INDEPENDENT AUDITORS' REPORT

To,
The Members of
Pallazzio Hotels & Leisure Limited

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Pallazzio Hotels & Leisure Limited** ('the Company') which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (together referred to as Ind AS financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs of the Company as at 31st March 2019, and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules 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 opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matter to be communicated in our report.

Description of Key audit matter	Auditor response
Implementation of new IT System During the year, there has been a transition to new accounting software for the hotel operations. This lead to the following:- • Changes in data flow and Integration with multiple operating software • New chart of accounts and mapping with the transactions with ledger accounts • Changes in work flow and design of internal control systems • Creation of new masters and transition of data from old software to the new software. The transition to the system environment introduces risks related to system access, change management and data transfer between the different systems, and we have accordingly designated this as a Key audit matter. Management has mitigated this risk by means of manual controls.	**Principal Audit Procedures** • Reviewed the process followed for transition from the old software to the new software • Reviewed the design and adequacy of the internal financial controls • Performed test on reconciliation of data from operating systems to the new accounting software • Compared the old mapping of the ledger accounts with the new mapping to ensure consistency and comparability of the data. • We also tested the company's controls around system interfaces, and the transfer of data from one system to another. This included verification of opening balances and review of masters. • Reviewed the alternate controls / manual controls deployed by the management to mitigate the risk during the transition phase.

Information Other than the Ind AS financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report comprises of Board of Director's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this report, 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.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended from time to time.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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.

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 financial statements.

As a part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 Ind AS 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.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS 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 Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

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

d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards 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 31st March 2019 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to adequacy of internal financial controls system over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report given in Annexure II; and

g) The Company has not paid or provided any managerial remuneration. Hence, reporting under section 197(16) of the Act is not applicable.

h) 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 form time to time, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 27.1(b), 37 (b), 37(c), 37(e) & 37(f) to the Ind AS financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **N. A. Shah Associates LLP**
Chartered Accountants
Firm Registration No: 116560W / W100149

Prashant Daftary
Partner
Membership No.117080
Place: Mumbai
Date: 14th May, 2019

Pallazzio Hotels & Leisure Limited

Annexure I to Independent Auditor's Report for the year ended 31st March 2019
[Referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date]

1. In respect of fixed assets:

   (i) The Company has maintained proper records substantially showing full particulars, including quantitative details and situation of fixed assets, except in respect of furniture and fixtures, intangible assets and certain items of plant and machinery at Hotel. As explained to us, the Company is in the process of updating the required details in the fixed asset register. The said matter related to incomplete particulars was also reported in the previous year in para 1(i) of Annexure I to Independent Auditor's Report dated 7th May 2018.

   (ii) The Company has a phased programme for physical verification of fixed assets at hotel designed to cover all the items at-least once over a period of three years from financial year 2017-18 to 2019-20, which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. During the year, the Company has conducted 100% physical verification of assets at hotel in accordance with phased program. The Company has also substantially reconciled physical items with the fixed asset register and no material discrepancies were noticed in respect of assets reconciled.

   With respect to balance items at hotel (mainly furniture & fixtures, intangible assets and certain portion of plant & machinery,) the reconciliation is under process. Pending reconciliation, we are unable to comment as to whether discrepancies (in respect of above mentioned items), if any, were material or not and whether the same has been properly dealt with in the books of account. The said matter related to pending reconciliation was also reported in the previous year in para 1(ii) of Annexure I to Independent Auditor's Report dated 7th May 2018.

   In respect of other assets at the head office, the Company has carried out a physical verification during the year and no material discrepancies were noticed in respect of the assets verified. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

   (iii) As stated in note 5.1 of the financial statements, conveyance and transfer formalities of the land development rights purchased from the holding company on which the hotel building is constructed are pending to be completed. Considering the same the title of the below mentioned assets are not in the name of the Company.

(Rs.in lakhs)

Nature of immovable properties	Number of cases	Gross block as on 31st March 2019	Net block as on 31st March 2019
Land / FSI / development rights	1	32,110.50	32,110.50
Hotel building	1	51,365.44	44,383.24

   The above matter was also reported in the previous year in para 1(iii) of Annexure I to Independent Auditor's Report dated 7th May 2018.

2. The inventories have been physically verified during the year by the management. In our opinion, the frequency of physical verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.

Pallazzio Hotels & Leisure Limited

Annexure I to Independent Auditor's Report for the year ended 31st March 2019
[Referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date]

3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, LLP or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, the requirements of clause (iii) (a) to (iii) (c) of paragraph 3 of the Order are not applicable to the Company.

4. During the year the Company has not granted any loans or made any investments or provided any guarantees or securities covered under section 185 and section 186 of the Act. Therefore, question of ensuring compliance with section 185 and 186 of the Act does not arise.

5. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits within the meaning of section 73 to 76 of the Act and rules framed there under. We are informed that no order relating to Company has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

6. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for Hotel / Hospitality sector of the Company. Accordingly clause (vi) of paragraph 3 the Order is not applicable to the Company.

7. (i) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, in respect of amounts deducted / accrued in the books of accounts, the Company has been regular in depositing undisputed statutory dues including Employees State Insurance, Income Tax, Sales Tax, Duty of Custom, Value Added Tax, Cess and any other material statutory dues, as applicable to the Company, during the year with the appropriate authorities except few delays in payment of Provident Fund, Tax Deduction at Source and Goods and Services Tax. According to the information and explanation given to us, no undisputed amounts payable in respect of statutory dues were in arrears, as at 31st March 2019 for a period of more than six months from the date they became payable.

   (ii) According to the records of the Company and information and explanations given to us, there are no disputed dues of Income Tax, Sales Tax, Goods and Services Tax, Service Tax, Custom Duty, Wealth Tax, Excise Duty and Cess which have not been deposited with appropriate authorities on account of any dispute except as mentioned below:

Name of statute	**Nature of Dues**	**Period to which it relates**	**Rs.in lakhs**	**Forum where dispute is pending**
Maharashtra Value Added Tax Act, 2002	Value added tax and interest & penalty thereon	April 13 to March 14	555.01*	Joint Commissioner of Sales Tax (Appeals) (Refer note 37(c))
Maharashtra Tax on Luxuries Act, 1987	Luxury tax and interest & penalty thereon	April 13 to March 14	34.59*	Joint Commissioner of Sales Tax (Appeals) (Refer note 37(e))

* Net of amount paid under protest of Rs. 35.11 lakhs

8. Based on our audit procedures and the information and explanation given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to banks. The Company has not taken any loans or borrowings from financial institution / government.

   During the year, Compulsory Convertible Debentures (CCDs) are not due for conversion. Coupon rate equivalent to dividend rate would be payable to CCDs in case of declaration of dividend to equity shareholders, however, during the year the Company has not declared any dividend to equity shareholders. In respect of Optionally Fully Convertible Debentures (OFCD), considering the terms of issue, no coupon is due. Considering these, the question of default does not arise in respect of amount due to debenture holders.

9. During the year, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, on an overall basis, the term loans taken during the year have been applied for the purpose for which they were obtained.

10. During the course of our examination of the books of account and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither noticed nor have been informed by the management, any incidence of fraud by the Company or on the Company by its officers or employees.

11. According to the information and explanation given to us and based on our examination of the records, the Company has not paid / provided for managerial remuneration. Therefore, the provisions of clause (xi) of paragraph 3 of the Order are not applicable to the Company.

12. The Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.

13. According to the information and explanation given to us and based on our examination of the records, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable Ind AS – Refer Note 41 to the financial statements.

14. According to the information and explanations given to us, during the year the Company has converted Non-Convertible Debentures (NCD) into Optionally Fully Convertible Debentures (OFCD). Since NCD is converted into OFCD, no compliance under Section 42 of the Act is required. Accordingly, no reporting under clause (xv) of paragraph 3 of the Order is required to be made.

15. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with the directors. Therefore, the provisions of clause (xvi) of paragraph 3 of the Order are not applicable to the Company.

Pallazzio Hotels & Leisure Limited

Annexure I to Independent Auditor's Report for the year ended 31st March 2019
[Referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date]

16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **N. A. Shah Associates LLP**
Chartered Accountants
Firm Registration No: 116560W / W100149

Prashant Daftary
Partner
Membership No: 117080
Place: Mumbai
Date: 14th May, 2019

Pallazzio Hotels & Leisure Limited
CIN: U67120MH1995PLC085664
Balance Sheet as at 31st March 2019

(Rs. in lakhs)

	Particulars	Note no.	As at 31st March 2019	As at 31st March 2018 (Refer note 45)
	ASSETS			
1	**Non-current assets**			
	a) Property, plant and equipment	5	93,759.58	98,676.11
	b) Capital work-in-progress	6	45.28	-
	c) Other intangible assets	7	28.41	37.81
	d) Financial assets			
	i) Investment	8	5.95	5.95
	ii) Other financial assets	9	459.21	587.66
	e) Deferred tax assets (net)	10	381.58	-
	f) Other non-current assets	11	4,553.08	4,538.92
	(A)		**99,233.09**	**103,846.45**
2	**Current assets**			
	a) Inventories	12	377.46	418.46
	b) Financial assets			
	i) Trade receivables	13	1,706.33	1,548.23
	ii) Cash and cash equivalents	14	603.75	720.96
	iv) Other financial assets	15	390.24	236.17
	c) Other current assets	16	816.54	755.28
	(B)		**3,894.32**	**3,679.10**
	TOTAL (A + B)		**103,127.41**	**107,525.55**
	EQUITY AND LIABILITIES			
1	**Equity**			
	a) Equity share capital	17	1,200.00	1,200.00
	b) Other equity	18	34,337.04	23,310.48
	(A)		**35,537.04**	**24,510.48**
	Liabilities			
2	**Non-current liabilities**			
	a) Financial liabilities			
	i) Borrowings	19	47,812.43	60,869.72
	ii) Other financial liabilities	20	16.50	4.51
	b) Provisions	21	139.05	4,903.07
	c) Other non-current liabilities	22	363.31	371.31
	(B)		**48,331.29**	**66,148.61**
3	**Current liabilities**			
	a) Financial liabilities			
	i) Borrowings	23	1,861.00	1,861.00
	ii) Trade payables	24		
	- Total outstanding dues of micro enterprises and small enterprises		27.74	11.93
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,636.36	1,184.41
	iii) Other financial liabilities	25	2,328.90	1,960.43
	b) Other current liabilities	26	6,991.77	7,461.27
	c) Provisions	27	5,413.31	4,387.42
	(C)		**19,259.08**	**16,866.46**
	TOTAL (A+B+C)		**103,127.41**	**107,525.55**
	Notes	1 to 53		

The notes referred to above form an integral part of the Financial Statements

As per our audit report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W / W100149

For and on behalf of the Board of Directors of Pallazzio Hotels & Leisure Limited

Prashant Daftary
Partner
Membership No. : 117080

Varun Parwal
Director
DIN:07586435

Pradumna Kanodia
Director
DIN:01602690

Prashant Khandelwal
Chief Financial Officer

Prashant Parekh
Company Secretary
M. No. A28632

Place: Mumbai
Date: 14th May 2019

Place: Mumbai
Date: 14th May, 2019

Pallazzio Hotels & Leisure Limited
CIN: U67120MH1995PLC085664
Balance Sheet as at 31st March 2019

(Amount in Rs.)

	Particulars	Note no.	As at 31st March 2019	As at 31st March 2018 (Refer note 45)
	ASSETS			
1	**Non-current assets**			
	a) Property, plant and equipment	5	9,375,958,489	9,867,612,298
	b) Capital work-in-progress	6	4,528,879	-
	c) Other intangible assets	7	2,840,397	3,780,737
	d) Financial assets			
	i) Investment	8	595,000	595,000
	ii) Other financial assets	9	45,920,752	58,765,787
	e) Deferred tax assets (net)	10	38,158,316	-
	f) Other non-current assets	11	455,308,969	453,891,871
	(A)		**9,923,310,802**	**10,384,645,693**
2	**Current assets**			
	a) Inventories	12	37,745,743	41,845,822
	b) Financial assets			
	i) Trade receivables	13	170,632,703	154,823,067
	ii) Cash and cash equivalents	14	60,374,953	72,095,246
	iv) Other financial assets	15	39,023,880	23,616,621
	c) Other current assets	16	81,653,581	75,528,311
	(B)		**389,430,860**	**367,909,067**
	TOTAL (A + B)		**10,312,741,662**	**10,752,554,760**
	EQUITY AND LIABILITIES			
1	**Equity**			
	a) Equity share capital	17	120,000,000	120,000,000
	b) Other equity	18	3,433,704,222	2,331,047,975
	(A)		**3,553,704,222**	**2,451,047,975**
	Liabilities			
2	**Non-current liabilities**			
	a) Financial liabilities			
	i) Borrowings	19	4,781,243,341	6,086,972,538
	ii) Other financial liabilities	20	1,650,000	451,200
	b) Provisions	21	13,904,932	490,306,907
	c) Other non-current liabilities	22	36,331,334	37,131,083
	(B)		**4,833,129,607**	**6,614,861,728**
3	**Current liabilities**			
	a) Financial liabilities			
	i) Borrowings	23	186,100,000	186,100,000
	ii) Trade payables	24		
	- Total outstanding dues of micro enterprises and small enterprises		2,773,907	1,192,861
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		263,636,020	118,440,812
	iii) Other financial liabilities	25	232,889,639	196,042,503
	b) Other current liabilities	26	699,177,181	746,126,985
	c) Provisions	27	541,331,086	438,741,896
	(C)		**1,925,907,833**	**1,686,645,057**
	TOTAL (A+B+C)		**10,312,741,662**	**10,752,554,760**
	Notes	1 to 53		

The notes referred to above form an integral part of the Financial Statements

As per our audit report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W / W100149

Prashant Daftary
Partner
Membership No. : 117080

Place: Mumbai
Date: 14th May, 2019

For and on behalf of the Board of Directors of
Pallazzio Hotels & Leisure Limited

Varun Parwal
Director
DIN:07586435

Pradumna Kanodia
Director
DIN:01602690

Prashant Khandelwal
Chief Financial Officer

Prashant Parekh
Company Secretary
M. No. A28632

Place: Mumbai
Date: 14th May, 2019

Pallazzio Hotels & Leisure Limited
CIN: U67120MH1995PLC085664
Statement of Profit and Loss for the year ended 31st March 2019

(Rs. in lakhs)

Particulars	Note no.	For the year ended 31st March 2019	For the year ended 31st March 2018 (Refer note 45)
Revenue from operations	28	30,420.57	27,898.45
Other income	29	82.63	87.61
Total revenue		**30,503.20**	**27,986.06**
Food and beverages consumed	30	3,609.85	3,131.40
Other operating cost	31	7,623.81	7,124.41
Personnel expenses	32	4,128.16	4,139.81
Selling and marketing expenses	33	970.80	819.64
Administrative and other expenses	34	2,428.49	2,279.49
		18,761.11	**17,494.75**
Profit before finance costs, depreciation, exceptional items and tax		**11,742.09**	**10,491.31**
Finance costs	35	5,159.35	7,414.97
Depreciation and Amortization expense	5 & 7	5,346.96	5,462.29
		10,506.31	**12,877.26**
Profit/(Loss) before exceptional items and tax		**1,235.78**	**(2,385.95)**
Add / (Less):- Exceptional Items	21.2	4,809.89	-
Profit/(Loss) before tax		**6,045.67**	**(2,385.95)**
Tax expense:			
- Deferred tax credit / (charge)	10	415.90	-
Profit/(Loss) after tax		**6,461.57**	**(2,385.95)**
Other comprehensive income			
(A)(i) Items that will not be reclassified to profit or loss	42	(11.29)	32.22
(A)(ii) Income tax relating to item that will not be reclassified to profit or loss		(34.32)	-
(B)(i) Items that will be reclassified to profit or loss		-	-
(B)(ii) Income tax relating to item that will be reclassified to profit or loss		-	-
Total comprehensive income/(loss) for the year		**6,415.96**	**(2,353.73)**
Basic and diluted earnings per share	46		
Basic earnings / (loss) per share		121.48	(44.86)
Diluted earnings / (loss) per share		75.32	(44.86)
Notes	1 to 53		

The notes referred to above form an integral part of the Financial Statements

As per our audit report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W / W100149

For and on behalf of the Board of Directors of
Pallazzio Hotels & Leisure Limited

Prashant Daftary
Partner
Membership No. : 117080

Varun Parwal
Director
DIN:07586435

Pradumna Kanodia
Director
DIN:01602690

Prashant Khandelwal
Chief Financial Officer

Prashant Parekh
Company Secretary
M. No. A28632

Place: Mumbai
Date: 14th May, 2019

Place: Mumbai
Date: 14th May, 2019

Pallazzio Hotels & Leisure Limited
CIN: U67120MH1995PLC085664
Statement of Profit and Loss for the year ended 31st March 2019

(Amount in Rs.)

