A.M.GHELANI & COMPANY
CHARTERED ACCOUNTANTS

224, Champaklal Industrial Estate,
Sion-Koliwada Road, Sion (East),
Mumbai – 400 022.
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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 Alliance Spaces Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **Alliance Spaces 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 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 in terms of Section 143(11) of the Act, we give in "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, based on our audit 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 it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

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

e) On the basis of the written representations received from the directors as on March 31, 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 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

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i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements (Refer Note 32 to the Financial Statements).

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

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
Firm Registration No.: 103173W

Chintan A. Ghelani
Partner
Membership No.: 104391

Place : Mumbai
Date : 13th May 2019

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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 31st March 2019, we report that:

(i) In respect of company's fixed assets:-

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, all fixed assets have been physically verified by the management in a phased manner which, in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.

(c) The Title Deeds of immovable properties are held in the name of company.

(ii) In respect of its Inventories :

As the Company did not carry any items of raw materials, Components, Stores and spare parts in the inventory during the year, clause (ii) of paragraph 3 of the aforesaid order is not applicable to the company.

(iii) The Company has not granted unsecured loan, to Companies/firms or other parties covered in the register maintained under section 189 of the Act.

(iv) The Company has not granted any loans, guarantee and has not purchased security of other body corporate during the year. Hence, the requirement of Clause (iv) of paragraph 3 of the order not applicable to the company.

(v) According to the information and explanation 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 not applicable to the company.

(vi) We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2014 prescribed by the central government under section 148(1) of the Companies Act, 2013 and are of opinion that prima facie the prescribed cost records have been maintained. We have, however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of Statutory Dues:

(a) The Company has generally been regular in depositing undisputed statutory dues including provident fund, income-tax, value added tax, service tax, Goods & Service Tax, cess and other material statutory dues, wherever applicable, to it to the 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) The disputed statutory dues aggregating to **Rs. 91,500/-**, that have not been deposited on account of disputed matters pending before the appropriate authorities are as under :-

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Name of Statute	Amount in (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	91,500	A.Y. 2015-16	Commissioner of Income Tax

(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 the debenture holders of the company.

(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. The term loans were applied for the purpose for which the loans were obtained.

(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 information and explanation given by the management, No managerial remuneration has been paid or provided by the Company. Therefore, the provisions of clause (xi) 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) According to the information and explanations given to us and based on our examination of the records of the Company, the transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the standalone 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
Firm Registration No.: 103173W

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

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"Annexure B" referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements of our report of even date

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

We have audited the internal financial controls over financial reporting of **Alliance Spaces Private Limited** ("the Company") as of March 31, 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 Board of Directors of the Company 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 respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 internal financial controls system over financial reporting of the Company.

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

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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.

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, to the best of our information and according to the explanations given to us, 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
Firm Registration No.: 103173W

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

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ALLIANCE SPACES PRIVATE LIMITED
(CIN U55101MH2007PTC169101)
BALANCE SHEET AS AT 31ST MARCH, 2019

(Amount in Rs.)

	Particulars	Note no.	As at 31st March 2019	As at 31st March 2018
	ASSETS:-			
1	**Non-Current Assets**			
	Property, Plant and Equipment	5	1,52,27,13,200	15,78,82,685
	Capital Work-In-Progress	5	1,07,32,62,412	2,14,33,52,653
	Intangible Assets	5	4,65,285	6,21,785
	Financial Assets			
	Other Financials Assets	6	1,64,06,250	-
	Deferred Tax Assets (Net)	7	2,32,18,490	2,40,80,337
	Other Non Current Assets	8	76,87,375	79,61,451
	(A)		**2,64,37,53,012**	**2,33,38,98,911**
2	**Current Assets**			
	Financial Assets			
	Trade Receivables	9	1,83,03,234	-
	Cash and Cash Equivalents	10	66,90,595	9,28,803
	Other Financial Assets	11	3,86,864	-
	Current Tax Assets (Net)	12	80,64,898	59,76,066
	Other Current Assets	13	4,30,66,708	1,92,36,623
	(B)		**7,65,12,299**	**2,61,41,492**
	TOTAL (A + B)		**2,72,02,65,311**	**2,36,00,40,403**
	EQUITY AND LIABILITIES:-			
1	**Equity**			
	Equity Share capital	14	1,99,86,940	1,99,86,940
	Other Equity	15	1,76,90,77,272	1,68,40,46,073
	(A)		**1,78,90,64,212**	**1,70,40,33,013**
	Liabilities			
2	**Non-Current Liabilities**			
	Financial Liabilities			
	Borrowings	16	60,00,00,000	-
	Other Liabilities	17	5,94,39,987	34,02,636
	Provisions	18	4,22,533	3,32,713
	(B)		**65,98,62,520**	**37,35,349**
3	**Current Liabilities**			
	Financial Liabilities			
	Borrowings	19	19,51,12,994	57,42,00,000
	Trade Payables			
	Dues to micro and small enterprises		-	-
	Dues to others	20	26,21,932	9,39,016
	Other Financial Liabilities	21	3,64,15,605	4,50,87,253
	Other Current Liabilities	22	3,71,62,998	3,20,25,088
	Provisions	23	25,049	20,684
	(C)		**27,13,38,579**	**65,22,72,041**
	TOTAL (A+B+C)		**2,72,02,65,311**	**2,36,00,40,403**

Significant Accounting Policies and Notes on Financial Statements **1 to 42**
The accompanying Notes are an integral part of Financial Statements

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

For and on behalf of the Board of Directors

Chintan A. Ghelani
Partner
Membership No. 104391

Dipesh Gandhi
(Managing Director)
DIN: 02079576

Haresh Morajkar
(Director)
DIN: 74983

Place : Mumbai
Date : 13th May, 2019

ALLIANCE SPACES PRIVATE LIMITED
(CIN U55101MH2007PTC169101)
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in Rs.)

