Phoenix Mills Limited	-	-	50,000,000	(-)	50,000,000
		(2,743,012)	(-)	(15,000,000)	(65,000,000)	(82,743,012)
2	Pallazio Hotels & Leisure Limited	-	4,914,139	-	-	4,914,139
		(-)	(4,177,311)	(-)	(-)	(4,177,311)
3	Graceworks Realty & Leisure Private Limited	-	-	10,000,000	-	10,000,000
		(-)	(2,563,997)	(10,000,000)	(-)	(12,563,997)
4	Offbeat Developers Private Limited.	-	-	-	-	-
		(-)	(2,689,029)	(-)	-	(2,689,029)
5	Classic Mall Development Company Private Limited.	-	3,745,285	12,500,000	-	16,245,285
		(-)	(15,102,323)	(12,500,000)	-	27,602,323
6	Gangetic Hotels Pvt Ltd	-	209,157	-	-	209,157
		(-)	(-)	(-)	(-)	(-)

- 25) The Company's activities during the year relates to providing a talent pool of employees engaged in development and construction, interior or exterior designing, planning, operating or managing of malls, retail space, hotels, restaurants, Commercial office spaces and other shared services attributable thereto such other organizations requiring human efforts and performances, including other shared services costs attributable thereto. Considering the nature of the company's business and operations, there are no separate reportable segments (business and/or geographical) in accordance with the requirements of Accounting Standard 17 - 'Segment Reporting',



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

Defined Contribution Plans

Contribution to Defined Contribution Plans, recognized as expense for the year is as under:

	(Amount in Rupees)	
	2015 – 16	2014-15
Employer's Contribution to Provident Fund	1,146,817	750,414

Defined Benefit Plan

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

Particulars	2015-16		2014-15	
	Gratuity (funded)	Leave Encashment (Unfunded)	Gratuity (funded)	Leave Encashment (Unfunded)
Reconciliation of opening and closing balances of the defined benefit obligation:				
Defined Benefit Obligation at the beginning of the year	6,191,206	2,731,696	53,83,836	2,661,024
Interest Cost	555,287	283,961	498,005	246,145
Current Service Cost	1,020,514	953,244	1,027,725	258,221
Benefits paid during the year	(40,385)	(262,933)	(455,192)	(406,167)
Actuarial (gain)/loss on Defined Benefit Obligation	(3,132,404)	38,768	(263,168)	(27,527)
Defined Benefit Obligation at the end of the year	4,594,218	3,744,736	6,191,206	2,731,696

Particulars	Gratuity (funded) 2015-16	Gratuity (funded) 2014-15
	Reconciliation of opening and closing balances of Plan Assets:	
Plan Assets at the beginning of the year	3,991,646	4,042,126
Expected Return on plan assets	335,319	341,471
Contribution	84,336	63,241
Benefits paid during the year	(40,385)	(455,192)
Actuarial (gain)/loss on Plan Asset	(22,894)	-
Plan Assets at the end of the year	4,348,022	3,991,646



(Amount in Rupees)

Amount to be recognized in Balance sheet:	2015-16		2014-15	
	Gratuity (funded)	Leave Encashment (Unfunded)	Gratuity (funded)	Leave Encashment (Unfunded)
Present value of Defined Benefit Obligation	4,594,218	3,744,736	6,191,206	2,731,696
Fair Value of plan assets at the end of the year	(4,348,022)	NIL	(3,991,646)	NIL
Amount recognized in Balance sheet	246,196	3,744,736	2,199,560	2,731,696

(Amount in Rupees)

Amount to be recognized In Statement of Profit & Loss:	2015-16		2014-15	
	Gratuity (funded)	Leave Encashment (Unfunded)	Gratuity (funded)	Leave Encashment (Unfunded)
Current Service Cost	1,020,514	953244	1,027,725	258,221
Interest cost on obligation	555,287	283961	498,005	246,145
Expected Return on plan assets	(335,319)	NIL	(341,471)	NIL
Net Actuarial (gain)/loss recognized for the year	(3,109,510)	38,768	263,168	(27,527)
Expense recognized in the statement of Profit & Loss	(1,869,028)	1,275,973	921,091	476,839



(Amount in Rupees)

Actual return on plan assets for the year:	Gratuity (funded) 2015-16	Gratuity (funded) 2014-15
Expected return on Plan Assets	335,319	341,471
Actuarial (gain)/loss on Plan Asset	(22,894)	-
Actual return on plan assets	312,425	341,471

Actuarial assumptions:	2015-16		2014-15	
	Gratuity (funded)	Leave Encashment (Unfunded)	Gratuity (funded)	Leave Encashment (Unfunded)
Mortality Table (LIC)	2006-08 (IALM)	2006-08 (IALM)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount Rate (per annum)	7.70%	7.70%	9.25%	9.25%
Rate of escalation in salary (per annum)	7.50%	7.50%	6.50%	6.50%

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

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

Gratuity	2016	2015	2014	2013	2012
Defined benefit Obligation	4,594,218	6,191,206	5,383,836	5,372,426	3,451,835
Fair Value of Planned Assets	(4,348,022)	(3,991,646)	(4,042,126)	(3,594,856)	(2,866,647)
(Surplus) / Deficit in the Plan Liabilities	246,196	2,199,560	1,341,710	1,777,570	585,188
Actuarial (gain)/loss on Plan Liabilities	(3,132,404)	(263,168)	-	-	-
Actuarial (gain)/loss on Plan Assets	(22,894)	-	-	-	-



27) Earnings Per Share:

(Amount in Rupees)

		2015-16	2014-15
i)	Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	8,104,872	8,384,847
ii)	Weighted Average number of equity shares outstanding during the year	10,000	10,000
iii)	Basic / Diluted Earnings per share	810.49	838.48
iv)	Face Value per equity share	10	10

28) Dues to micro and small enterprises:

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

Particulars	As at 31st March, 2016	As at 31st March, 2015
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding year	-	-

29) Expenditure in foreign currency:

(Amount in Rupees)

Particulars	2015-16	2014-15
Travelling Expenses	--	3,428,111

30) 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.



31) Employer's Contribution to Pension Scheme

(Amount in Rupees)

Particulars	2015-16	2014-15
Employer's Contribution to Pension Scheme	461,600	347,600

The Company's provident Fund is exempted under section 17 of Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Conditions for grant exemption stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the trust vis – a – vis statutory rate

For Chaturvedi & Shah

For and on behalf of the Board

Chartered Accountants
(Firm Registration No: 101720W)



Jignesh Mehta
Partner
Membership No. 102749



Rajendra Kalkar
Director



Pramod Rawool
Director

Place : Mumbai
Date : 12th May, 2016