Particulars	Note no.	For the year ended 31st March 2019	For the year ended 31st March 2018 (Refer note 45)
Revenue from operations	28	3,042,057,262	2,789,845,346
Other income	29	8,263,260	8,760,806
Total revenue		**3,050,320,522**	**2,798,606,152**
Food and beverages consumed	30	360,984,823	313,140,499
Other operating cost	31	762,381,080	712,440,728
Personnel expenses	32	412,816,069	413,981,446
Selling and marketing expenses	33	97,080,327	81,963,908
Administrative and other expenses	34	242,849,228	227,948,091
		1,876,111,527	**1,749,474,672**
Profit before finance costs, depreciation, exceptional items and tax		**1,174,208,995**	**1,049,131,480**
Finance costs	35	515,934,690	741,497,680
Depreciation and Amortization expense	5 & 7	534,697,116	546,229,445
		1,050,631,806	**1,287,727,125**
Profit/(Loss) before exceptional items and tax		**123,577,189**	**(238,595,645)**
Add / (Less):- Exceptional Items	21.2	480,989,098	-
Profit/(Loss) before tax		**604,566,287**	**(238,595,645)**
Tax expense:			
- Deferred tax credit / (charge)	10	41,590,243	-
Profit/(Loss) after tax		**646,156,530**	**(238,595,645)**
Other comprehensive income			
(A)(i) Items that will not be reclassified to profit or loss	42	(1,128,536)	3,222,135
(A)(ii) Income tax relating to item that will not be reclassified to profit or loss		(3,431,927)	-
(B)(i) Items that will be reclassified to profit or loss		-	-
(B)(ii) Income tax relating to item that will be reclassified to profit or loss		-	-
Total comprehensive income/(loss) for the year		**641,596,067**	**(235,373,510)**
Basic and diluted earnings per share	46		
Basic earnings / (loss) per share		121.48	(44.86)
Diluted earnings / (loss) per share		75.32	(44.86)
Notes	1 to 53		

The notes referred to above form an integral part of the Financial Statements

As per our audit report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W / W100149

For and on behalf of the Board of Directors of
Pallazzio Hotels & Leisure Limited

Prashant Daftary
Partner
Membership No. : 117080

Varun Parwal
Director
DIN:07586435

Pradumna Kanodia
Director
DIN:01602690

Prashant Khandelwal
Chief Financial Officer

Prashant Parekh
Company Secretary
M. No. A28632

Place: Mumbai
Date: 14th May, 2019

Place: Mumbai
Date: 14th May, 2019

Pallazzio Hotels & Leisure Limited

Standalone Cash Flow Statement for the year ended 31st March 2019

(Rs. in lakhs)

	Particulars	Note	Year ended 31st March 2019	Year ended 31st March 2018 (Refer note 45)
A	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit / (Loss) before tax		6,045.67	(2,385.95)
	Adjustments for:			
	Depreciation / Amortization		5,346.97	5,462.29
	Finance costs (excluding credit card commission)		4,915.82	7,161.25
	Interest income		(82.06)	(87.61)
	Bad debts (net)		7.47	-
	Allowance for doubtful debts (net of write back)		68.91	26.92
	Provision for doubtful advances		-	135.00
	Employee stock option expenses		10.60	7.44
	Loss on sale / discard of fixed assets (net)		77.39	98.26
	Reversal of premium on redemption of non-convertible debentures (classified under exceptional item)		(4,809.89)	-
	Unrealised foreign exchange fluctuation loss		7.46	25.41
	Provision for obsolescence		-	(0.90)
	Operating profit / (loss) before Working Capital Changes		**11,588.34**	**10,442.11**
	Adjustments for:			
	Trade receivable, inventories, other current and non current assets		(940.20)	(868.57)
	Trade payable, other current and non current liabilities / provisions		2,680.52	290.49
	Less : Tax (paid) / refund (including withholding tax and interest on income tax refund) (net of refund) (Refer note 51 (a))		464.75	(331.13)
	Net Cash Flow generated from Operating Activities	A	**13,793.41**	**9,531.90**
B	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of fixed assets (including advances and net of creditors)		(577.36)	(226.24)
	Sale of fixed assets		6.04	0.18
	Interest received		9.36	132.74
	Income taxes (paid) / refund [including withholding tax] on interest (Refer note 51 (a))		19.76	(5.95)
	Fixed deposits (under lien) matured		-	-
	Dividend & profit on sale of mutual fund		-	-
	Fixed deposits (under lien) made		(161.52)	(2,609.00)
	Fixed deposits (under lien) matured		312.33	4,326.61
	Net Cash generated from / (used in) Investing Activities	B	**(391.39)**	**1,618.34**
C	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Finance cost		(5,054.89)	(6,247.52)
	Secured loan taken		-	12,000.00
	Secured loan repaid		(8,464.18)	(18,276.95)
	Unsecured loan taken		-	50.00
	Unsecured loan repaid		-	(50.00)
	Net Cash generated from / (used in) Financing Activities	C	**(13,519.07)**	**(12,524.47)**
	Net Increase / (Decrease) in Cash and Cash equivalents (A+ B+C)		**(117.05)**	**(1,374.23)**
	Cash and Cash equivalents at beginning of the year (Refer note 14)		720.96	2,095.19
	Cash and Cash equivalents at end of the year (Refer note 14)		603.75	720.96
	Add: Difference due to realignment of foreign currency on hand		0.16	-
			603.91	720.96
	Net Increase / (Decrease) in Cash and Cash equivalents		**(117.05)**	**(1,374.23)**
	Notes	1 to 53		

The notes referred to above form an integral part of the Financial Statements

As per our audit report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No: 116560W

For and on behalf of the Board of Directors of Pallazzio Hotels & Leisure Limited

Prashant Daftary
Partner
Membership No. : 117080

Varun Parwal
Director
DIN:07586435

Pradumna Kanodia
Director
DIN:01602690

Prashant Khandelwal
Chief Financial Officer

Prashant Parekh
Company Secretary
M. No. A28632

Place: Mumbai
Date: 14th May 2019

Place: Mumbai
Date: 14th May, 2019

Pallazzio Hotels & Leisure Limited

Standalone Cash Flow Statement for the year ended 31st March 2019

(Amount In Rs.)

	Particulars	Note	Year ended 31st March 2019	Year ended 31st March 2018 (Refer note 45)
A	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit / (Loss) before tax		604,566,287	(238,595,645)
	Adjustments for:			
	Depreciation / Amortization		534,697,116	546,229,445
	Finance costs (excluding credit card commission)		491,581,571	716,125,090
	Interest income		(8,206,385)	(8,760,806)
	Bad debts (net)		747,397	-
	Allowance for doubtful debts (net of write back)		6,891,139	2,692,338
	Provision for doubtful advances		-	13,500,000
	Employee stock option expenses		1,060,180	744,036
	Loss on sale / discard of fixed assets (net)		7,739,478	9,826,108
	Reversal of premium on redemption of non-convertible debentures (classified under exceptional item)		(480,989,098)	-
	Unrealised foreign exchange fluctuation loss		745,934	2,541,293
	Provision for obsolescence		-	(89,794)
	Operating profit / (loss) before Working Capital Changes		**1,158,833,619**	**1,044,212,066**
	Adjustments for:			
	Trade receivable, inventories, other current and non current assets		(94,017,682)	(86,857,245)
	Trade payable, other current and non current liabilities / provisions		268,050,220	28,947,241
	Less : Tax (paid) / refund (including withholding tax and interest on income tax refund) (net of refund) (Refer note 51 (a))		46,475,428	(33,113,264)
	Net Cash Flow generated from Operating Activities	A	**1,379,341,585**	**953,188,798**
B	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of fixed assets (including advances and net of creditors)		(57,735,809)	(22,623,810)
	Sale of fixed assets		604,476	18,290
	Interest received		935,560	13,273,977
	Income taxes (paid) / refund [including withholding tax] on interest (Refer note 51 (a))		1,975,560	(594,944)
	Fixed deposits (under lien) matured		-	-
	Dividend & profit on sale of mutual fund		-	-
	Fixed deposits (under lien) made		(16,152,202)	(260,899,692)
	Fixed deposits (under lien) matured		31,233,147	432,660,859
	Net Cash generated from / (used in) Investing Activities	B	**(39,139,268)**	**161,834,680**
C	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Finance cost		(505,488,832)	(624,751,550)
	Secured loan taken		-	1,200,000,000
	Secured loan repaid		(846,418,218)	(1,827,695,290)
	Unsecured loan taken		-	5,000,000
	Unsecured loan repaid		-	(5,000,000)
	Net Cash generated from / (used in) Financing Activities	C	**(1,351,907,050)**	**(1,252,446,840)**
	Net Increase / (Decrease) in Cash and Cash equivalents (A+ B+C)		**(11,704,733)**	**(137,423,364)**
	Cash and Cash equivalents at beginning of the year (Refer note 14)		72,095,246	209,518,610
	Cash and Cash equivalents at end of the year (Refer note 14)		60,374,953	72,095,246
	Add: Difference due to realignment of foreign currency on hand		15,560	-
			60,390,513	72,095,246
	Net Increase / (Decrease) in Cash and Cash equivalents		**(11,704,733)**	**(137,423,364)**
	Notes	1 to 53		

The notes referred to above form an integral part of the Financial Statements

As per our audit report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No 116560W

For and on behalf of the Board of Directors of
Pallazzio Hotels & Leisure Limited

Prashant Daftary
Partner
Membership No. : 117080

Varun Parwal
Director
DIN:07586435

Pradumna Kanodia
Director
DIN:01602690

Prashant Khandelwal
Chief Financial Officer

Prashant Parekh
Company Secretary
M No A28632

Place: Mumbai
Date: 14th May 2019

Place: Mumbai
Date: 14th May, 2019

Statement of changes in equity for the year ended 31st March 2019

(a) Equity share capital

(Rs. in lakhs)

As at 1st April 2017	Changes in equity share capital during the year	As at 31st March 2018	Changes in equity share capital during the	As at 31st March 2019
1 200 00	-	1,200.00	-	1 200 00

Also refer note 17

(b) Other equity

(Rs. in lakhs)

Particulars	Compulsory Convertible Debentures (Also refer note 18.1 (c) to (h))	Optionally Convertible Debentures (Also refer note 18.1(a))	Optionally Fully Convertible Debentures (Also refer note 18.1(b))	Reserves and Surplus				Items of Other Comprehensive Income	Total Other Equity
				Retained earning (Also refer note 18.2(a) and 45)	Replacement reserve fund (Also refer note 18.2(c))	Share option outstanding (Also refer note 44 & note 18.2(d))	Security Premium (Also refer note 18.2(b))	Remeasurement of net defined benefit plan	
Balance as at 1st April, 2017	**4,118.92**	-	**21,980.91**	**(43,135.11)**	**534.50**	**3.59**	**42,303.19**	**77.27**	**25,883.27**
Loss for the year (Refer note 45)	-	-	-	(2,385 95)	-	-	-	-	(2,385 95)
Employee stock option expenses	-	-	-	-	-	7 44	-	-	7 44
Remeasurement gains/(loss) on defined benefit plan	-	-	-	-	-	-	-	32 22	32 22
Effect of retrospective application of Appendix B to Ind AS-21 (Refer note 45)	-	-	-	(226 50)	-	-	-	-	(226 50)
Transferred to replacement reserve fund	-	-	-	(712 92)	-	-	-	-	(712 92)
Transferred from replacement reserve fund to the extent of utilization	-	-	-	86 86	-	-	-	-	86 86
Utilization from replacement reserve fund	-	-	-	-	(86 86)	-	-	-	(86 86)
Transferred from retained earning	-	-	-	-	712 92	-	-	-	712 92
Balance as at 31st March 2018 (Refer note 45)	**4,118.92**	-	**21,980.91**	**(46,373.62)**	**1,160.56**	**11.03**	**42,303.19**	**109.49**	**23,310.48**
Profit / (loss) for the year	-	-	-	6,461 57	-	-	-	-	6,461 57
Employee stock option expenses	-	-	-	-	-	10 60	-	-	10 60
Remeasurement gains/(loss) on defined benefit plan	-	-	-	-	-	-	-	(11 29)	(11 29)
Effect of tax on remeasurement gains/(loss) on defined benefit plan (Refer note 21 2)	-	-	-	-	-	-	-	(34 32)	(34 32)
Issue during the year	-	4,600 00	-	-	-	-	-	-	4,600 00
Transferred to replacement reserve fund	-	-	-	(1,062 13)	-	-	-	-	(1,062 13)
Transferred from replacement reserve fund to the extent of utilization	-	-	-	499 05	-	-	-	-	499 05
Utilization from replacement reserve fund	-	-	-	-	(499 05)	-	-	-	(499 05)
Transferred from retained earning	-	-	-	-	1,062 13	-	-	-	1,062 13
Balance as at 31st March 2019	**4,118.92**	**4,600.00**	**21,980.91**	**(40,475.13)**	**1,723.64**	**21.63**	**42,303.19**	**63.88**	**34,337.04**

Also refer note 18 1 and 18 2

As per our audit report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No 116560W

For and on behalf of the Board of Directors of
Pallazzio Hotels & Leisure Limited

Prashant Daftary
Partner
Membership No : 117080

Varun Parwal
Director
DIN:07586435

Pradumna Kanodia
Director
DIN:01602690

Prashant Khandelwal
Chief Financial Officer

Prashant Parekh
Company Secretary
M No A28632

Place : Mumbai

Place : Mumbai

Statement of changes in equity for the year ended 31st March 2019

(a) Equity share capital

(Amount in Rs.)

As at 1st April 2017	Changes in equity share capital during the year	As at 31st March 2018	Changes in equity share capital during the	As at 31st March 2019
120,000,000	-	120,000,000	-	120,000,000

Also refer note 17

(b) Other equity

(Amount in Rs.)