	Particulars	Note no.	2018-19	2017-18
I	**Revenue from Operations**	24	3,16,55,330	53,00,000
II	**Other Income**	25	4,10,774	27,924
	Total Income		**3,20,66,104**	**53,27,924**
III	**Expenses**			
	Employee Benefits Expenses	26	65,99,314	41,70,722
	Finance Cost	27	1,47,01,173	73,63,560
	Depreciation and Amortisation Expense	5	1,52,70,862	7,49,077
	Other Expenses	28	3,35,67,521	94,16,537
	Total expenses		**7,01,38,871**	**2,16,99,896**
IV	**Profit/ (loss) before tax**		**(3,80,72,766)**	**(1,63,71,972)**
	Tax expense			
	Current Tax		-	-
	Deferred Tax	29	8,61,847	74,30,306
	Tax adjustment of earlier years		-	5,277
V	**Profit/ (loss) for the year**		**(3,89,34,613)**	**(2,38,07,555)**
VI	**Other comprehensive income**			
	A) Items that will not be reclasified			
	To Profit & Loss A/c			
	Re-measurement gain / (Loss) of the net defined benefit Plans		(2,96,888)	-
	B) Income Tax relating to the items that will not be reclasified to Profit & Loss A/c			
	Tax on Re-measurement gain / (Loss) of the net defined benefit Plans		-	-
	Other comprehensive income for the year		**(2,96,888)**	**-**
VII	**Total comprehensive income for the year (V + VI)** *(Profit/ loss + other comprehensive income)*		**(3,92,31,501)**	**(2,38,07,555)**
	Earnings per equity share from continuing operations			
	a) Basic	33	(19.48)	(11.91)
	b) Diluted		(19.48)	(11.91)

Significant Accounting Policies and Notes on Financial Statements **1 to 42**
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

Dipesh Gandhi
(Managing Director)
DIN: 02079576

Haresh Morajkar
(Director)
DIN:74983

Place : Mumbai
Date : 13th May, 2019

ALLIANCE SPACES PRIVATE LIMITED
(CIN No. U55101MH2007PTC169101)
CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019 **(Amount in Rs.)**

PARTICULARS	2018-19 Rs.	2017-18 Rs.
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per the Profit and Loss Account	(3,80,72,766)	(1,63,71,972)
Adjustments for Non Cash / Non Operating Items :		
Depreciation	1,52,70,862	7,49,077
Loss / (Profit) on sold/discarded fixed Assets	61,980	-
Interest Expenses	1,47,01,173	-
Actuarial Losses routed through OCI	(2,96,888)	-
Operating Cash flow before working capital changes	(83,35,639)	(1,56,22,894)
Adjustments for Working Capital changes :		
Trade & Other Payables	5,42,80,713	4,88,16,469
Trade & Other Receivables	(5,86,52,356)	1,50,34,433
Cash generated from Operations	(1,27,07,282)	4,82,28,007
Less: Taxes (paid)/refund received - [Net]	(20,88,832)	(6,23,001)
Net Cash generated from/(used in) Operating Activities (A)	**(1,47,96,114)**	**4,76,05,007**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets and Change in CWIP	(31,03,24,852)	(4,38,631)
Proceeds from sale of Fixed Assets	4,08,237	-
Change in Capital Work In Progress*	-	(88,48,56,580)
Net Cash generated from/(used in) Investing Activities (B)	**(30,99,16,615)**	**(88,52,95,211)**
CASH FLOW FROM FINANCING ACTIVITIES		
Secured loans availed/(repaid) - Net		
Long Term	60,00,00,000	-
Short Term	12,51,12,994	-
Unsecured loans availed/(repaid) - Net	(50,42,00,000)	54,76,80,913
Proceeds from Other Borrowings - OFCD	12,42,62,700	27,27,37,300
Interest on the Loans	(1,47,01,173)	-
Net Cash generated from /(used in) Financing Activities (C)	**33,04,74,521**	**82,04,18,213**
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B +C)	**57,61,792**	**(1,72,71,991)**
Opening Balance of Cash and Cash Equivalents	**9,28,803**	**1,82,00,794**
Closing Balance of Cash and Cash Equivalents	**66,90,595**	**9,28,803**

Notes:

Cash and Cash Equivalents include:

Cash on hand	46,240	53,991
Balances with Scheduled Banks	66,44,355	8,74,812
Cash and Bank Balances	**66,90,595**	**9,28,803**

The figures in brackets represent Cash outflows.