Particulars	Compulsory Convertible Debentures (Also refer note 18.1 (c) to (h))	Optionally Convertible Debentures (Also refer note 18.1(a))	Optionally Fully Convertible Debentures (Also refer note 18.1(b))	Reserves and Surplus				Items of Other Comprehensive Income	Total Other Equity
				Retained earning (Also refer note 18.2(a) and 45)	Replacement reserve fund (Also refer note 18.2(c))	Share option outstanding (Also refer note 44 & note 18.2(d))	Security Premium (Also refer note 18.2(b))	Remeasurement of net defined benefit plan	
Balance as at 1st April, 2017	411,891,800	-	2,198,091,200	(4,313,511,407)	53,450,188	358,911	4,230,319,124	7,727,621	2,588,327,437
Loss for the year (Refer note 45)	-	-	-	(238,595,645)	-	-	-	-	(238,595,645)
Employee stock option expenses	-	-	-	-	-	744,036	-	-	744,036
Remeasurement gains/(loss) on defined benefit plan	-	-	-	-	-	-	-	3,222,135	3,222,135
Effect of retrospective application of Appendix B to Ind AS-21 (Refer note 45)	-	-	-	(22,649,988)	-	-	-	-	(22,649,988)
Transferred to replacement reserve fund	-	-	-	(71,291,528)	-	-	-	-	(71,291,528)
Transferred from replacement reserve fund to the extent of utilization	-	-	-	8,685,580	-	-	-	-	8,685,580
Utilization from replacement reserve fund	-	-	-	-	(8,685,580)	-	-	-	(8,685,580)
Transferred from retained earning	-	-	-	-	71,291,528	-	-	-	71,291,528
Balance as at 31st March 2018 (Refer note 45)	411,891,800	-	2,198,091,200	(4,637,362,988)	116,056,136	1,102,947	4,230,319,124	10,949,756	2,331,047,975
Profit / (loss) for the year	-	-	-	646,156,530	-	-	-	-	646,156,530
Employee stock option expenses	-	-	-	-	-	1,060,180	-	-	1,060,180
Remeasurement gains/(loss) on defined benefit plan	-	-	-	-	-	-	-	(1,128,536)	(1,128,536)
Effect of tax on remeasurement gains/(loss) on defined benefit plan (Refer note 21 2)	-	-	-	-	-	-	-	(3,431,927)	(3,431,927)
Issue during the year		460,000,000							460,000,000
Transferred to replacement reserve fund	-	-	-	(106,213,228)	-	-	-	-	(106,213,228)
Transferred from replacement reserve fund to the extent of utilization	-	-	-	49,905,212	-	-	-	-	49,905,212
Utilization from replacement reserve fund	-	-	-	-	(49,905,212)	-	-	-	(49,905,212)
Transferred from retained earning	-	-	-	-	106,213,228	-	-	-	106,213,228
Balance as at 31st March 2019	411,891,800	460,000,000	2,198,091,200	[illegible]	172,364,152	2,163,127	4,230,319,124	6,389,293	3,433,704,222

Also refer note 18 1 and 18 2

As per our audit report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No 116560W

Prashant Daftary
Partner
Membership No : 117080

Place: Mumbai
Date: 14th May 2019

For and on behalf of the Board of Directors of
Pallazzio Hotels & Leisure Limited

Varun Parwal
Director
DIN:07586435

Pradumna Kanodia
Director
DIN:01602690

Prashant Khandelwal
Chief Financial Officer

Prashant Parekh
Company Secretary
M No A23632

Place: Mumbai

Date: 14th May 2019

Pallazzio Hotels and Leisure Limited
Notes on financial statement for the year ended 31st March 2019

1. Background

Pallazzio Hotels and Leisure Limited (the "Company") is a limited company domiciled and incorporated in India. The registered office of the Company is located at 426, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, India. The Company is subsidiary of the Phoenix Mills Limited which is a listed entity.

The Company is in the hospitality business. Currently, it owns hotel at lower parel and it has entered into a management agreement with Starwood Hotels & Resorts India Private Limited for managing the routine operations of the hotel under the brand name "St. Regis".

The financial statements of the Company for the year ended 31st March 2019 were approved and adopted by board of directors of the Company in their meeting dated 13th May 2019.

2. Basis of preparation

2.1. Statement of Compliance

The financial statements (on standalone basis) of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. The Company has consistently applied the accounting policies except where a new accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2. Functional and presentation of currency

The financial statements are prepared in Indian Rupees which is also the Company's functional currency. All amounts are rounded to the nearest rupees in lakhs.

2.3. Basis of measurement

The financial statements have been prepared on a historical cost basis except for the following:

i) Certain financial assets and financial liabilities measured at fair value (refer accounting policy regarding financial instruments).

ii) Defined benefit plans – plan assets measured at fair value.

iii) Share based payments.

2.4. Use of significant accounting estimates, judgements and assumptions

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.

i) Property, plant & equipment and Intangible assets

The Company has estimated the useful life, residual value and method of depreciation / amortisation of property, plant & equipment and intangible assets based on its internal technical assessment. Property, plant & equipment and intangible assets represent a significant proportion of the asset base of the Company. Further the Company has estimated that scrap value of property, plant & equipment would be able to cover the residual value & decommissioning costs of property, plant & equipment.

Therefore, the estimates and assumptions made to determine useful life, residual value, method of depreciation / amortisation and decommissioning costs are critical to the Company's financial position and performance.

ii) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies / claim / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

iii) Recognition of deferred tax asset

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. Currently, the Company has recognised the deferred tax on unused tax losses / unused tax credits only to the extent of reasonable certainty. Any increase in probability of future taxable profit will result into recognition of unrecognised deferred tax assets.

iv) Measurement of defined benefit plan & other long term benefits

The cost of the defined benefit gratuity plan / other long term benefits and the present value of the gratuity obligation / other long term benefits 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 and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation / other long term benefits is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

v) Optionally Fully Convertible Debentures (OFCD) and Optionally Convertible Debentures (OCD)

An issuer of a financial instrument shall classify the instrument or its component parts on initial recognition as a financial liability, financial asset or an equity instrument in accordance with the substance of the contractual arrangement and definition of financial liability, financial asset and an equity instrument. With respect to OFCD / OCD issued by the Company, which are convertible into fixed number of equity shares at fixed price and at the option of the Company, meet the definition of equity based on the management judgement that it would exercise the option of conversion.

2.5. Fair value measurement

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. A fair value measurement assumes 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 market or the most advantageous market must be accessible to the Company.

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

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

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

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

Level 1 – unadjusted quoted price in active markets for identical assets and liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – unobservable inputs for the asset or liability

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

3. Significant Accounting Policies

3.1. Presentation and disclosure of financial statements

All assets and liabilities have been classified as current and non-current as per Company's normal operating cycle and other criteria set out in the division II of Schedule III of the Companies Act, 2013 for a company whose financial statements are made in compliance with the Companies (India Accounting Standards) Rules, 2015

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

Based on the nature of service i.e. hospitality and the time between rendering of services and their realization in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current / non-current classification of assets and liabilities.

3.2. Property, plant and equipment and depreciation

i) On transition to Ind AS, the Company had availed the optional exemption under Ind AS 101 and accordingly carrying value of property, plant and equipment as at the date of transition (i.e. 1st April 2015) under previous Indian GAAP considered as the deemed cost of the property, plant & equipment under Ind AS.

Further as permitted by Ind AS 101, the Company had availed optional exemption to continue to capitalize exchange differences arising from translation of long term foreign currency monetary items outstanding on transition date (i.e. 1st April 2015), in so far as they relate to acquisition of a depreciable capital asset. Accordingly, the Company continued to add / deduct forex loss / gain on the said long term foreign currency monetary items in the cost of property, plant and equipment.

ii) Subsequent to transition date, property, plant and equipment are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Gross carrying amount of all property, plant and equipment are measured using cost model. High end operating supplies acquired prior to commencement of the hotel operations and opening of new restaurants / outlets are considered as a part of property, plant and equipment. Cost of property, plant and equipment includes non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable costs of bringing the asset to its working condition for its intended use and the present value of the expected cost for the dismantling/decommissioning of the asset.

iii) Parts (major components) of an item of property, plant and equipments having different useful lives are accounted as separate items of property, plant and equipments. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognises the replaced part, and recognises the new part with its own associated useful life.

iv) Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet date. Ready to use items like gym equipments etc. are considered as a part of capital work-in-progress / project cost as it can be used only when hotel starts operations and are capitalized along with other assets as and when hotel commences operations.

v) Pre-operation expenses (net of revenue) and borrowing cost directly attributable to the cost of construction of the qualifying asset are treated as part of the project cost and are capitalized / allocated to the cost of fixed asset in the year in which the project is completed. Administrative and other expenses which are not directly related to construction are charged to statement of profit and loss.

vi) Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

vii) Depreciation on property, plant and equipment

a) Depreciation on property, plant and equipment (other than freehold land and capital work in progress) is provided on straight line basis over the useful life of the relevant assets net of residual value whose life is in consonance with the life mentioned in Schedule II of the Companies Act, 2013 except;

a) in respect of servers and networks where the Company has estimated useful life of 3 years being lower than the useful life of 6 years as prescribed under Part C of Schedule II of the Companies Act, 2013, based on its internal technical assessment.

b) property, plant and equipment (as referred to in note 3.2(i)) carried at deemed cost at the time of transition to Ind AS are depreciated over the balance useful life of assets.

c) individual assets whose cost does not exceed five thousand rupees has been provided fully in the year of capitalization.

b) High end operating supplies referred to in note 3.2(ii) above are depreciated over a period of three years on straight line method being its estimated useful life.

c) In the case of assets purchased, sold or discarded during the year, depreciation on such assets is calculated on pro-rata basis from the date of such addition or as the case may be, upto the date on which such asset has been sold or discarded.

d) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each balance sheet date and in case of any changes, effect of the same is given prospectively.

3.3. Intangible assets and amortization

i) On transition to Ind AS, the Company had availed the optional exemption under Ind AS 101 and accordingly carrying value of intangible assets as at the date of transition (i.e. 1st April 2015) under previous Indian GAAP considered as the deemed cost of intangible assets under Ind AS.

Further as permitted by Ind AS 101, the Company had availed optional exemption to continue the policy to capitalize exchange differences arising from translation of long term foreign currency monetary items outstanding on transition date (i.e. 1st April 2015), in so far as they relate to acquisition of intangible assets. Accordingly, the Company continued to add / deduct forex loss / gain on the said long term foreign currency monetary items in the cost of intangible assets.

ii) Subsequent to transition date, intangible assets are stated at cost of development or consideration paid for acquisition less accumulated amortisation and accumulated impairment loss, if any. Intangible assets are recognised only if it is probable that the future economic benefits attributable to the asset will flow to the enterprise and the cost of asset can be measured reliably.

iii) Intangible assets comprises of computer software and is amortised over its useful life which is presently estimated to be 5 years. Intangible assets (as referred to in note 3.3(i)) carried at deemed cost at the time of transition to Ind AS are depreciated over the balance useful life of assets.

iv) The useful lives and methods of amortisation of intangible assets are reviewed at each balance sheet date and in case of any changes, effect of the same is given prospectively.

3.4. Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of a) fair value of assets less cost of disposal and b) its value in use. Value in use is the present value of future cash flows expected to derive from an assets or Cash-Generating Unit (CGU).

Based on the assessment done at each balance sheet date, recognised impairment loss is further provided or reversed depending on changes in circumstances. After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognised are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation / amortisation had no impairment loss been recognised in earlier years.

3.5. Inventories

Inventories comprises of stock of food, beverages, stores and operating supplies and are valued at lower of cost (computed on weighted average basis) or net realizable value. Purchase of operating supplies (other than initial acquisition during the pre-commencement of the hotel and commencement of new restaurants / outlets as referred to in note 3.2(ii) above) is charged to statement of profit and loss in the year of consumptions. The Cost comprises of cost of purchases, duties and taxes (other than those subsequently recoverable) and other costs incurred in bringing them to their present location and condition. Cost of inventories is arrived at after providing for cost of obsolescence.

3.6. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

a) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in following categories:

- Debt instruments at amortised cost

  A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

  - Financial asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and

  - Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. 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 in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

- Debt instruments at fair value through other comprehensive income (FVTOCI)

  A 'debt instrument' is classified at the FVTOCI if both of the following criteria are met

  - Financial asset is held with the business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets and

  - Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

  After initial measurement, such financial assets are subsequently measured at fair value and fair value movements are recognised in other comprehensive income. However interest income, impairment losses & reversal of impairment losses and foreign exchange gain or loss is recognised in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in other comprehensive income is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the effective interest method.

- Debt instruments at fair value through profit or loss (FVTPL)

  FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization at amortised cost or at FVTOCI, is classified at FVTPL.

  In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

  Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss. The Company has not designated any debt instrument at FVTPL.

- Equity instruments measured at fair value

  All equity instruments are measured at fair value in the balance sheet, with value changes recognised in the statement of profit and loss except for those equity instruments for which the entity has elected to present value changes in other comprehensive income. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

  If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. The Company has not designated any equity instrument at FVTOCI.

c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired or

- The Company has transferred its rights 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 a 'pass-through' arrangement; and either

  - the Company has transferred substantially all the risks and rewards of the asset or

  - 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.

d) Impairment of financial assets

The Company assesses impairment based on Expected Credit Losses (ECL) model to the followings:

- Financial assets measured at amortised cost

- Financial assets measured at fair value through other comprehensive income (FVTOCI)

Expected credit losses are measured through a loss allowance at an amount equal to:

- 12 months ECL (ECL that result from those default events on the financial instruments that are possible within 12 months after the reporting date) or

- Full lifetime ECL (ECL that result from all possible default events over the life of the financial instruments)

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivable & unbilled revenue and

- All lease receivable

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

Further individual trade receivables are provided / written off when management deems them not be collectible. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as expense / income in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount of assets. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

- Financial assets measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the other comprehensive income.

ii) Financial liabilities

a) Initial recognition & measurement

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.

b) Subsequent measurement

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

- Financial liability at fair value through profit or loss (FVTPL)

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as 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. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

  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. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in other comprehensive income. These gains / loss are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

- Loans & 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 statement of profit and loss 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.

c) Derecognition

A financial liability is derecognised 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 derecognition 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 and loss.

iii) Compound financial instruments

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

v) Reclassification

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

3.7. 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.

3.8. Revenue recognition

With effect from 1st April 18, the Company has adopted Ind AS 115 'Revenue from Contracts with Customers' which introduces a new five-step approach to measuring and recognizing revenue from contracts with customers. Under Ind AS 115, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Adoption of Ind AS 115 does not have a material impact on the financial statements of the Company.

Revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discount, if any. When there is uncertainty as measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

i) Revenue comprises of sale of rooms, banquets, food & beverages and allied services relating to hotel operations is recognised upon rendering of service. Sales and services are recorded net of goods and services tax, sales tax and discounts. Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as income received in advance). Initial non-refundable membership fee is recognised as income over the period of validity of membership which reflects the expected utilization of membership benefits. Annual membership fees are recognised as income on time proportion basis. Membership fee is recorded net of taxes.

ii) Contribution to customer loyalty programs calculated as per agreed percentages of qualifying revenues are accounted on accrual basis and the same is reduced from the revenue.

iii) Dividend income on investments is accounted for in the year in which the right to receive is established, which is generally when shareholders approve the dividend.

iv) For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

v) Lease income / rental income is recognised (net of service tax / goods and services tax) as per the terms of the relevant agreement. (Also refer note 3.14)

vi) Non-refundable deposit received from lessee under operating lease is recognised as income over the tenure of the lease agreement on straight line basis.

vii) Key money received (net of service tax / goods and service tax) in conjunction with entering into hotel management agreements is deferred and amortised over the term of the hotel management agreement. Un-amortised portion of key money is considered as non-financial liability.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Deferred contract costs are incremental costs of obtaining a contract which are recognized as assets and amortized over the term of the contract.

The Company's contracts with customers mainly include promises to transfer products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract, if any. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

3.9. Government grants

Government grants are recognized in the period to which they relate when there is reasonable assurance that the grant will be received and that the Company will comply with the attached conditions. Government grants are recognized in the statement of profit and loss on systematic basis over a period in which the Company recognizes as expenses the related costs for which the grants are intended to compensate.