* Net of Reclassification of inventories into Capital Work in Progress on account of the change in the Project / Business Model

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

Dipesh Gandhi
(Managing Director)
DIN: 02079576

Haresh Morajkar
(Director)
DIN: 74983

Place : Mumbai
Date : 13th May, 2019

ALLIANCE SPACES PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

A Equity share capital
For the year ended 31st March, 2019 **(Amount in Rs.)**

Particulars	Opening balance as at 1st April 2018	Changes in equity share capital during the year	Closing balance as at 31st March 2019
19,98,694 (P.Y. 19,98,694) Equity Shares of Rs.10/- each	1,99,86,940	-	1,99,86,940
	1,99,86,940	**-**	**1,99,86,940**

For the year ended 31st March, 2018

Particulars	Opening balance as at 1st April 2017	Changes in equity share capital during the year	Closing balance as at 31st March 2018
19,98,694 (P.Y. 19,98,694) Equity Shares of Rs.10/- each	1,99,86,940	-	1,99,86,940
	1,99,86,940	**-**	**1,99,86,940**

B Other Equity **(Amount in Rs.)**

Particulars	**Equity Component of compounded Financial Instruments**	**Reserve & Surplus**		**Other Comprehensive Income**	**Total**
		Securities Premium	**Retained Earning**	**Remeasurement gain/ (loss) on defined benefit plans**	
Balances at April 1, 2017	48,95,00,000	96,67,91,933	(2,11,75,605)	-	1,43,51,16,328
Profit for the year	-	-	(2,38,07,555)	-	(2,38,07,555)
Redemption of Optionally Convertible Debentures	(28,90,00,000)	-	-	-	(28,90,00,000)
Issue of Optionally Convertible Debentures	56,17,37,300	-	-	-	56,17,37,300
Balances at 31st March, 2018	**76,22,37,300**	**96,67,91,933**	**(4,49,83,160)**	**-**	**1,68,40,46,073**
Profit for the year	-	-	(3,89,34,613)	-	(3,89,34,613)
Redemption of Optionally Convertible Debentures	(61,82,37,300)	-	-	-	(61,82,37,300)
Issue of Optionally Convertible Debentures	74,25,00,000	-	-	-	74,25,00,000
Re-measurement of the net defined benefit Plans	-	-	-	(2,96,888)	(2,96,888)
Balances at 31st March, 2019	**88,65,00,000**	**96,67,91,933**	**(8,39,17,773)**	**(2,96,888)**	**1,76,90,77,272**

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

For and on behalf of the Board of Directors

Chintan A. Ghelani
Partner
Membership No. 104391

Dipesh Gandhi
(Managing Director)
DIN: 02079576

Haresh Morajkar
(Director)
DIN: 74983

Place : Mumbai
Date : 13th May, 2019

ALLIANCE SPACES PRIVATE LIMITED
(CIN U55101MH2007PTC169101)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note "5"- Property, Plant and Equipment

Particulars	Tangible Assets								Intangible Assets	Total
	Land *	Building	Motor Car	Computer	Plant & Machinery	Electrical Equipment	Furniture & Fixture	Office Equipment	Software	
Gross Block										
As at April 1, 2017	15,71,23,050	-	27,02,345	21,78,465	-	-	-	20,15,009	11,81,941	16,52,00,810
Additions	-	-	-	50,000	-	-	-	1,60,535	2,28,096	4,38,631
Disposal/Decapitalisation	-	-	-		-	-	-	-	-	-
As at April 1, 2018	**15,71,23,050**	**-**	**27,02,345**	**22,28,465**	**-**	**-**	**-**	**21,75,544**	**14,10,037**	**16,56,39,441**
Additions *	30,42,93,546	87,45,86,224	-	1,05,37,589	3,57,51,467	9,39,76,386	5,84,09,276	27,39,310	1,21,294	1,38,04,15,093
Disposal	-	-	(27,02,345)	(1,23,443)	-	-	(3,41,090)	-	-	(31,66,878)
As at March 31, 2019	**46,14,16,596**	**87,45,86,224**	**-**	**1,26,42,610**	**3,57,51,467**	**9,39,76,386**	**5,80,68,186**	**49,14,854**	**15,31,331**	**1,54,28,87,655**
Accumulated Depreciation										
As at April 1, 2017	-	-	24,95,780	17,93,859	-	-	-	15,73,957	5,22,297	63,85,893
Charge for the year	-	-	71,447	2,04,078	-	-	-	2,07,597	2,65,955	7,49,077
Disposal/Decapitalisation	-	-	-	-	-	-	-	-	-	-
As at April 1, 2018	**-**	**-**	**25,67,227**	**19,97,937**	**-**	**-**	**-**	**17,81,554**	**7,88,252**	**71,34,970**
Charge for the year	-	63,22,420	-	8,55,089	10,01,896	40,74,262	23,94,617	3,44,784	2,77,795	1,52,70,862
Disposal	-		(25,67,227)	(1,17,272)			(12,162)	-	-	(26,96,661)
As at March 31, 2019	**-**	**63,22,420**	**-**	**27,35,754**	**10,01,896**	**40,74,262**	**23,82,455**	**21,26,337**	**10,66,047**	**1,97,09,171**
Net Carrying Amount										
As at March 31, 2018	**15,71,23,050**	**-**	**1,35,118**	**2,30,528**	**-**	**-**	**-**	**3,93,990**	**6,21,785**	**15,85,04,471**
As at March 31, 2019	**46,14,16,596**	**86,82,63,804**	**-**	**99,06,857**	**3,47,49,571**	**8,99,02,124**	**5,56,85,731**	**27,88,517**	**4,65,285**	**1,52,31,78,484**

Capital Work in Progress *	Total
As at March 31, 2018	**2,14,33,52,653**
As at March 31, 2019	**1,07,32,62,412**

***Note :- The company has completed Tower - 1 and it is operational during the year. CWIP related to Tower-1 is capitalised and LAND is transferred from CWIP.**

ALLIANCE SPACES PRIVATE LIMITED
(CIN U55101MH2007PTC169101)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in Rs.)