3.10. Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. As at the Balance Sheet date, foreign currency monetary items are translated at closing exchange rate. Exchange difference arising on settlement or translation of foreign currency monetary items are recognised as income or expense in the year in which they arise except in respect of long term foreign currency monetary items which are outstanding as on transition date (i.e. 1st April 2015), where the Company has availed the optional exemption under Ind AS 101 for capitalization of exchange difference to the cost of property, plant & equipment and intangible assets.

Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate at the date of transactions. Foreign currency non-monetary items which are measured at fair value are reported using the exchange rate at the date when the fair value is determined. Exchange difference arising on fair valuation of non-monetary items is recognised in line with the gain or loss of item that give rise to such exchange difference (i.e. translation differences on items whose gain or loss is recognised in statement of profit and loss or other comprehensive income is also recognised in statement of profit or loss or other comprehensive income respectively).

With effect from 1st April 2018, Company has adopted Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21 which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. Also, refer note 45 to financial statements for impact due to retrospective adoption of Appendix B to Ind AS 21.

3.11. Employee benefits

i) Short term employee benefit

All employee benefits falling due wholly within twelve months after the end of the reporting period are classified as short term employee benefits and they are recognised as an expense at the undiscounted amount in the statement of profit and loss in the period in which the employee renders the related service.

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 and 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 statement of profit and 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 and 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.

3.12. Share-based payments

The holding company has formulated "Employees Stock Option Scheme 2007" share-based payment scheme. Under said scheme, holding company has awarded its shares to the employees of the Company. The award will be settled through issuance of shares of the holding company. The holding company has the obligation to deliver the shares and there is no obligation to deliver shares on the Company. Since the Company does not have an obligation to settle the award, the award is treated as an equity-settled plan.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The Company is recognising the expenses in respect of employees to whom awards are granted and credit is given to other equity. The expenses is recognized over the vesting period. At the end of each reporting date, the Company revises its estimate of the numbers of options that are expected to vest to employees during the vesting period. The impact of the revision to original estimates, if any, is recognised in the statement of profit and loss with a corresponding adjustment to other equity.

3.13. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expenses calculated as per effective interest method, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

3.14. Operating leases

Lease arrangements where risks and rewards incidental to ownership of an asset substantially vest with the lessor are classified as operating lease.

Lease expenses / License fees income received on assets obtained / given under operating lease arrangements are recognised on a straight-line basis as an expense / in the statement of profit and loss over the lease term of the respective lease arrangement. Straight line basis is not used when payments are structured so as to increase in line with expected general inflation to compensate for the expected inflationary cost increases. Initial direct cost incurred by lessor in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease terms on the same basis as lease fess income.

3.15. Taxes on income

Tax expenses for the year comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted outside profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted outside profit or loss.

Provision for current tax is made as per the provisions of Income Tax Act, 1961.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. In situations where the Company has unused tax losses and unused tax credits, deferred tax assets are recognised only if it is probable that they can be utilized against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each Balance Sheet date.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises previously unrecognised deferred tax assets to the extent that it has become probable that future taxable profit allow deferred tax assets to be recovered.

3.16. Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term and highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalent as calculated above also includes outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.17. Cash flow statement

Cash Flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

3.18. Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

The Company does not recognize a contingent asset but discloses its existence in the financial statements if the inflow of economic benefits is probable. 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.

3.19. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible instruments and it is included from the date consideration is receivable (generally the date of their issue) of such instruments

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

3.20. Exceptional item

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

3.21. Replacement reserve fund

In accordance with hotel operating agreement, replacement reserve fund has been created by debiting "Retained Earnings" based on the (a) agreed percentage of revenues and (b) interest earned from earmarked funds.

4. New standard issued / modified effective from 1st April 2019 but not effective as at reporting date

4.1. Ind AS 116 'Leases'

MCA has issued Ind AS 116 'Leases' which is effective from 1st April 2019. Ind AS 116 will replace the existing leases standard, Ind AS 17 'Leases'. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise right to use asset and a corresponding liability for all leases with a term of more than 12 months, unless the underlying asset is of low value. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The management of the Company does not expect any significant impact of the amendment on its financial statements.

4.2. Ind AS 12 'Income taxes' [Uncertainty over Income Tax Treatments]

MCA has issued amendment Ind AS 12 related to uncertainty over Income Tax Treatments which clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following:

a) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty;

b) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount;

Entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not have any uncertainty related to income tax matters.

4.3. Ind AS 12 'Income taxes'

Further, an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any significant impact from this amendment.

4.4. Ind AS 109 'Financial Instrument' [Prepayment Features with Negative Compensation]

Amendments made to Ind AS 109, which amend the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not have any significant impact of this amendment on its financial statements.

4.5. Ind AS 28 'Long-term Interests in Associates and Joint Ventures'

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

4.6. Ind AS 19 'Employee Benefits'

Amendments to Ind AS 19 to clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect any significant impact for this amendment on its financial statements.

4.7. Ind AS 103 'Business Combinations' and Ind AS 111 'Joint Arrangements'

The amendments to Ind AS 103 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

4.8. Ind AS 23 'Borrowing Costs'

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this pronouncement.

Pallazzio Hotels & Leisure Limited
Notes to financial statements for the year ended 31st March 2019

5 Property, plant and equipment

(Rs. in lakhs)

Particulars	Land / FSI / Development Rights (Refer note 5.1 and 5.2)	Buildings (Refer note 5.1)	Plant & Machinery	Furniture & Fixtures	Computers	High End Operating Supplies	Vehicles	Total
Gross block :								
As at 1st April 2017	32,110.50	51,365.44	15,870.62	14,042.55	289.58	439.72	146.00	114,264.41
Addition	-	-	105.93	37.53	0.99	-	112.46	256.91
Adjustments/Deletions	-	-	93.42	30.29	1.12	-	-	124.83
As at 31st March 2018	**32,110.50**	**51,365.44**	**15,883.13**	**14,049.79**	**289.45**	**439.72**	**258.46**	**114,396.49**
Addition	-	-	162.28	87.67	177.69	-	61.02	488.66
Adjustments/Deletions	-	-	144.08	-	5.05	-	-	149.13
As at 31st March 2019	**32,110.50**	**51,365.44**	**15,901.33**	**14,137.46**	**462.09**	**439.72**	**319.48**	**114,736.02**
Accumulated depreciation:								
As at 1st April 2017	-	3,404.95	2,444.98	3,960.79	136.05	403.07	37.43	10,387.27
Depreciation charge for the year	-	1,788.68	1,243.00	2,224.21	70.21	14.32	30.15	5,370.57
Deductions / Adjustments	-	-	22.28	14.30	0.88	-	-	37.46
As at 31st March 2018	-	**5,193.63**	**3,665.70**	**6,170.70**	**205.38**	**417.39**	**67.58**	**15,720.38**
Depreciation charge for the year	-	1,788.57	1,212.19	2,196.85	79.40	14.32	38.57	5,329.90
Deductions / Adjustments	-	-	69.43	-	4.41	-	-	73.84
As at 31st March 2019	-	**6,982.20**	**4,808.46**	**8,367.55**	**280.37**	**431.71**	**106.15**	**20,976.44**
Net book value								
As at 31st March 2018	32,110.50	**46,171.81**	**12,217.43**	**7,879.09**	**84.07**	**22.33**	**190.88**	**98,676.11**
As at 31st March 2019	32,110.50	**44,383.24**	**11,092.87**	**5,769.91**	**181.72**	**8.01**	**213.33**	**93,759.58**

5.1 The Company had purchased land development rights from its holding company, The Phoenix Mills Limited [PML]. As per the terms of the agreement dated 30th March 2007, after completion of three years from the date of agreement, PML shall convey and transfer undivided right, title and interest in the land which bears the same proportion to the total interest in the land as the FSI utilized by executing a deed of conveyance. Pending conveyance and other transfer formalities, the Company had capitalised cost incurred on FSI and Development right under the head 'Land/FSI/Development Rights'. Also refer note 19.1.1 for details of assets pledged with lenders.

5.2 Land/FSI/Development Rights include Rs 92.00 lakhs paid for right of way.

5.3 For disclosure related to asset given on operating lease refer note 43(a).

Pallazzio Hotels & Leisure Limited
Notes to financial statements for the year ended 31st March 2019

5 Property, plant and equipment

(Amount in Rs.)

Particulars	Land / FSI / Development Rights (Refer note 5.1 and 5.2)	Buildings (Refer note 5.1)	Plant & Machinery	Furniture & Fixtures	Computers	High End Operating Supplies	Vehicles	Total
Gross block :								
As at 1st April 2017	3,211,050,350	5,136,543,544	1,587,061,536	1,404,254,519	28,957,828	43,972,160	14,600,411	11,426,440,348
Addition	-	-	10,593,482	3,753,168	99,136	-	11,246,149	25,691,935
Adjustments/Deletions	-	-	9,342,157	3,028,877	111,575	-	-	12,482,609
As at 31st March 2018	**3,211,050,350**	**5,136,543,544**	**1,588,312,861**	**1,404,978,810**	**28,945,389**	**43,972,160**	**25,846,560**	**11,439,649,674**
Addition	-	-	16,227,890	8,767,214	17,769,037	-	6,101,650	48,865,791
Adjustments/Deletions	-	-	14,408,073	-	504,840	-	-	14,912,913
As at 31st March 2019	**3,211,050,350**	**5,136,543,544**	**1,590,132,678**	**1,413,746,024**	**46,209,586**	**43,972,160**	**31,948,210**	**11,473,602,552**
Accumulated depreciation:								
As at 1st April 2017	-	340,495,294	244,497,663	396,079,398	13,604,906	40,307,108	3,742,768	1,038,727,137
Depreciation charge for the year	-	178,867,737	124,299,875	222,420,673	7,021,331	1,432,107	3,015,090	537,056,813
Deductions / Adjustments	-	-	2,228,256	1,430,176	88,142	-	-	3,746,574
As at 31st March 2018	**-**	**519,363,031**	**366,569,282**	**617,069,895**	**20,538,095**	**41,739,215**	**6,757,858**	**1,572,037,376**
Depreciation charge for the year	-	178,856,985	121,218,824	219,685,445	7,940,200	1,432,107	3,856,789	532,990,350
Deductions / Adjustments	-	-	6,943,020	-	440,643	-	-	7,383,663
As at 31st March 2019	**-**	**698,220,016**	**480,845,086**	**836,755,340**	**28,037,652**	**43,171,322**	**10,614,647**	**2,097,644,063**
Net book value								
As at 31st March 2018	3,211,050,350	**4,617,180,513**	**1,221,743,579**	**787,908,915**	**8,407,294**	**2,232,945**	**19,088,702**	**9,867,612,298**
As at 31st March 2019	3,211,050,350	**4,438,323,528**	**1,109,287,592**	**576,990,684**	**18,171,934**	**800,838**	**21,333,563**	**9,375,958,489**

5.1 The Company had purchased land development rights from its holding company, The Phoenix Mills Limited [PML]. As per the terms of the agreement dated 30th March 2007, after completion of hotel structure but not before expiry of three years from the date of execution of this agreement, PML shall convey and transfer undivided right, title and interest in the land which bears the same proportion to the total interest in the land as the FSI utilized by executing a deed of conveyance. Pending conveyance and other transfer formalities, the Company had capitalised cost incurred on FSI and Development right under the head 'Land/FSI/Development Rights'. Also refer note 19.1.1 for details of assets pledged with lenders.

5.2 Land/FSI/Development Rights include Rs 9,200,000 paid for right of way to slum dewellers.

5.3 For disclosure related to asset given on operating lease refer note 43(a).

Pallazzio Hotels & Leisure Limited
Notes to financial statements for the year ended 31st March 2019

(Rs. in lakhs)

6	Movement in capital work in progress	
	Capital Work In Progress (CWIP) as on 1st April 2017	-
	Add: Additions during the year	-
	Closing capital work in progress as on 31st March 2018	-
	Add: Additions during the year	
	Plant & Machinery (Electrical Equipment's)	45.28
	Closing capital work in progress as on 31st March 2019	**45.28**

7	Other Intangible Assets	Computer software (acquired)
	Gross block :	
	As at 1st April 2017	264.59
	Addition	1.07
	Adjustments/Deletions	62.84
	As at 31st March 2018	**202.82**
	Addition	7.66
	Adjustments/Deletions	-
	As at 31st March 2019	**210.48**
	Accumulated amortisation:	
	As at 1st April 2017	136.13
	Depreciation charge for the year*	91.72
	Deductions / Adjustments	62.84
	As at 31st March 2018	**165.01**
	Depreciation charge for the year*	17.06
	Deductions / Adjustments	-
	As at 31st March 2019	**182.07**
	Net book value	
	As at 31st March 2018	**37.81**
	As at 31st March 2019	**28.41**

* Includes additional amortisation of Rs. Nil (Previous year: Rs. 30.37 lakhs) due to change in estimated useful life of software.

7.1 Balance useful life of Intangible assets

Useful Life	As at 31st March 2019	As at 31st March 2018
Software	Ranging from 0-5 Years	Ranging from 0-5 Years

(Rs. in lakhs)

8	Non-current financial assets - Investments	As at 31st March 2019	As at 31st March 2018
	Long term non trade investment (Unquoted investment)		
	Investment in Equity Instruments		
	2,500 (Previous year: 2500) Equity shares of Rs. 10 each in The Saraswat Co-Operative Bank Limited	0.25	0.25
	Investment In Preference Shares		
	50,000 (Previous year: 50,000) 10.50% Perpetual Non-cumulative Preference shares of Rs. 10 each in The Saraswat Co-Operative Bank Limited	5.00	5.00
	Investment in government securities		
	National Saving Certificate - NSC (Refer note 8.1) [under lien with State Excise Authorities]	0.70	0.70
	Total	**5.95**	**5.95**
	Aggregate cost of unquoted investments	5.95	5.95
	Aggregate amount of impairment in value of investments	-	-

8.1 Investment in National Savings Certificates of Rs. 0.70 lakhs (Previous year: 0.70 lakhs) is held in the name of the Company's Director

(Rs. in lakhs)

9	Non-current financial assets - Other assets	As at 31st March 2019	As at 31st March 2018
	Bank deposit maturing after one year (under lien) (Refer note 9.1)	443.54	570.41
	Security deposit	15.67	17.25
	Total	**459.21**	**587.66**

9.1 Lien given for EPCG license, liquor license and bank guarantee given to pollution control board & electricity distribution company.

(Rs. in lakhs)

10	Deferred tax assets (net)	As at 31st March 2019	As at 31st March 2018
	Deferred tax assets:		
	Unabsorbed tax losses and Carry forward depreciation	2,772.45	4,616.81
	Unamortized key money income	2,035.22	-
	Items covered under section 43B of Income Tax Act	802.00	-
	Provision for doubtful debts	33.14	-
	Others	23.74	-
	Deferred tax liability:		
	Depreciation / Amortization	5,284.97	4,616.81
	Net deferred tax assets	**381.58**	-

10.1 As per Ind AS 12 - Income Taxes, deferred tax asset should be recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. In the current year Company has recognised deferred tax assets to the extent it is probable that sufficient future taxable profit will be available against which such deferred tax assets can be realised. In the previous year, the Company had recognised deferred tax assets to the extent of deferred tax liability considering lower probability of taxable profit in near future against which unused tax losses can be utilised.

10.2 The Company is having (i) unused depreciation losses as on 31st March 2019 is Rs. 27,446.45 lakhs (Previous year: Rs. 27,446.45 lakhs) and these losses do not have any expiry date (ii) unused tax business losses as on 31st March 2019 is Rs 17,580.21 lakhs (Previous year: Rs. 18,949.94 lakhs) and its expiry date varies from 2 to 5 years (Previous year 3 to 6 years) respectively.

10.3 Also refer note 47 for other disclosures related to tax reconciliation.

(Rs. in lakhs)

11	Non-current assets - Other assets	As at 31st March 2019	As at 31st March 2018
	Unsecured, considered good		
	Capital advances	59.49	134.38
	Advance for property tax (Paid under protest) (Refer note 27.1(b))	2,953.15	2,464.80
	Others		
	Advance taxes (Tax deducted at source)	1,420.49	1,854.82
	Amount paid under protest (Refer note 37 (c), (d) & (e))	37.16	2.05
	Prepaid Expenses	82.79	82.87
	Unsecured, considered doubtful		
	Capital advances	350.00	350.00
	Less: Provision for doubtful advances	(350.00)	(350.00)
		-	-
	Total	**4,553.08**	**4,538.92**

(Rs. in lakhs)

12	Current assets - Inventories (At lower of cost or net realizable value)	As at 31st March 2019	As at 31st March 2018
	Food and Beverages	377.46	418.35
	Stores and Operating Supplies	30.20	30.31
	Less: Provision for obselence*	30.20	30.20
		-	**0.11**
	Total	**377.46**	**418.46**

* Rs Nil (Previous year: Rs. 0.90 lakhs) no longer required written back and credited to stores and operating supplies expense.
Also Refer note 19.1 for details of inventory pledged with lenders

(Rs. in lakhs)

13	Current financial assets -Trade receivables	As at 31st March 2019	As at 31st March 2018
	(a) Trade Receivables considered good - Secured	-	-
	(b) Trade Receivables considered good - Unsecured (Refer note 41 for amount receivable from related party)	1,801.17	1,590.45
	Total	**1,801.17**	**1,590.45**
	Less: Allowance for doubtful trade receivables	(94.84)	(42.22)
	Net trade receivables	**1,706.33**	**1,548.23**

13.1 The Company follows simplified approach & the trade receivables do not contain significant financing component and accordingly the Company does not separately track changes in credit risk of trade receivables as the impairment amount represents "lifetime" expected credit loss. Accordingly, the disclosure as required by Schedule III, Division II as regards (a) Trade Receivables which have significant increase in credit risk & (b) Trade Receivables which are credit impaired is not required. However, as specified in accounting policy 3.6 (i)(d), in addition to collective pool assessment, the Company carried out individual assessment in respect of certain parties where the possibility of default in collection of trade receivable was high.

(Rs. in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
The amount of trade receivables for which the Company has assessed credit risk on an individual basis	153.19	39.14
The amount of loss allowance recognised for such trade receivables	63.23	14.09

(Rs. in lakhs)

14 Current financial assets - Cash and cash equivalent	As at 31st March 2019	As at 31st March 2018
Cash on hand	78.76	17.16
Cheques in hand	-	0.75
Balances with bank		
- In current accounts	524.99	703.05
	603.75	720.96

(Rs. in lakhs)

15 Current assets - Other financial assets	As at 31st March 2019	As at 31st March 2018
Unsecured, considered good		
Interest accrued on fixed deposits	-	1.42
Security deposits	19.68	20.79
Unbilled revenue	382.02	197.92
Less: Allowance for doubtful unbilled revenue	(11.46)	-
	370.56	197.92
Insurance claim receivable	-	16.04
Total	**390.24**	**236.17**

(Rs. in lakhs)

16 Current assets - Other assets	As at 31st March 2019	As at 31st March 2018
Other loans and advances		
- Advance to suppliers	28.52	80.87
- Other advances	8.64	4.84
Prepaid expenses	227.58	257.84
Export benefits receivable*	551.80	411.73
Total	**816.54**	**755.28**

*The Company is in process of filing application for export benefits of Rs. 260.00 lakhs pertaining to FY 2018-19

17 **Share capital**

(Rs. in lakhs)

Authorized capital	As at 31st March 2019	As at 31st March 2018
Equity share capital		
1,200,000 Equity Shares (Previous year 1,200,000) of Rs. 100 each	1,200.00	1,200.00
Total	**1,200.00**	**1,200.00**

(Rs. in lakhs)

Issued, subscribed and paid-up capital	As at 31st March 2019	As at 31st March 2018
Equity share capital		
1,200,000 Equity Shares (Previous year 1,200,000) of Rs. 100 each	1,200.00	1,200.00
Total	**1,200.00**	**1,200.00**

17.1 Rights, preferences and restrictions of Equity Shares:

The Company has only one class of shares referred to as equity shares having a par value of Rs 100/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, there are no preferential amounts inter se equity shareholders. The distribution will be in proportion to the number of equity shares held by the shareholders (After due adjustment in case shares are not fully paid up.) Also Refer note 18.1

17.2 The reconciliation of the number of equity shares outstanding and the amount of share capital is as follows

(Rs. in lakhs)

Particulars	As at 31st March 2019		As at 31st March 2018	
	Number of Shares	Amount	Number of Shares	Amount
Number of shares at the beginning	1,200,000	1,200.00	1,200,000.00	1,200.00
Add: Shares issued during the year	-	-	-	-
Less: Bought back	-	-	-	-
Number of shares at the end	1,200,000	1,200.00	1,200,000.00	1,200.00

17.3 **Details of shareholders holding more than 5 % shares in the Company:**

Particulars	As at 31st March 2019		As at 31st March 2018	
	% of holding	No of Shares	% of holding	No of Shares
The Phoenix Mills Limited (PML)	100	1,200,000	100.00	1,200,000.00

* Of the above 12,00,000 shares, 7 shares are jointly held by PML with other parties.
In respect to the terms & conditions of instruments convertible into equity shares, refer Note 18.1

18 Other Equity

18.1 Terms of Securities convertible into Equity Shares

(a) Optionally Convertible "Series J" Unsecured Debentures (OCD)

Pursuant to consent provided by the holders of zero coupon non-convertible fully redeemable non-transferable debentures series F (in aggregate holding NCD of Rs. 4,600 lakhs) & approved by the Board of Directors vide resolution dated 30th March 2019, the Non-Convertible debentures aggregating to Rs. 4,600 lakhs has been converted into 0.0001% Optionally Convertible Debentures Series - J (OCD-series J) aggregating to Rs. 4,600 lakhs As a result of this, the Company has issued 4,600,000 Optionally Convertible "Series J" Unsecured Debentures (OCD) of Rs 100 each to body corporate [including the holding company, Phoenix Mills Limited] at face value. In case of conversion, 1 OCD of Rs 100 each will be converted into such number of Equity shares of Rs 100 each at a premium of Rs 732 per share. Further at the option of the Company, OCD may be redeemed within 10 years from the date of allotment in one or more tranches at a premium not exceeding Rs 10 per OCD. The OCDs carries coupon rate @0.0001% p.a. until the date of redemption or conversion in to equity shares and the same is payable at the option of the Company. Also refer note 21.2

OCD are convertible into fixed number of equity shares at fixed price and at the option of the Company and hence meet the definition of equity based on the management intention / judgement that it would exercise the option of conversion. Further refer note 2.4(v).

(b) Optionally Fully Convertible "Series I" Unsecured Debentures (OFCD)

The Company had issued 21,980,912 (Previous year: 21,980,912) Optionally Fully Convertible "Series I" Unsecured Debentures (OFCD) of Rs 100 each to body corporate [including the holding company, Phoenix Mills Limited] at face value. The Company has an option to convert OFCD into Equity shares of the Company at any time after 30th March 2017 . In case of conversion, 1 OFCD of Rs 100 each will be converted into such number of Equity shares of Rs 100 each at a premium of Rs 575 per share. Further at the option of the Company, OFCD may be redeemed within 10 years from the date of allotment in one or more tranches at a premium not exceeding Rs 10 per OFCD. The OFCDs carries coupon rate @4% which will accrue only at the time of redemption & it will be payable at the time of redemption of the instrument by the Company.

OFCD are convertible into fixed number of equity shares at fixed price and at the option of the Company and hence meet the definition of equity based on the management intention / judgement that it would exercise the option of conversion. Further refer note 2.4(v)

(c) Non Cumulative Unsecured Compulsory Convertible Debentures "Series H"

The Company had issued 842,969 Non Cumulative Unsecured Compulsory Convertible Debentures "Series H" of face value of Rs. 100 each at a premium of Rs. 1,240.50 per debenture. As per debenture certificate, the investors have the option to convert each debenture into one equity share of the Company of Rs. 100 at any time on or after 14th July 2016. The Company shall not declare any dividend or other distribution to be paid to the holder/s of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay coupon rate at the same rate as the dividend declared. In the event investors do not convert the debentures prior to 13th July 2018, each debenture will compulsorily be converted into one equity share of the Company on 14th July 2018

In the previous year, the debenture holders had agreed to extend the date of conversion of CCD's for further period of 10 years from the date of renewal. Upon conversion, each CCD will be converted into one equity share with face value of Rs. 100 each. As per the revised terms, the Company shall not declare any dividend or other distribution to be paid to the holder/s of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay coupon rate at the same rate as the dividend declared to debenture holders

(d) Non Cumulative Unsecured Compulsory Convertible Debentures "Series D"

The Company had issued 407,703 Non Cumulative Unsecured Compulsory Convertible Debentures "Series D" of face value of Rs. 100 each at a premium of Rs. 664.26 per debenture. As per debenture certificate, the investors have the option to convert each debenture into one equity share of the Company of Rs. 100 at any time on or after 1st April, 2016. The debenture shall carry zero coupon till 31st March, 2016 and for the period of non conversion after 31st March, 2016 the instrument may be entitled to coupon rate of not more than 2% p.a., as may be decided by the Company. The Company shall not declare any dividend or other distribution to be paid to the holder/s of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay coupon rate at the same rate as the dividend declared. At the end of the 7th year from the date of the issue, each debenture will compulsorily be converted into one equity share of Rs. 100 each of the Company.

In the previous year, the debenture holders had agreed to extend the date of conversion of CCD's for further period of 10 years from the date of renewal. Upon conversion, each CCD will be converted into one equity share with face value of Rs. 100 each. As per the revised terms, the Company shall not declare any dividend or other distribution to be paid to the holder/s of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay coupon rate at the same rate as the dividend declared to debenture holders.

(e) Non Cumulative Unsecured Compulsory Convertible Debentures "Series A"

The Company had issued 635,294 Non Cumulative Unsecured Compulsory Convertible Debentures "Series A" of face value of Rs. 100 each at a premium of Rs. 664.26 per debenture. As per debenture certificate, the investors have the option to convert each debenture into one equity share of the Company of Rs. 100 at any time on or after 1st April 2016. The debenture shall carry zero coupon till 31st March, 2016 and for the period of non conversion after 31st March, 2016, not more than 2% p.a., as may be decided by the Company. The Company shall not declare any dividend or other distribution to be paid to the holder/s of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay coupon rate at the same rate as the dividend declared. At the end of the 10th year from the date of the issue, each debenture will compulsorily be converted into one equity share of Rs. 100 of the Company.

In the previous year, the debenture holders had agreed to extend the date of conversion of CCD's for further period of 10 years from the date of renewal. Upon conversion, each CCD will be converted into one equity share with face value of Rs. 100 each. As per the revised terms, the Company shall not declare any dividend or other distribution to be paid to the holder/s of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay coupon rate at the same rate as the dividend declared to debenture holders

(f) Non Cumulative Unsecured Compulsory Convertible Debentures "Series C"

The Company had converted unsecured loan from Holding Company into 847,365 Non Cumulative Unsecured Compulsory Convertible Debentures "Series C" of face value of Rs. 100 each at a premium of Rs. 640.86 per debenture during the financial year 2012-13. As per debenture certificate, the investors have the option to convert each debenture into one equity share of the Company of Rs. 100 at any time on or after 1st April 2015. The debenture shall carry zero coupon till 31st March 2015. If PML does not exercise the option to convert CCDs into equity shares, the instrument may be entitled to a coupon rate of not more than 2% p.a. as may be decided by the company for the period of non conversion after 31st March, 2015. The Company shall not declare any dividend or other distribution to the holder/s of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay coupon rate at the same rate as the dividend declared. On 1st April, 2017, each debenture will compulsorily be converted into one equity share

In the previous year, the debenture holders had agreed to extend the date of conversion of CCD's for further period of 10 years from the date of renewal. Upon conversion, each CCD will be converted into one equity share with face value of Rs. 100 each. As per the revised terms, the Company shall not declare any dividend or other distribution to be paid to the holder/s of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay coupon rate at the same rate as the dividend declared to debenture holders

(g) **Non Cumulative Unsecured Compulsory Convertible Debentures "Series B"**
The Company had issued 769,440 in various tranches Non Cumulative Unsecured Compulsory Convertible Debentures "Series B" of face value of Rs 100 each at a premium of Rs 1,721.66 per debenture As per debenture certificate the investors have the option to convert each debenture into one equity share of the Company of Rs 100 each at any time on or after 1st April, 2015 The debenture shall carry zero coupon till 31st March, 2015 and for the period of non conversion after 31st March 2015 the instrument may be entitled to coupon rate of not more than 2% p.a as may be decided by the Company The Company shall not declare any dividend or other distribution to the holder/s of the equity shares of the Company However in the event of such declaration, the Company will be obliged to pay coupon rate at the same rate as the dividend declared On 1st April 2017 each debenture will compulsorily be converted into one equity share of Rs 100 of the Company

In the previous year, the debenture holders had agreed to extend the date of conversion of CCD's for further period of 10 years from the date of renewal Upon conversion each CCD will be converted into one equity share with face value of Rs 100 each As per the revised terms, the Company shall not declare any dividend or other distribution to be paid to the holder/s of the equity shares of the Company However, in the event of such declaration, the Company will be obliged to pay coupon rate at the same rate as the dividend declared to debenture holders

(h) **Non Cumulative Unsecured Compulsory Convertible Debentures "Series G"**
The Company had issued 616,147 Non Cumulative Unsecured Compulsory Convertible Debentures "Series G" of face value of Rs 100 each at a premium of Rs 1,312 per debenture As per debenture certificate the investors have the option to convert each debenture into one equity share of the Company of Rs 100 at any time on or after 1st April 2015 The Company shall not declare any dividend or other distribution to be paid to the holder/s of the equity shares of the Company However in the event of such declaration, the Company will be obliged to pay coupon rate at the same rate as the dividend declared In the event investors does not convert the debentures prior to 31st March 2017, each debenture will compulsorily be converted into one equity share of the Company on 1st April 2017

In the previous year, the debenture holders had agreed to extend the date of conversion of CCD's for further period of 10 years from the date of renewal Upon conversion, each CCD will be converted into one equity share with face value of Rs 100 each As per the revised terms, the Company shall not declare any dividend or other distribution to be paid to the holder/s of the equity shares of the Company However, in the event of such declaration, the Company will be obliged to pay coupon rate at the same rate as the dividend declared to debenture holders

18.2 Nature & Purpose of Reserves & Surplus

(a) Retained Earnings:
It represents the accumulated losses of the Company

(b) Securities Premium :
It represents the amount received in excess of par value of securities The same can be utilized as per provisions of section 52 of the Companies Act, 2013

(c) Replacement Reserve Fund :
As per the operating agreement with Hotel operator the Company is required to create a replacement reserve fund based on percentage of monthly revenues The said fund is required to be earmarked and kept separately which can be utilised only for routine capital expenditure in respect of the hotel property as per the operating plan or as proposed by the hotel operator Further all interest earned from the said fund also has to be added to the said fund