Note No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
14	**Share Capital**		
	Authorised		
	20,00,000 (P.Y. 20,00,000) Equity Shares of Rs.10/- each	2,00,00,000	2,00,00,000
	Issued, Subscribed and Paid Up		
	19,98,694 (P.Y. 19,98,694) Equity Shares of Rs.10/- each	1,99,86,940	1,99,86,940
		1,99,86,940	**1,99,86,940**
	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	19,98,694	19,98,694
	Shares Issued during the year	-	-
	Shares bought back during the year	-	-
	Shares outstanding at the end of the year	19,98,694	19,98,694
	b] Shares held by Holding Company:-		
	Holding company		
	Phoenix Hospitality Company Pvt. Ltd.	11,58,950	11,58,950

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 up	Number of shares	% of Holdings	Number of shares	% of Holdings
Equity- Phoenix Hospitality Company Pvt. Ltd.	11,58,950	57.99	11,58,950	57.99
Equity- The Phoenix Mills Ltd.	8,39,744	42.01	8,39,744	42.01

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.

Note No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
15	**Other Equity**		
	a. Retained Earning		
	As at the Beginning of the year	(4,49,83,160)	(2,11,75,605)
	Add: Profit/(Loss) during the year	(3,89,34,613)	(2,38,07,555)
	As at the end of the year	(8,39,17,773)	(4,49,83,160)
	b. Securities Premium		
	As per last Balance Sheet	96,67,91,933	96,67,91,933
	c. Equity Component of compounded Financial Instruments		
	Optionally Fully Convertible Debentures		
	- Vamona Developers Pvt Ltd	88,65,00,000	76,22,37,300
	(0.0001% 88,65,000 OFCD, P.Y. 76,22,373 OFCD - Face Value - Rs 100 each)		
	[0.0001% Optionally Convertible Debentures having an option to the issuer to convert the debentures into equity shares within 10 years from the date of allotment. Each debenture is convertible into equity shares of Rs. 10 each fully paid at premium of Rs. 470 per share on the date of conversion. The company has an option to redeem the shares in one or more tranches at the redemption premium not exceeding Rs. 10/- per Optionally Convertible Debenture.]		
	d. Other Comprehensive Income		
	As at the beginning of the year	-	-
	(+) Re-measurement of the net defined benefit Plans	(2,96,888)	-
	As at the end of the year	(2,96,888)	-
		1,76,90,77,272	**1,68,40,46,073**

Nature and Purpose of Reserve & Surplus

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.

ALLIANCE SPACES PRIVATE LIMITED
(CIN U55101MH2007PTC169101)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in Rs.)

Note No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
16	**Borrowings**		
	Secured Loans:		
	Term loans from banks	60,00,00,000	-
		60,00,00,000	**-**

1) (Term Loan of Rs. 60,00,00,000 [P.Y. - Nil] which is Secured by future Lease Rent Receivables and a pari passu charge over the building and proportionate share of undivided land at Phoenix Marketcity - Viman Nagar, Pune.)
2) Maturity Profile of Term Loan are set out below : -

Financial Year	Amt in Rs.	Financial Year	Amt in Rs.
2019-20	-	2024-25	8,10,90,554
2020-21	3,52,51,086	2025-26	9,55,76,307
2021-22	4,61,94,830	2026-27	11,17,36,589
2022-23	5,65,35,147	2027-28	10,54,91,454
2023-24	6,81,24,032	2028-29	-

Note No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
17	**Other Liabilities**		
	Security Deposits From Occupants/Licensees	5,94,39,987	34,02,636
		5,94,39,987	**34,02,636**
18	**Provisions**		
	Provisions for Employee benefits		
	Gratuity (funded)	-	-
	Leave Encashment	4,22,533	3,32,713
		4,22,533	**3,32,713**
19	**Borrowings**		
	Secured		
	Loans repayable on demand - Cash Credit Facility		
	From Banks:	12,51,12,994	-
	Unsecured		
	From Related Party:		
	Vamona Developers Private Limited	7,00,00,000	57,42,00,000
		19,51,12,994	**57,42,00,000**
20	**Trade Payables**		
	Dues to Micro & Small Enterprises *	-	-
	Dues to Others	26,21,932	9,39,016
		26,21,932	**9,39,016**

*There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at year end. 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

Note No.	Particulars	As at 31st March, 2019	As at 31st March, 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	-	-
		-	**-**
21	**Other Financial Liabilities**		
	Provision for Interest Expenses	1,87,356	19,22,980
	Creditors for Capital Expenditure	3,62,28,249	4,31,64,273
		3,64,15,605	**4,50,87,253**
22	**Other Current Liabilities**		
	Provision for Expenses	3,62,10,559	2,62,90,049
	Statutory Dues	9,52,439	57,35,039
		3,71,62,998	**3,20,25,088**
23	**Provisions**		
	Provision for employee benefits:-		
	Gratuity (funded)	-	-
	Leave Encashment	25,049	20,684
		25,049	**20,684**

ALLIANCE SPACES PRIVATE LIMITED
(CIN U55101MH2007PTC169101)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in Rs.)