Accordingly the company has created a reserve of Rs 1,062 13 lakhs (Previous Year Rs 712.92 lakhs) by debiting the balance in retained earnings and utilised reserve of Rs 499.05 lakhs (Previous year Rs 86.86 lakhs) by crediting balance in retained earnings Fixed deposit of Rs Nil [Previous Year Rs Nil] has also been created for the said purpose

(d) Share option outstanding :
It represents fair value of stock option granted to employees of the Company under "Employee Stock Option Scheme 2007" by the holding company Under the scheme, employees of the Company entitles the shares of the holding company

Also refer note (b) under statement of change in equity

(Rs. in lakhs)

19	Non-current financial liabilities - Borrowings	As at 31st March 2019	As at 31st March 2018
	Term Loans		
	- from banks (Refer note 19.1, 19.2 & 19.3)	34,444.66	56,296.34
	- from NBFC's (Refer note 19.1, 19.2 & 19.3)	13,387.50	-
	Less: Amount disclosed under the head "Other Current Financial Liabilities" (Note 19.2)	(19.73)	(26.62)
		47,812.43	56,269.72
	Debentures [Unsecured]		
	Nil (Previous year: 2) Zero Coupon Non Convertible Fully Redeemable Non Transferrable Debentures series F of Rs 2,300 lakhs each (Refer note 19.4 and 21.2)	-	4,600.00
	Total	**47,812.43**	**60,869.72**

19.1 The Company has taken secured loan from Yes Bank Limited, Aditya Birla Finance Ltd (NBFC) & Saraswat Co-op Bank Ltd (referred as "Consortium of Lenders") The loans together with interest thereon are secured by the security stipulated herein below

19.1.1 First pari-passu by way of registered mortgage on all the immovable fixed assets land, proportionate FSI rights & building/structure(s) thereupon) both present & future of the project Currently, mortgage shall be created on the entire land area of ~17853 sqmtrs, however once the conveyance is executed 1/3rd of the land area of PML shall be excluded from the charge and balance 2/3rd portion of undivided interest in land will continue to be under mortgage Also refer note 5.1

19.1.2 First pari-passu charge/exclusive charge on all the movable fixed assets, current assets and receivables (both present & future), including escrow of the same of the Project

19.1.3 Currently the Company is 100% subsidiary of PML Avinash Bhosale Infrastructure Pvt Ltd (ABIPL) does not hold any equity interest in the Company Till the time ABIPL does not hold equity interest in the Company, PML will pledge 30% shareholding in the Company

After conversion of CCD's 15% shareholding of PML & 15% shareholding of ABIPL in the Company should be pledged

19.2 Secured against hypothecation of the vehicles.
The Company has taken term loan for vehicles from various lenders. Term loan is payable in equal instalments over a period of 1 year (Previous year 1 to 2 years). The maturity profile of the loan amount is as follows:

(Rs. in lakhs)

	As at 31st March 2019	As at 31st March 2018
2018-2019	-	26.62
2019-2020	19.73	19.73
Total	**19.73**	**46.35**

19.3 **Terms of repayment and maturity profile of the term loan:**

19.3.1 **Term loan from lenders (In respect of loan taken from lenders as mentioned in note 19.1)**
The term loan is repayable in 48 quarterly unequal structured instalments beginning from June 2019 and last payment date is 31st March 2031. Due to pre-payment, next repayment of term loan as per loan agreement would be due from December 2024 (Previous Year : June 2022) and last payment date is 31st March 2031. The maturity profile of the loan amount given below is modified accordingly.

(Amount in Rs.)

Financial Year	As at 31st March 2019	As at 31st March 2018
2019-2020	-	-
2020-2021	-	-
2021-2022	-	-
2022-2023	-	2,500.07
2023-2024	-	3,750.00
2024-2025	2,187.43	4,374.99
2025-2026	5,625.00	5,624.99
2026-2027	5,625.00	5,624.99
2027-2028	6,875.00	6,874.99
2028-2029	8,125.00	8,124.99
2029-2030	9,375.00	9,374.99
2030-2031	10,000.00	9,999.99
Total	**47,812.43**	**56,250.00**

19.4 The Company had issued two zero coupon fully redeemable non convertible unsecured debentures to body corporate of Rs 2,300 lakhs each [including the holding company, Phoenix Mills Limited] with an underlying right to occupy the certain portion of Company's premises. The Company had an option but not an obligation to redeem the series F debentures, only collectively during the option window period of three months from (a) the expiry of 7 years from the date of which Company receives all the statutory approvals to commence business and the debenture holders were allowed to take possession upon payment of the face value of the debentures along with the premium which will be computed as per the terms mentioned in the debenture certificate [for each 12 month period commencing from the date of issue of debentures till redemption] by the Company at an annualized rate equivalent to the average interest rate by the lenders for that year plus 2.5%, quarterly compounded (b) the expiry of 14 years from the date of which Company receives all the statutory approvals to commence business and the debenture holders were allowed to take possession upon payment of the face value of the debentures along with the premium which will be computed as per the terms mentioned in the debenture certificate [for each 12 month period commencing from the date of issue of debentures till redemption] by the Company at an annualized rate equivalent to the average interest rate by the lenders for that year plus 2%, quarterly compounded. During the year, the Company has converted NCD of Rs. 4,600 lakhs into 0.0001% OCD aggregating to Rs. 4,600 lakhs and accordingly, right to occupy certain portion of Company's premises by NCD holders has been relinquished. Refer note 21.1 & 21.2

19.5 The Company is not required to create debenture redemption reserve as there are no redeemable debenture as on 31st March 2019. In the previous year no debenture reserve was created in view of the losses incurred.

(Rs. in lakhs)

20	Non-current financial liabilities - Other liabilities	As at 31st March 2019	As at 31st March 2018
	Security deposit	16.50	4.51
	Total	**16.50**	**4.51**

(Rs. in lakhs)

21	Non-current liabilities - provisions	As at 31st March 2019	As at 31st March 2018
	Provision for gratuity (Refer note 42)	139.05	93.18
	Provision for premium on redemption of zero coupon non convertible debentures series F (Refer note 21.1 & 21.2)	-	4,809.89
	Total	**139.05**	**4,903.07**

21.1 As stated in note 19.4, the company had an option but not an obligation to redeem the NCD collectively only during the specified window period along with redemption premium. Considering the long term nature of the instrument, other uncertainties as regards exercising of the option, the Company was of the view that the event was contingent in nature. However in order to comply with the requirements of the generally accepted accounting principles, the company had made a provision for redemption premium payable (if any) and the same was adjusted against the securities premium account in accordance with section 52 of the Companies Act, 2013 till 31st March 2015 and after 1st April 2015 the said premium was debited to statement of profit and loss. Also Refer note 21.2

21.2 Pursuant to consent provided by the holders of zero coupon non-convertible fully redeemable non-transferable debentures series F (in aggregate holding NCD of Rs. 4,600 lakhs) & approved by the Board of Directors vide resolution dated 30th March 2019, the Non-Convertible debentures aggregating to Rs. 4,600 lakhs has been converted into 0.0001% Optionally Convertible Debentures Series - J (OCD-series J) aggregating to Rs. 4,600 lakhs and as a result of this all the securities attached to the said Non-Convertible Debentures have been released. Consequent to the said change in terms, the provision for premium on redemption of the said non-convertible debentures made in the earlier years has been written-back since it is no longer payable and has been disclosed as an exceptional item in the statement of profit & loss. Further provision for premium on redemption of non-convertible debentures aggregating to Rs. 812.84 lakhs debited to finance cost and fair value adjustments aggregating to Rs. 164.46 lakhs made to revenue from operations and finance cost for the period April 2018 to December 2018 has been reversed. Refer note 18.1(a) and 19.4

(Rs. in lakhs)

22	Non-current liabilities - Other non current liabilities	As at 31st March 2019	As at 31st March 2018
	Income received in advance	363.31	371.31
	Total	**363.31**	**371.31**

(Amount in Rs.)

23	Current financial liabilities - Borrowings	As at 31st March 2019	As at 31st March 2018
	Unsecured		
	Loan repayable on demand		
	- from Related Party (Holding Company) (Refer note 41)	1,861.00	1,861.00
	Total	**1,861.00**	**1,861.00**

(Rs. In lakhs)

24	Current financial liabilities - Trade payables	As at 31st March 2019	As at 31st March 2018
	- total outstanding dues of micro enterprises and small enterprises (Refer note 24.1)	27.74	11.93
	- total outstanding dues of creditors other than micro enterprises and small enterprises	2,636.36	1,184.41
	Total	**2,664.10**	**1,196.34**

24.1 Disclosure under section 22 of Micro, Small and Medium Enterprises Development Act, 2006 is as tabulated below:

(Rs. in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Principal amount remaining unpaid to suppliers	27.74	11.93
Principal amount paid to beyond due date	-	-
Amount of interest paid under section 16	-	-
Amount of interest due and remaining unpaid	-	-
Amount of interest accrued and remaining unpaid	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the above Act	-	-

The information as required to be disclosed in pursuance of the above referred Act has been determined to the extent such parties have been identified on the basis of information given by the suppliers to the Company.

(Rs. In lakhs)

25	Current financial liabilities - Other liabilities	As at 31st March 2019	As at 31st March 2018
	Current maturities of secured long term borrowing		
	- from banks (Refer note 19.1,19.2 & 19.3)	147.75	306.18
	Provision for expenses (electricity, water, etc.)	504.81	226.54
	Other liabilities		
	- Security deposits	688.76	560.18
	- Creditors for capital goods (Refer note 24.1 & 25.1)	744.13	854.76
	- Salary payable	242.37	6.29
	- Others (excess amount received from customers etc.)	1.08	6.48
	Total	**2,328.90**	**1,960.43**

25.1 The Company accounts for the invoices received from vendors/contractors based on the work certified. Creditors for capital goods include Rs.331.93 lakhs (Previous year Rs. 431.86 lakhs) being provision made towards the value of work done by the Company's appointed sub-contractors which is pending to be certified.

(Rs. In lakhs)

26	Current liabilities - Other current liabilities	As at 31st March 2019	As at 31st March 2018 (Refer note 45)
	Income received in advance	168.30	126.54
	Advances from customers	479.00	57639
	Deposits received from tenants	-	111.11
	Key money advance (Refer note 45)	5,824.25	6,096.20
	Statutory dues	520.22	551.03
	Total	**6,991.77**	**7,461.27**

(Rs. in lakhs)

27	Current liabilities - provisions	As at 31st March 2019	As at 31st March 2018
	Provision for property tax (Refer Note 27.1(b))	4,828.00	3,851.00
	Provision for contingency (Refer Note 27.1(c))	116.27	26.27
	Provision for gratuity (Refer note 42)	30.69	10.00
	Provision for leave benefits (Refer note 42)	250.50	207.65
	Provision for performance bonus (Refer Note 27.1(a))	187.85	292.50
	Total	5,413.31	4,387.42

27.1 Disclosure in movement of provision as required by Ind AS 37 'Provisions, Contingent liabilities and Contingent Assets':

(a) The Company has made provisions for performance bonus which are expected to be paid in the next year. Details of which are tabulated below:

(Rs. In lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Opening Balance	292.50	267.70
Add: Provision during the year	155.40	292.50
Less: Paid	232.80	208.39
Less: Written back	27.25	59.31
Closing Balance	**187.85**	**292.50**

(b) The Company had received demand for property tax in the month of September 2014, for the 2012-13, 2013-14 & 2014-15 aggregating to Rs. 2,512.48 lakhs which was further revised in the month of January 2015 to Rs. 2,005.90 lakhs The Company had contested the demand and pending resolution of the matter the Company had made payment under protest of Rs.800 lakhs. The management was confident that the maximum liability would not be in excess of 50% of the cumulative demand of Rs. 2,005.90 lakhs. Accordingly the Company based on its estimate had made cumulative provision of Rs. 920 lakhs for the years 2012-13, 2013-14 and 2014-15.

In the FY 2015-16 to FY 2018-19 the Company received the demand for Rs. 977 lakhs for each year and the same has been contested by the Company. As a matter of abundant caution, the Company has made additional provision of Rs. 977 lakhs for each year. The differential demand is disclosed as contingent liability (Refer note 37(b)). Timing of additional outflow, if any, would be determined upon completion of the litigation. Details of provision made is tabulated below:

(Rs. in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Opening Balance	3,851.00	2,874.00
Add: Provision during the year	977.00	977.00
Less: Paid / Utilized	-	-
Less: Written back	-	-
Closing Balance	**4,828.00**	**3,851.00**

(c) Provisions for contingency are towards various cases in respect of which management believes that there are present obligations and the settlements of such obligations are expected to result in outflow of resources, to the extent provided for

(Rs. in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Opening Balance	26.27	26.27
Add: Provision during the year	90.00	-
Less: Paid / Utilized	-	-
Less: Written back	-	-
Closing Balance	**116.27**	**26.27**

(Amount in Rs.)

6	Movement in capital work in progress	
	Capital Work in Progress (CWIP) as on 1st April 2017	-
	Add: Additions during the year	-
	Closing capital work in progress as on 31st March 2018	-
	Add: Additions during the year Plant & Machinery (Electrical Equipment's)	4,528,879
	Closing capital work in progress as on 31st March 2019	**4,528,879**

7	Other Intangible Assets	Computer software (acquired)
	Gross block :	
	As at 1st April 2017	26,459,362
	Addition	107,361
	Adjustments/Deletions	6,284,916
	As at 31st March 2018	**20,281,807**
	Addition	766,426
	Adjustments/Deletions	-
	As at 31st March 2019	**21,048,233**
	Accumulated amortisation:	
	As at 1st April 2017	13,613,355
	Depreciation charge for the year*	9,172,631
	Deductions / Adjustments	6,284,916
	As at 31st March 2018	**16,501,070**
	Depreciation charge for the year*	1,706,766
	Deductions / Adjustments	-
	As at 31st March 2019	**18,207,836**
	Net book value	
	As at 31st March 2018	**3,780,737**
	As at 31st March 2019	**2,840,397**

* Includes additional amortisation of Rs. Nil (Previous year: Rs. 3,037,422) due to change in estimated useful life of software

7.1 Balance useful life of Intangible assets:

Useful Life	As at 31st March 2019	As at 31st March 2018
Software	Ranging from 0-5 Years	Ranging from 0-5 Years

(Amount in Rs.)

8	Non-current financial assets - Investments	As at 31st March 2019	As at 31st March 2018
	Long-term non-trade Investment (Unquoted investment)		
	Investment in Equity Instruments 2,500 (Previous year: 2500) Equity shares of Rs. 10 each in The Saraswat Co-Operative Bank Limited	25,000	25,000
	Investment in Preference Shares 50,000 (Previous year: 50,000) 10.50% Perpetual Non-cumulative Preference shares of Rs. 10 each in The Saraswat Co-Operative Bank Limited	500,000	500,000
	Investment in government securities National Saving Certificate - NSC (Refer note 8.1) [under lien with State Excise Authorities]	70,000	70,000
	Total	**595,000**	**595,000**
	Aggregate cost of unquoted investments	595,000	595,000
	Aggregate amount of impairment in value of investments	-	-

8.1 Investment in National Savings Certificates of Rs. 70,000 (Previous year: 70,000) is held in the name of the Company's Director

(Amount in Rs.)

9	Non-current financial assets - Other assets	As at 31st March 2019	As at 31st March 2018
	Bank deposit maturing after one year (under lien) (Refer note 9.1)	44,354,063	57,040,787
	Security deposit	1,566,689	1,725,000
	Total	**45,920,752**	**58,765,787**

9.1 Lien given for EPCG license, liquor license and bank guarantee given to pollution control board & electricity distribution company.

(Amount in Rs.)

10 Deferred tax assets (net)	As at 31st March 2019	As at 31st March 2018
Deferred tax assets:		
Unabsorbed tax losses and Carry forward depreciation	277,245,644	461,681,216
Unamortized key money income	203,522,503	-
Items covered under section 43B of Income Tax Act	80,199,742	-
Provision for doubtful debts	3,314,175	-
Others	2,373,710	-
Deferred tax liability:		
Depreciation / Amortization	528,497,458	461,681,216
Net deferred tax assets	38,158,316	-

10.1 As per Ind AS 12 - Income Taxes, deferred tax asset should be recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. In the current year Company has recognised deferred tax assets to the extent it is probable that sufficient future taxable profit will be available against which such deferred tax assets can be realised. In the previous year, the Company had recognised deferred tax assets to the extent of deferred tax liability considering lower probability of taxable profit in near future against which unused tax losses can be utilised.

10.2 The Company is having (i) unused depreciation losses as on 31st March 2019 is Rs. 2,744,644,860 (Previous year: Rs. 2,744,644,860) and these losses do not have any expiry date (ii) unused tax business losses as on 31st March 2019 is Rs. 1,758,020,958 (Previous year: Rs. 1,894,993,705) and its expiry date varies from 2 to 5 years (Previous year 3 to 6 years) respectively.

10.3 Also refer note 47 for other disclosures related to tax reconciliation.

(Amount in Rs.)

11 Non-current assets - Other assets	As at 31st March 2019	As at 31st March 2018
Unsecured, considered good		
Capital advances	5,949,069	13,438,254
Advance for property tax (Paid under protest) (Refer note 27.1(b))	295,315,137	246,479,701
Others		
Advance taxes (Tax deducted at source)	142,048,927	185,481,446
Amount paid under protest (Refer note 37 (c), (d) & (e))	3,716,436	205,337
Prepaid Expenses	8,279,400	8,287,133
Unsecured, considered doubtful		
Capital advances	35,000,000	35,000,000
Less : Provision for doubtful advances	(35,000,000)	(35,000,000)
	-	-
Total	455,308,969	453,891,871

(Amount in Rs.)

12 Current assets - Inventories (At lower of cost or net realizable value)	As at 31st March 2019	As at 31st March 2018
Food and Beverages	37,745,743	41,835,307
Stores and Operating Supplies	3,019,990	3,030,505
Less: Provision for obselence*	3,019,990	3,019,990
	-	10,515
Total	37,745,743	41,845,822

* Rs Nil (Previous year: Rs. 89,794) no longer required written back and credited to stores and operating supplies expense.
Also Refer note 19.1 for details of inventory pledged with lenders

(Amount in Rs.)

13 Current financial assets -Trade receivables	As at 31st March 2019	As at 31st March 2018
(a) Trade Receivables considered good - Secured	-	-
(b) Trade Receivables considered good - Unsecured (Refer note 41 for amount receivable from related party)	180,116,948	159,044,886
Total	180,116,948	159,044,886
Less: Allowance for doubtful trade receivables	(9,484,245)	(4,221,819)
Net trade receivables	170,632,703	154,823,067

13.1 The Company follows simplified approach & the trade receivables do not contain significant financing component and accordingly the Company does not separately track changes in credit risk of trade receivables as the impairment amount represents "lifetime" expected credit loss. Accordingly, the disclosure as required by Schedule III, Division II as regards (a) Trade Receivables which have significant increase in credit risk & (b) Trade Receivables which are credit impaired is not required. However, as specified in accounting policy 3.6 (i)(d), in addition to collective pool assessment, the Company carried out individual assessment in respect of certain parties where the possibility of default in collection of trade receivable was high.

(Amount in Rs.)

Particulars	As at 31st March 2019	As at 31st March 2018
The amount of trade receivables for which the Company has assessed credit risk on an individual basis	15,319,213	3,913,938
The amount of loss allowance recognised for such trade receivables	6,323,208	1,409,448

(Amount in Rs.)

14	Current financial assets - Cash and cash equivalent	As at 31st March 2019	As at 31st March 2018
	Cash on hand	7,875,712	1,716,137
	Cheques in hand	-	74,545
	Balances with bank		
	- In current accounts	52,499,241	70,304,564
		60,374,953	72,095,246

(Amount in Rs.)

15 Current assets - Other financial assets	As at 31st March 2019	As at 31st March 2018
Unsecured, considered good		
Interest accrued on fixed deposits	-	141,865
Security deposits	1,967,501	2,078,701
Unbilled revenue	38,202,453	19,791,651
Less: Allowance for doubtful unbilled revenue	(1,146,074)	-
	37,056,379	19,791,651
Insurance claim receivable	-	1,604,404
Total	**39,023,880**	**23,616,621**

(Amount in Rs.)

16 Current assets - Other assets	As at 31st March 2019	As at 31st March 2018
Other loans and advances		
- Advance to suppliers	2,851,774	8,087,328
- Other advances	863,982	484,492
Prepaid expenses	22,758,305	25,783,827
Export benefits receivable*	55,179,520	41,172,664
Total	**81,653,581**	**75,528,311**

*The Company is in process of filing application for export benefits of Rs. 26,000,000 pertaining to FY 2018-19

17 **Share capital**

(Amount in Rs.)

Authorized capital	As at 31st March 2019	As at 31st March 2018
Equity share capital		
1,200,000 Equity Shares (Previous year: 1,200,000) of Rs. 100 each	120,000,000	120,000,000
Total	**120,000,000**	**120,000,000**

(Amount in Rs.)

Issued, subscribed and paid-up capital	As at 31st March 2019	As at 31st March 2018
Equity share capital		
1,200,000 Equity Shares (Previous year: 1,200,000) of Rs. 100 each	120,000,000	120,000,000
Total	**120,000,000**	**120,000,000**

17.1 Rights, preferences and restrictions of Equity Shares:

The Company has only one class of shares referred to as equity shares having a par value of Rs.100/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, there are no preferential amounts inter se equity shareholders. The distribution will be in proportion to the number of equity shares held by the shareholders (After due adjustment in case shares are not fully paid up.) Also Refer note 18.1

17.2 The reconciliation of the number of equity shares outstanding and the amount of share capital is as follows :

(Amount in Rs.)

Particulars	As at 31st March 2019		As at 31st March 2018	
	Number of Shares	Amount	Number of Shares	Amount
Number of shares at the beginning	1,200,000	120,000,000	1,200,000	120,000,000
Add: Shares issued during the year	-	-	-	-
Less: Bought back	-	-	-	-
Number of shares at the end	1,200,000	120,000,000	1,200,000	120,000,000

17.3 **Details of shareholders holding more than 5 % shares in the Company:**

Particulars	As at 31st March 2019		As at 31st March 2018	
	% of holding	No of Shares	% of holding	No of Shares
The Phoenix Mills Limited (PML)	100	1,200,000	100	1,200,000

* Of the above 12,00,000 shares, 7 shares are jointly held by PML with other parties

In respect to the terms & conditions of instruments convertible into equity shares, refer Note 18.1

18 Other Equity

18.1 Terms of Securities convertible into Equity Shares

(a) Optionally Convertible "Series J" Unsecured Debentures (OCD)

Pursuant to consent provided by the holders of zero coupon non-convertible fully redeemable non-transferable debentures series F (in aggregate holding NCD of Rs 460,000,000) & approved by the Board of Directors vide resolution dated 30th March 2019, the Non-Convertible debentures aggregating to Rs 460,000,000 has been converted into 0.0001% Optionally Convertible Debentures Series - J (OCD-series J) aggregating to Rs 460,000,000. As a result of this, the Company has issued 4,600,000 Optionally Convertible "Series J" Unsecured Debentures (OCD) of Rs 100 each to body corporate [including the holding company, Phoenix Mills Limited] at face value. In case of conversion, 1 OCD of Rs 100 each will be converted into such number of Equity shares of Rs 100 each at a premium of Rs 732 per share. Further at the option of the Company, OCD may be redeemed within 10 years from the date of allotment in one or more tranches at a premium not exceeding Rs 10 per OCD. The OCDs carries coupon rate @0.0001% p.a. until the date of redemption or conversion in to equity shares and the same is payable at the option of the Company. Also refer note 21.2

OCD are convertible into fixed number of equity shares at fixed price and at the option of the Company and hence meet the definition of equity based on the management intention / judgement that it would exercise the option of conversion. Further refer note 2.4(v)

(b) Optionally Fully Convertible "Series I" Unsecured Debentures (OFCD)

The Company had issued 21,980,912 (Previous year: 21,980,912) Optionally Fully Convertible "Series I" Unsecured Debentures (OFCD) of Rs 100 each to body corporate [including the holding company, Phoenix Mills Limited] at face value. The Company has an option to convert OFCD into Equity shares of the Company at any time after 30th March 2017. In case of conversion, 1 OFCD of Rs 100 each will be converted into such number of Equity shares of Rs 100 each at a premium of Rs 575 per share. Further at the option of the Company, OFCD may be redeemed within 10 years from the date of allotment in one or more tranches at a premium not exceeding Rs 10 per OFCD. The OFCDs carries coupon rate @4% which will accrue only at the time of redemption & it will be payable at the time of redemption of the instrument by the Company

OFCD are convertible into fixed number of equity shares at fixed price and at the option of the Company and hence meet the definition of equity based on the management intention / judgement that it would exercise the option of conversion. Further refer note 2.4(v)

(c) Non Cumulative Unsecured Compulsory Convertible Debentures "Series H"

The Company had issued 842,969 Non Cumulative Unsecured Compulsory Convertible Debentures "Series H" of face value of Rs. 100 each at a premium of Rs. 1,240.50 per debenture. As per debenture certificate, the investors have the option to convert each debenture into one equity share of the Company of Rs. 100 at any time on or after 14th July 2016. The Company shall not declare any dividend or other distribution to be paid to the holder/s of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay coupon rate at the same rate as the dividend declared. In the event investors do not convert the debentures prior to 13th July 2018, each debenture will compulsorily be converted into one equity share of the Company on 14th July 2018.

In the previous year, the debenture holders had agreed to extend the date of conversion of CCD's for further period of 10 years from the date of renewal. Upon conversion, each CCD will be converted into one equity share with face value of Rs. 100 each. As per the revised terms, the Company shall not declare any dividend or other distribution to be paid to the holder/s of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay coupon rate at the same rate as the dividend declared to debenture holders.

(d) Non Cumulative Unsecured Compulsory Convertible Debentures "Series D"

The Company had issued 407,703 Non Cumulative Unsecured Compulsory Convertible Debentures "Series D" of face value of Rs. 100 each at a premium of Rs. 664.26 per debenture. As per debenture certificate, the investors have the option to convert each debenture into one equity share of the Company of Rs. 100 at any time on or after 1st April, 2016. The debenture shall carry zero coupon till 31st March, 2016 and for the period of non conversion after 31st March, 2016 the instrument may be entitled to coupon rate of not more than 2% p.a. as may be decided by the Company. The Company shall not declare any dividend or other distribution to be paid to the holder/s of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay coupon rate at the same rate as the dividend declared. At the end of the 7th year from the date of the issue, each debenture will compulsorily be converted into one equity share of Rs. 100 each of the Company.

In the previous year, the debenture holders had agreed to extend the date of conversion of CCD's for further period of 10 years from the date of renewal. Upon conversion, each CCD will be converted into one equity share with face value of Rs. 100 each. As per the revised terms, the Company shall not declare any dividend or other distribution to be paid to the holder/s of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay coupon rate at the same rate as the dividend declared to debenture holders

(e) Non Cumulative Unsecured Compulsory Convertible Debentures "Series A"

The Company had issued 635,294 Non Cumulative Unsecured Compulsory Convertible Debentures "Series A" of face value of Rs. 100 each at a premium of Rs. 664.26 per debenture. As per debenture certificate, the investors have the option to convert each debenture into one equity share of the Company of Rs. 100 at any time on or after 1st April 2016. The debenture shall carry zero coupon till 31st March, 2016 and for the period of non conversion after 31st March, 2016, not more than 2% p.a., as may be decided by the Company. The Company shall not declare any dividend or other distribution to be paid to the holder/s of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay coupon rate at the same rate as the dividend declared. At the end of the 10th year from the date of the issue, each debenture will compulsorily be converted into one equity share of Rs. 100 of the Company.

In the previous year, the debenture holders had agreed to extend the date of conversion of CCD's for further period of 10 years from the date of renewal. Upon conversion, each CCD will be converted into one equity share with face value of Rs. 100 each. As per the revised terms, the Company shall not declare any dividend or other distribution to be paid to the holder/s of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay coupon rate at the same rate as the dividend declared to debenture holders

(f) Non Cumulative Unsecured Compulsory Convertible Debentures "Series C"

The Company had converted unsecured loan from Holding Company into 847,365 Non Cumulative Unsecured Compulsory Convertible Debentures "Series C" of face value of Rs. 100 each at a premium of Rs. 640.86 per debenture during the financial year 2012-13. As per debenture certificate, the investors have the option to convert each debenture into one equity share of the Company of Rs. 100 at any time on or after 1st April, 2015. The debenture shall carry zero coupon till 31st March 2015. If PML does not exercise the option to convert CCDs into equity shares, the instrument may be entitled to a coupon rate of not more than 2% p.a. as may be decided by the company for the period of non conversion after 31st March, 2015. The Company shall not declare any dividend or other distribution to the holder/s of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay coupon rate at the same rate as the dividend declared. On 1st April, 2017, each debenture will compulsorily be converted into one equity share

In the previous year, the debenture holders had agreed to extend the date of conversion of CCD's for further period of 10 years from the date of renewal. Upon conversion, each CCD will be converted into one equity share with face value of Rs. 100 each. As per the revised terms, the Company shall not declare any dividend or other distribution to be paid to the holder/s of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay coupon rate at the same rate as the dividend declared to debenture holders

(g) **Non Cumulative Unsecured Compulsory Convertible Debentures "Series B"**

The Company had issued 769,440 in various tranches, Non Cumulative Unsecured Compulsory Convertible Debentures "Series B" of face value of Rs. 100 each at a premium of Rs. 1,721.66 per debenture. As per debenture certificate, the investors have the option to convert each debenture into one equity share of the Company of Rs. 100 each at any time on or after 1st April 2015. The debenture shall carry zero coupon till 31st March, 2015 and for the period of non conversion after 31st March, 2015 the instrument may be entitled to coupon rate of not more than 2% p.a., as may be decided by the Company. The Company shall not declare any dividend or other distribution to the holder/s of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay coupon rate at the same rate as the dividend declared. On 1st April, 2017 each debenture will compulsorily be converted into one equity share of Rs. 100 of the Company.

In the previous year, the debenture holders had agreed to extend the date of conversion of CCD's for further period of 10 years from the date of renewal. Upon conversion, each CCD will be converted into one equity share with face value of Rs. 100 each. As per the revised terms, the Company shall not declare any dividend or other distribution to be paid to the holder/s of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay coupon rate at the same rate as the dividend declared to debenture holders.

(h) **Non Cumulative Unsecured Compulsory Convertible Debentures "Series G"**

The Company had issued 616,147 Non Cumulative Unsecured Compulsory Convertible Debentures "Series G" of face value of Rs. 100 each at a premium of Rs. 1,312 per debenture. As per debenture certificate, the investors have the option to convert each debenture into one equity share of the Company of Rs. 100 at any time on or after 1st April 2015. The Company shall not declare any dividend or other distribution to be paid to the holder/s of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay coupon rate at the same rate as the dividend declared. In the event investors does not convert the debentures prior to 31st March 2017, each debenture will compulsorily be converted into one equity share of the Company on 1st April 2017.