Note No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
6	**Other Financials Assets**		
	Fixed Deposit with Bank	1,64,06,250	-
	(Maturity more than 12 Months)		
		1,64,06,250	**-**
	(Above Fixed Deposit is earmarked towards maintenance of DSRA as per loan agreement.)		
7	**Deferred tax assets (Net)**		
	At the begning of the year	2,40,80,337	3,16,03,643
	Charge/ (credit) to profit or loss	(8,61,847)	(74,30,306)
	Minimum Alternate Tax Credit Available	-	(93,000)
	At the end of the year	**2,32,18,490**	**2,40,80,337**
8	**Other Non Current Assets**		
	Security Deposit	63,25,455	63,25,455
	Others	13,61,920	16,35,996
		76,87,375	**79,61,451**
9	**Trade Receivables:**		
	[Unsecured]		
	a) Considered good	1,83,03,234	-
	Less: Allowance for Expected Credit loss	-	-
		1,83,03,234	-
	b) Significant increase in Credit Risk	-	-
	Less: Allowance for Expected Credit loss	-	-
		-	-
	c) Credit Impaired	-	-
	Less: Allowance for Expected Credit loss	-	-
		-	-
		1,83,03,234	**-**
10	**Cash and Cash Equivalents**		
	1. Cash on hand	46,240	53,991
	2. Balances with banks - In Current Accounts	66,44,355	8,74,812
		66,90,595	**9,28,803**
11	**Other Financial Assets:**		
	Interest Accrued on Fixed Deposits	3,86,864	-
		3,86,864	**-**
12	**Current Tax Assets (Net)**		
	Taxes Paid [Net of Provisions]	80,64,898	59,76,066
		80,64,898	**59,76,066**
13	**Other Current Assets**		
	Advances Recoverable In cash or Kind or for the value to be received		
	[Unsecured]		
	Advances given to Parties :		
	- Considered Good	2,10,78,849	33,94,600
	- Considered Doubtful	-	-
		2,10,78,849	33,94,600
	Balances with Statutory/Government Authorities	2,13,53,536	1,55,25,848
	Prepaid Expenses	6,19,045	3,00,895
	Others	15,278	15,280
		4,30,66,708	**1,92,36,623**

ALLIANCE SPACES PRIVATE LIMITED
(CIN U55101MH2007PTC169101)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note No.	Particulars	2018-19 (Rs.)	2017-18 (Rs.)
24	**Revenue from Operation**		
	License Fees and Rental Income	1,77,75,646	-
	Service Charges	38,79,684	-
	Project Management consultancy charges	1,00,00,000	53,00,000
		3,16,55,330	**53,00,000**
25	**Other Income**		
	Interest on Fixed Deposit	3,90,008	27,924
	Interest on Others	20,766	-
		4,10,774	**27,924**
26	**Employee Benefits Expenses**		
	Salaries, Wages and Bonus	64,79,662	40,76,710
	Staff welfare expenses	1,19,652	94,012
		65,99,314	**41,70,722**
27	**Finance Cost**		
	Interest expense for financial liablities at amortised cost	1,47,01,173	548
	Interest on others	-	73,63,012
		1,47,01,173	**73,63,560**
28	**Other Expense**		
	Electricity Charges	37,38,911	-
	Repairs & Maintenance	3,50,047	8,04,207
	Insurance Expenses	5,08,850	-
	Administrative Expenses	20,64,768	34,36,110
	Communication Expenses	76,681	1,08,943
	Rent, Rates & Taxes	59,73,266	48,402
	Auditors' Remuneration;		
	Audit Fees	4,65,000	3,00,000
	Travelling Expenses	1,77,513	3,31,320
	Printing & Stationery	5,09,407	4,97,792
	Interest on delayed tax payments	777	11,144
	Security Charges	33,92,445	-
	Manpower and Housekeeping Expenses	9,55,240	-
	Brokerage Expenses	1,35,95,935	-
	Legal & Professional Expenses	15,82,069	15,88,494
	Advertisement & Marketing Expenses	1,76,612	22,90,125
		3,35,67,521	**94,16,537**

ALLIANCE SPACES PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in Rs.)

Particulars	2018-19	2017-18
29 Taxation		
Income tax related to items charged or credited to profit or loss during the year:		
A Statement of Profit or Loss		
1 Current Income Tax	-	-
	-	-
2 Deferred Tax expenses/ (benefits):		
Relating to origination and reversal of temporary differences	8,61,847	74,30,306
	8,61,847	74,30,306
3 Minimum Alternate Tax credit entitlement	-	-
Minimum Alternate Tax credit utilisation	-	-
	-	-
Total Income tax Expenses (1 to 3)	**8,61,847**	**74,30,306**
B Reconciliation of Current Tax expenses:		
Profit /(Loss) from Continuing operations	(3,80,72,766)	(1,63,71,972)
Applicable Tax Rate	-	-
Computed tax expenses	-	-
Additional allowances for tax purpose	-	-
Expenses not allowed for tax purposes	-	-
Carry Forward Loss utilised	-	-
Additional Tax payable due to MAT provisions	-	-
	-	-
C Deferred Tax Recognised in statement of profit and Loss relates to the following:		
Accelerated depreciation for tax purpose	16,35,925	78,532
Expenses allowable on payment basis	-	80,125
Unused Brought Forward losses	(7,74,078)	72,71,650
Deferred Tax Liabilities/ (Asset)	**8,61,847**	**74,30,307**

D Reconciliation of deferred tax liabilites/(asset) net:	**As at March 31, 2019**	**As at March 31, 2018**
Opening balance	(2,27,45,337)	(3,01,75,643)
Tax expenses / (income) during the year	8,61,847	74,30,306
Closing balance	(2,18,83,489)	(2,27,45,337)

30 Expenses recognised for Defined benefits plan:

The company provides gratuity benefit to its employees which are 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.

	Gratuity (Funded)		**Leave Encashment (Non - funded)**	
	2018-19	**2017-18**	**2018-19**	**2017-18**
1 Change in Defined Benefit Obligation during the year				
Defined Benefit Obligation at the beginning of the year	4,18,426	2,80,135	3,53,397	2,51,748
Interest Cost	43,552	25,456	40,886	28,756
Current Service Cost	1,13,479	62,330	1,52,529	1,38,346
Past Service Cost	-	39,863		
Benefits paid during the year	-	-	(33,733)	-
Actuarial (gain)/loss on Defined Benefit Obligation	2,70,637	10,642	(65,497)	(65,453)
Defined Benefit Obligation at the end of the year	8,46,094	4,18,426	4,47,582	3,53,397

ALLIANCE SPACES PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

		2018-19	2017-18	2018-19	2017-18
2	**Change in fair value of Plan Assets during the year**				
	Fair value of Plan Assets at the beginning of the year	20,54,422	18,84,716	-	-
	Expected Return on plan assets	1,69,160	1,41,124	-	-
	Contribution	10,683	50,000	-	-
	Benefits paid during the year	-	-	-	-
	Actuarial (gain)/loss on Plan Asset	(26,251)	(21,418)	-	-
	Fair value of Plan Assets at the end of the year	22,08,014	20,54,422	-	-
3	**Amount to be recognized in Balance sheet:**				
	Present value of Defined Benefit Obligation	8,46,094	4,18,426	4,47,582	3,53,397
	Fair Value of plan assets at the end of the year	22,08,014	20,54,422	-	-
	Amount recognized in Balance sheet	(13,61,920)	(16,35,996)	4,47,582	3,53,397
4	**Current / Non - current bifurcation:**				
	Current benefit obligation	-	-	25,049	20,684
	Non - current benefit obligation	(13,61,920)	(16,35,996)	4,22,533	3,32,713
5	**Expenses recognised in the statement of Profit & Loss for the year**				
	Current Service Cost	1,13,479	62,330	1,52,529	1,38,346
	Interest cost on obligation	43,552	25,456	40,886	28,756
	Expected Return on plan assets	(1,69,160)	(1,41,124)	-	-
	Past Service Cost	-	39,863		
	Actuarial (gain)/losses	-	-	(65,497)	(65,453)
	Expense recognized in the statement of Profit & Loss account	(12,129)	(13,475)	1,27,918	1,01,649
6	Remeasurement due to:				
	Effect of change in financial assumptions	39,160	(40,785)	NA	NA
	Effect of change in demographic assumptions	-	-	NA	NA
	Effect of experience adjustments	2,31,477	51,427	NA	NA
	Return on plan of assets(excluding interest)	26,251	21,418	NA	NA
	Net Actuarial (gain)/loss for the year	2,96,888	32,060	NA	NA
7	**Maturity profile of defined benefit obligation**				
	Within the next 12 months	45,926	8,005	-	-
	Between 2 to 5 years	2,38,831	1,15,260	-	-
	Between 5 to 10 years	2,85,610	1,62,790	-	-
8	**Acturial assumptions used for estimating defined benefit obligations**				
	Discount Rate	7.75%	8.25%	7.75%	8.25%
	Salary Escalation Rate	7.50%	7.50%	7.50%	7.50%
	Expected Rate of Return on Assets	7.50%	7.50%	NA	NA
	Martality Rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
	Attrition/ Withdrawal Rate	5%	5%	5%	5%
	The weighted average duration of plan	10.89 years	10.89 years	10.89 years	10.89 years

Notes:

1 Salary escalation rate is arrived after taking into account regular increaments, price inflation and promotion and other relevant factors such as supply and demand in employment market.
2 Discount rate is based on prevailing market yields of Indian Government Securities as at balance sheet date for estimated term of obligations.
3 Attrition rate/ withdrawal rate is based on Company's policy towards retention of employees, historical data and industry outlook.
4 Expected contribution to defined benefit plans for the financial year 2019-20 is NIL
5 The above information is certified by actuary.

8 Sensitivity analysis:

Increase/ (decrease) on present value of defined benefits obligations at the end of the year:

	Change in assumption	Effect on Gratuity obligation 2018-19	2017-18
Discount rate	+1%	7,70,635	3,72,180
	-1%	9,34,243	4,74,156
Salary Escalation rate	+1%	9,12,748	4,55,355
	-1%	7,85,089	3,82,330
Attrition Rate	+1%	8,57,026	4,27,404
	-1%	8,32,070	4,06,347

These gratuity plan typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment Risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yield at the end of reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

ALLIANCE SPACES PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

31 Related Party Disclosures:-

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 name and relationship

Sr. No	Name of the Related Party	Relationship
1	The Phoenix Mills Limited	Ultimate Holding Company
2	Phoenix Hospitality Company Private Limited	Holding Company
3	Market City Resources Private Limited	Fellow Subsidiary
4	Bellona Hospitality Services Limited	Fellow Subsidiary
5	Palladium Constructions Private Limited	Fellow Subsidiary
6	Vamona Developers Private Limited	Fellow Subsidiary
7	Offbeat Developers Private Limited	Fellow Subsidiary
8	Blackwood Developers Private Limited	Fellow Subsidiary
9	Graceworks Realty & Leisures Private Limited	Fellow Subsidiary

B. Transactions during the year with the Related Parties:-

(Amount in Rs.)

Sr. No.	Nature of Transactions	2018-2019	2017-2018
1	**Inter Corporate Deposit Received**		
	The Phoenix Mills Limited	-	65,10,00,000
	Vamona Developers Private Limited	20,80,62,700	68,61,50,000
2	**Inter Corporate Deposit Repaid (Liability)**		
	The Phoenix Mills Limited	-	65,97,00,000
	Vamona Developers Private Limited	71,22,62,700	11,19,50,000
3	**Interest Expenses (Including Interest capitalised)**		
	The Phoenix Mills Limited	-	61,58,591
	Vamona Developers Pvt ltd	26,97,152	21,37,078
4	**OFCD Issued**		
	Vamona Developers Pvt ltd	74,25,00,000	56,17,37,300
5	**OFCD redeemed**		
	Vamona Developers Pvt ltd	61,82,37,300	-
	The Phoenix Mills Limited	-	28,90,00,000
6	**Project Management Consultancy Fees/Corporate Cost (CWIP) (Excluding Service Tax)**		
	Market City Resources Private Limited	-	29,11,000
7	**Project Management consultancy - Income**		
	Vamona Developers Pvt ltd	50,00,000	53,00,000
	Blackwood Developers Private Limited	50,00,000	-
8	**Sale of Fixed Assets**		
	Market City Resources Private Limited	74,763	-

C. Balances at the year end

(Amount in Rs.)

Sr. No.	Nature of Balances	As at March 31, 2019	As at March 31, 2018
1	**Equity Share Capital**		
	The Phoenix Mills Limited	83,97,440	83,97,440
	Phoenix Hospitality Company Private Limited	1,15,89,500	1,15,89,500
2	**Other Equity - OFCD**		
	Vamona Developers Pvt ltd	88,65,00,000	76,22,37,300
3	**Borrowings**		
	Vamona Developers Pvt ltd	7,00,00,000	57,42,00,000
4	**Trade Receivables**		
	Vamona Developers Pvt ltd	54,00,000	-
5	**Interest Payable**		
	Vamona Developers Pvt ltd	51,781	19,22,980

32 Contingent Liabilities

Disputed Income Tax liability amounting to Rs. 91,500/- (March 31, 2018 - 91,500/-), pertaining to Assessment Year 2015-16 .

33 Earning Per Share

Basic as well as Diluted - EPS	Amount (Rs) 2018-19	Amount (Rs) 2017-18
Net Profit / (Loss) after tax	(3,89,34,613)	(2,38,07,555)
Weighted average number of equity shares	19,98,694	19,98,694
Nominal value of equity share	10/-	10/-
Basic EPS (Rupees)	**(19.48)**	**(11.91)**
Diluted EPS (Rupees)	**(19.48)**	**(11.91)**

34 The Leave and License agreements are generally for a period of 1 to 5 years. The terms also provide for escalation of License fees on a periodical basis. Generally, the company has a right to terminate these agreements by giving advance notice as stipulated therein.

Future minimum License Fees receivable under Leave and License agreements for non-expired lock in period as at 31st March 2019 are as follows:

(Amount in Rs.)

Particulars	Within one year	After one year but not more than five years	More than five years	Total
As on 31st March 2019	10,09,36,256	41,90,33,553	-	**51,99,69,809**
As on 31st March 2018	-	-	-	**-**

Contingent License Fees comprising of Revenue Share income (computed as a % of sales) charged to the Licensees during the year is NIL (P.Y. NIL)

35 Expenditure incurred during construction period

The expenditure incurred during the construction period is treated as "Project Development Expenditure" pending capitalisation. The same has been included under Capital Work In Progress and will be apportioned to fixed assets on the completion of the project.

Particulars	2018-19	2017-18
Opening Balances	**41,62,75,332**	**40,04,23,461**
Expenses Incurred during the year		
Finance Cost	1,34,30,553	82,95,121
Admininstrative Expenses	13,77,532	38,51,757
Salary Expenses	52,51,243	37,04,993
Less:- Capitalised During the year	42,30,90,261	-
Closing Balances	**1,32,44,399**	**41,62,75,332**

36 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.

(Amount in Rs.)

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				
Trade Receivables	1,83,03,234	1,83,03,234	-	-
Cash and Cash Equivalents	66,90,595	66,90,595	9,28,803	9,28,803
Other financial assets	1,67,93,114	1,67,93,114	-	-
Total	4,17,86,942	4,17,86,942	9,28,803	9,28,803
Financial liabilities designated at amortised cost				
Borrowings	79,51,12,994	79,51,12,994	57,42,00,000	57,42,00,000
Trade payables and others	26,21,932	26,21,932	9,39,016	9,39,016
Other financial liabilities	9,58,55,592	9,58,55,592	4,84,89,889	4,84,89,889
Total	89,35,90,518	89,35,90,518	62,36,28,906	62,36,28,906

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 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 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.

37 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 finance 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 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. To manage credit risk, the Company periodically assesses the financial reliability of the customer, taking into account the financial condition, current economic trends, and analysis of historical bad debts and aging of accounts receivables. Outstanding customer receivables are regularly monitored.

The Company is not exposed to concentration of credit risk to any one single customer since services are provided to vast specturm and hence, the concentration of risk with respect to trade receivables is low. The Company has also taken advances and security deposits from its customers, which mitigate the credit risk to an extent.

Cash and cash equivalents an other investments

The Company is exposed to counter party risk relating to medium term deposits with banks and investment in mutual funds.

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 31,2019 and March 31,2018 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):		
Cash and cash equivalents	66,90,595	9,28,803
Other financial assets	1,67,93,114	-
Financial assets for which loss allowances is measured using Life time Expected Credit Losses (ECL):		
Trade receivables	1,83,03,234	-

Cash and Cash equivalents, other Investment, Loans and 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.

(Amount in Rs.)

	As at March 31, 2019					
Particulars	**Carrying Amount**	**On Demand**	**Less than 1 Yr**	**1- 5 yrs**	**>5 years**	**Total**
Borrowings	79,51,12,994	19,51,12,994	-	20,61,05,095	39,38,94,905	79,51,12,994
Other Financial Liabilities	9,58,55,592	9,58,55,592	-	-	-	9,58,55,592
Trade and other payables	26,21,932	26,21,932	-	-	-	26,21,932

	As at March 31, 2018					
Particulars	**Carrying Amount**	**On Demand**	**Less than 1 Yr**	**1- 5 yrs**	**>5 years**	**Total**
Borrowings	57,42,00,000	57,42,00,000	-	-	-	57,42,00,000
Other Financial Liabilities	4,84,89,889	4,84,89,889	-	-	-	4,84,89,889
Trade and other payables	9,39,016	9,39,016	-	-	-	9,39,016

38 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, 2019.

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 31-03-2019	As At 31-03-2018
Loans and Borrowings	79,51,12,994	57,42,00,000
Less: Cash and cash equivalents + Bank Deposits (Current)	66,90,595	9,28,803
Net Debt	78,84,22,399	57,32,71,197
Total Capital	1,78,90,64,212	1,70,40,33,013
Capital+Net Debt	2,57,74,86,611	2,27,73,04,210
Gearing Ratio	31%	25%

39 Segment reporting:

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

Managing 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.

40 Reclassification: Based on the pronouncements/clarifications by the professional bodies/institutions and general acccounting practice followed by Industry, Security Deposits of Rs 59,439,987/- Non current portion taken from Occupants/Licensees has been reclassified from Non-Financial Liability to Financial Liability. The said treatment does not have any material impact on the Profit/loss.

41 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.

42 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.

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

Chintan A. Ghelani
Partner
Membership No. 104391

For and on behalf of the Board of Directors

Dipesh Gandhi
(Managing Director)
DIN: 02079576

Haresh Morajkar
(Director)
DIN: 74983

Place : Mumbai
Date : 13th May, 2019

ALLIANCE SPACES PRIVATE LIMITED

(CIN U55101MH2007PTC169101)
[Formerly Known as Alliance Hospitality Services Private Limited]

Notes on Financial Statements for the year ended 31st March, 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 2nd floor, R.R. Hosiery Building, off Dr. E Moses Road, Mahalaxmi (W), Mumbai – 400011.

The residential project being carried out hitherto was discontinued during the financial year under report. The Company now proposes to undertake commercial development at the same project site. The principle place of business is at S No. 207, Viman Nagar Road, Pune 411 014.

For the information of the Company's principal shareholders, refer Note No.14

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.

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) 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.

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 straight-line 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.

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) Foreign currency transactions:

The transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currency at the end of year are translated using the closing rate of exchange. Non- monetary items that are to be carried at historical cost are recorded using exchange rate prevailing on the date of transaction. Non- monetary items that are to be carried at fair value are recorded using exchange rate prevailing on the date of fair value measured. Any income or expenses on account of exchange difference either on settlement or on translation is recognised in the statement of profit and loss.

i) 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 four 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.

j) 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.

k) 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.

l) 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.

Revenue from license fees and other operating services

Revenue from license fees and other operating services are recognised on a straight line basis over the license terms, except where the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary operating cost increases.

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.

m) Employees benefits:

(i) Short-term Employee benefits:

All employees' benefits payable wholly within 12 months rendering services are classified as Short Term obligations. Benefits such as salaries, wages, short term compensated absences, performance incentives, expected cost of bonus and ex-gratia are recognised during the period in which the employees renders related services.

(ii) Post-employment benefits

a. Defined Contribution Plan

The defined contribution plan is post-employment benefit plan under which the Company contributes fixed contribution to a government administered fund and will have no legal or constructive obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund, Labour Welfare Fund and Employee State Insurance Scheme. The Company's contribution to defined contribution plans are recognised in the statement of profit & loss in the period in which the employee renders the related services.

b. Defined benefit plan

The Company has defined benefit plans comprising of gratuity. Company's obligation towards gratuity liability is funded and is managed by Life Insurance Corporation of India (LIC). The present value of the defined benefit obligations is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

Re-measurements comprising of (a) actuarial gains and losses, (b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and (c) the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit & loss in subsequent periods.

The expected return on plan assets is the Company's expectation of average long-term rate of return on the investment of the fund over the entire life of the related obligation. Plan assets are measured at fair value as at the Balance Sheet date.

The interest cost on defined benefit obligation and expected return on plan assets is recognised under finance cost.

Gains or losses on the curtailment or settlement of defined benefit plan are recognised when the curtailment or settlement occurs.

(iii) Other long-term benefits

The Company has other long-term benefits in the form of leave benefits. The present value of the other long term employee benefits is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognised immediately in the statement of profit & loss as income or expense.

Gains or losses on the curtailment or settlement of other long-term benefits are recognised when the curtailment or settlement occurs.

n) 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.

o) 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.

p) <u>Income Taxes:</u>

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.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

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.

q) <u>Earning per share:</u>

Basic earning 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 earning 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) Defined Benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(d) 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.

(e) 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.

(f) 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.

g) <u>STANDARDS ISSUED BUT NOT EFFECTIVE</u>

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.

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 financial statements.