In the previous year, the debenture holders had agreed to extend the date of conversion of CCD's for further period of 10 years from the date of renewal. Upon conversion, each CCD will be converted into one equity share with face value of Rs. 100 each. As per the revised terms, the Company shall not declare any dividend or other distribution to be paid to the holder/s of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay coupon rate at the same rate as the dividend declared to debenture holders.

18.2 Nature & Purpose of Reserves & Surplus

(a) **Retained Earnings:**

It represents the accumulated losses of the Company.

(b) **Securities Premium :**

It represents the amount received in excess of par value of securities. The same can be utilized as per provisions of section 52 of the Companies Act, 2013.

(c) **Replacement Reserve Fund :**

As per the operating agreement with Hotel operator, the Company is required to create a replacement reserve fund based on percentage of monthly revenues. The said fund is required to be earmarked and kept separately which can be utilised only for routine capital expenditure in respect of the hotel property as per the operating plan or as proposed by the hotel operator. Further all interest earned from the said fund also has to be added to the said fund.

Accordingly the company has created a reserve of Rs. 106,213,228 (Previous Year Rs. 71,291,528) by debiting the balance in retained earnings and utilised reserve of Rs. 49,905,212 (Previous year Rs. 8,685,580) by crediting balance in retained earnings. Fixed deposit of Rs. Nil [Previous Year Rs. Nil] has also been created for the said purpose.

(d) **Share option outstanding :**

It represents fair value of stock option granted to employees of the Company under "Employee Stock Option Scheme 2007" by the holding company. Under the scheme, employees of the Company entitles the shares of the holding company.

Also refer note (b) under statement of change in equity

(Amount in Rs.)

19	Non-current financial liabilities - Borrowings	As at 31st March 2019	As at 31st March 2018
	Term Loans		
	- from banks (Refer note 19.1, 19.2 & 19.3)	3,444,465,879	5,629,634,097
	- from NBFC's (Refer note 19.1, 19.2 & 19.3)	1,338,750,000	-
	Less: Amount disclosed under the head "Other Current Financial Liabilities" (Note 19.2)	(1,972,538)	(2,661,559)
		4,781,243,341	5,626,972,538
	Debentures [Unsecured]		
	Nil (Previous year: 2) Zero Coupon Non Convertible Fully Redeemable Non Transferrable Debentures series F of Rs. 230,000,000 each (Refer note 19.4 and 21.2)	-	460,000,000
	Total	4,781,243,341	6,086,972,538

19.1 The Company has taken secured loan from Yes Bank Limited, Aditya Birla Finance Ltd (NBFC) & Saraswat Co-op Bank Ltd (referred as "Consortium of Lenders"). The loans together with interest thereon are secured by the security stipulated herein below

19.1.1 First pari-passu by way of registered mortgage, on all the immovable fixed assets (land, proportionate FSI rights & building/structure(s) thereupon), both present & future of the project. Currently, mortgage shall be created on the entire land area of ~17853 sqmtrs, however once the conveyance is executed, 1/3rd of the land area of PML shall be excluded from the charge and balance 2/3rd portion of undivided interest in land will continue to be under mortgage. Also refer note 5.1

19.1.2 First pari-passu charge/exclusive charge on all the movable fixed assets, current assets and receivables (both present & future), including escrow of the same of the Project

19.1.3 Currently the Company is 100% subsidiary of PML. Avinash Bhosale Infrastructure Pvt Ltd (ABIPL) does not hold any equity interest in the Company. Till the time ABIPL does not hold equity interest in the Company, PML will pledge 30% shareholding in the Company.

After conversion of CCD's, 15% shareholding of PML & 15% shareholding of ABIPL in the Company should be pledged

19.2 Secured against hypothecation of the vehicles.
The Company has taken term loan for vehicles from various lenders. Term loan is payable in equal instalments over a period of 1 year (Previous year 1 to 2 years). The maturity profile of the loan amount is as follows:

(Amount in Rs.)

	As at 31st March 2019	As at 31st March 2018
2018-2019	-	2,661,559
2019-2020	1,972,538	1,972,538
Total	**1,972,538**	**4,634,097**

19.3 **Terms of repayment and maturity profile of the term loan:**

19.3.1 **Term loan from lenders (In respect of loan taken from lenders as mentioned in note 19.1)**
The term loan is repayable in 48 unequal structured instalments beginning from June 2019 and last payment date is 31st March 2031. Due to pre-payment, next repayment of term loan as per loan agreement would be due from December 2024 (Previous Year : June 2022) and last payment date is 31st March 2031. The maturity profile of the loan amount given below is modified accordingly:

(Amount in Rs.)

Financial Year	As at 31st March 2019	As at 31st March 2018
2019-2020	-	-
2020-2021	-	-
2021-2022	-	-
2022-2023	-	250,006,643
2023-2024	-	374,999,537
2024-2025	218,743,341	437,499,459
2025-2026	562,500,000	562,499,305
2026-2027	562,500,000	562,499,305
2027-2028	687,500,000	687,499,150
2028-2029	812,500,000	812,498,996
2029-2030	937,500,000	937,498,841
2030-2031	1,000,000,000	999,998,764
Total	**4,781,243,341**	**5,625,000,000**

19.4 The Company had issued two zero coupon fully redeemable non convertible unsecured debentures to body corporate of Rs 230,000,000 each [including the holding company, Phoenix Mills Limited] with an underlying right to occupy the certain portion of Company's premises. The Company had an option but not an obligation to redeem the series F debentures, only collectively during the option window period of three months from (a) the expiry of 7 years from the date of which Company receives all the statutory approvals to commence business and the debenture holders were allowed to take possession upon payment of the face value of the debentures along with the premium which will be computed as per the terms mentioned in the debenture certificate [for each 12 month period commencing from the date of issue of debentures till redemption] by the Company at an annualized rate equivalent to the average interest rate by the lenders for that year plus 2.5%, quarterly compounded (b) the expiry of 14 years from the date of which Company receives all the statutory approvals to commence business and the debenture holders were allowed to take possession upon payment of the face value of the debentures along with the premium which will be computed as per the terms mentioned in the debenture certificate [for each 12 month period commencing from the date of issue of debentures till redemption] by the Company at an annualized rate equivalent to the average interest rate by the lenders for that year plus 2%, quarterly compounded. During the year, the Company has converted NCD of Rs. 460,000,000 into 0.0001% OCD aggregating to Rs. 460,000,000 and accordingly, right to occupy certain portion of Company's premises by NCD holders has been relinquished. Refer note 21.1 & 21.2

19.5 The Company is not required to create debenture redemption reserve as there are no redeemable debenture as on 31st March 2019. In the previous year no debenture reserve was created in view of the losses incurred.

(Amount in Rs.)

20	Non-current financial liabilities - Other liabilities	As at 31st March 2019	As at 31st March 2018
	Security deposit	1,650,000	451,200
	Total	**1,650,000**	**451,200**

(Amount in Rs.)

21	Non-current liabilities - provisions	As at 31st March 2019	As at 31st March 2018
	Provision for gratuity (Refer note 42)	13,904,932	9,317,809
	Provision for premium on redemption of zero coupon non convertible debentures series F (Refer note 21.1 & 21.2)	-	480,989,098
	Total	**13,904,932**	**490,306,907**

21.1 As stated in note 19.4, the company had an option but not an obligation to redeem the NCD collectively only during the specified window period along with redemption premium. Considering the long term nature of the instrument, other uncertainties as regards exercising of the option, the Company was of the view that the event was contingent in nature. However in order to comply with the requirements of the generally accepted accounting principles, the company hadmade a provision for redemption premium payable (if any) and the same was adjusted against the securities premium account in accordance with section 52 of the Companies Act, 2013 till 31st March 2015 and after 1st April 2015 the said premium was debited to statement of profit and loss. Also Refer note 21.2

21.2 Pursuant to consent provided by the holders of zero coupon non-convertible fully redeemable non-transferable debentures series F (in aggregate holding NCD of Rs. 460,000,000) & approved by the Board of Directors vide resolution dated 30th March 2019, the Non-Convertible debentures aggregating to Rs. 460,000,000 has been converted into 0.0001% Optionally Convertible Debentures Series - J (OCD-series J) aggregating to Rs. 460,000,000 and as a result of this all the securities attached to the said Non-Convertible Debentures have been released. Consequent to the said change in terms, the provision for premium on redemption of the said non-convertible debentures made in the earlier years has been written-back since it is no longer payable and has been disclosed as an exceptional item in the statement of profit & loss. Further provision for premium on redemption of non-convertible debentures aggregating to Rs. 81,283,728 debited to finance cost and fair value adjustments aggregating to Rs. 16,445,520 made to revenue from operations and finance cost for the period April 2018 to December 2018 has been reversed. Refer note 18.1(a) and 19.4

(Amount in Rs.)

22	Non-current liabilities - Other non current liabilities	As at 31st March 2019	As at 31st March 2018
	Income received in advance	36,331,334	37,131,083
	Total	**36,331,334**	**37,131,083**

(Amount in Rs.)

23	Current financial liabilities - Borrowings	As at 31st March 2019	As at 31st March 2018
	Unsecured		
	Loan repayable on demand		
	- from Related Party (Holding Company) (Refer note 41)	186,100,000	186,100,000
	Total	**186,100,000**	**186,100,000**

(Amount in Rs.)

24	Current financial liabilities - Trade payables	As at 31st March 2019	As at 31st March 2018
	- total outstanding dues of micro enterprises and small enterprises (Refer note 24.1)	2,773,907	1,192,861
	- total outstanding dues of creditors other than micro enterprises and small enterprises	263,636,020	118,440,812
	Total	**266,409,927**	**119,633,673**

24.1 Disclosure under section 22 of Micro, Small and Medium Enterprises Development Act, 2006 is as tabulated below:

(Amount In Rs.)

Particulars	As at 31st March 2019	As at 31st March 2018
Principal amount remaining unpaid to suppliers	2,773,907	1,192,861
Principal amount paid to beyond due date	-	-
Amount of interest paid under section 16	-	-
Amount of interest due and remaining unpaid	-	-
Amount of interest accrued and remaining unpaid	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the above Act.	-	-

The information as required to be disclosed in pursuance of the above referred Act has been determined to the extent such parties have been identified on the basis of information given by the suppliers to the Company.

(Amount In Rs.)

25	Current financial liabilities - Other liabilities	As at 31st March 2019	As at 31st March 2018
	Current maturities of secured long term borrowing		
	- from banks (Refer note 19.1,19.2 & 19.3)	14,774,833	30,617,780
	Provision for expenses (electricity, water, etc.)	50,480,610	22,653,642
	Other liabilities		
	- Security deposits	68,876,446	56,017,666
	- Creditors for capital goods (Refer note 24.1 & 25.1)	74,412,588	85,476,486
	- Salary payable	24,236,897	628,845
	- Others (excess amount received from customers etc.)	108,265	648,084
	Total	**232,889,639**	**196,042,503**

25.1 The Company accounts for the invoices received from vendors/contractors based on the work certified. Creditors for capital goods include Rs.33,193,434 (Previous year Rs. 43,186,634) being provision made towards the value of work done by the Company's appointed sub-contractors which is pending to be certified.

(Amount in Rs.)

26	Current liabilities - Other current liabilities	As at 31st March 2019	As at 31st March 2018 (Refer note 45)
	Income received in advance	16,830,329	12,654,381
	Advances from customers	47,900,334	57,639,199
	Deposits received from tenants	-	11,111,090
	Key money advance (Refer note 45)	582,424,745	609,619,671
	Statutory dues	52,021,773	55,102,644
	Total	**699,177,181**	**746,126,985**

(Amount in Rs.)

27	Current liabilities - provisions	As at 31st March 2019	As at 31st March 2018
	Provision for property tax (Refer Note 27.1(b))	482,800,000	385,100,000
	Provision for contingency (Refer Note 27.1(c))	11,626,834	2,626,834
	Provision for gratuity (Refer note 42)	3,069,368	1,000,000
	Provision for leave benefits (Refer note 42)	25,050,172	20,765,000
	Provision for performance bonus (Refer Note 27.1(a))	18,784,712	29,250,062
	Total	**541,331,086**	**438,741,896**

27.1 Disclosure in movement of provision as required by Ind AS 37 'Provisions, Contingent liabilities and Contingent Assets':

(a) The Company has made provisions for performance bonus which are expected to be paid in the next year. Details of which are tabulated below:

(Amount In Rs.)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Opening Balance	29,250,062	26,770,432
Add: Provision during the year	15,540,341	29,250,062
Less: Paid	23,279,649	20,839,270
Less: Written back	2,726,042	5,931,162
Closing Balance	**18,784,712**	**29,250,062**

(b) The Company had received demand for property tax in the month of September 2014, for the 2012-13, 2013-14 & 2014-15 aggregating to Rs. 251,247,906 which was further revised in the month of January 2015 to Rs. 200,590,254. The Company had contested the demand and pending resolution of the matter the Company had made payment under protest of Rs 80,000,000. The management was confident that the maximum liability would not be in excess of 50% of the cumulative demand of Rs. 200,590,254. Accordingly the Company based on its estimate had made cumulative provision of Rs. 92,000,000 for the years 2012-13, 2013-14 and 2014-15.

In the FY 2015-16 to FY 2018-19 the Company received the demand for Rs. 97,700,000 for each year and the same has been contested by the Company. As a matter of abundant caution, the Company has made additional provision of Rs. 97,700,000 for each year. The differential demand is disclosed as contingent liability (Refer note 37(b)). Timing of additional outflow, if any, would be determined upon completion of the litigation. Details of provision made is tabulated below:

(Amount In Rs.)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Opening Balance	385,100,000	287,400,000
Add: Provision during the year	97,700,000	97,700,000
Less: Paid / Utilized	-	-
Less: Written back	-	-
Closing Balance	**482,800,000**	**385,100,000**

(c) Provisions for contingency are towards various cases in respect of which management believes that there are present obligations and the settlements of such obligations are expected to result in outflow of resources, to the extent provided for.

(Amount In Rs.)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Opening Balance	2,626,834	2,626,834
Add: Provision during the year	9,000,000	-
Less: Paid / Utilized	-	-
Less: Written back	-	-
Closing Balance	**11,626,834**	**2,626,834**

(Rs. in lakhs)

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Revenue from operations	For the year ended 31st March 2019	For the year ended 31st March 2018 (Refer note 45)
Room rent income*	13,515.91	12,255.08
Food, beverages and banquet income	14,236.94	12,757.14
Other operating income		
- License fees** (Refer note 43)	496.13	338.99
- Revenue from spa and health club	573.94	314.90
- Car rentals	483.85	461.51
- Notional income as per Ind AS (Refer note 19.4 & 21.2)	-	219.27
- Laundry charges	106.14	116.38
- Export incentives	285.47	323.66
- Key money (Refer note 45)	271.95	271.95
- Service charge	74.74	480.36
- Equipment rental revenue	188.27	175.26
- Others	187.23	183.95
Total (Also refer note 38)	**30,420.57**	**27,898.45**

* Net of contribution to customer loyalty program of Rs. 323.69 lakhs (Previous year: Rs. 369.70 lakhs)
** Net of reversal of Rs. Nil (Previous year: Rs. 71.88 lakhs) based on renegotiation.

28.1 Disclosures of Ind AS 115:

(a) Effective from 1st April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 Revenue from contracts with customers replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

Adoption of new standard does not have any impact on revenue recognition for current year as well as earlier years. Refer note 3.8.

(b) The Company's operations relates to hospitality services. The Company applies the guidance provided in Ind AS 115 'Revenue from contracts with customer' for determining the timing of recognition of revenue. Refer note 3.8.

(c) For details of revenue recognised from contracts with customers, Refer note 28 above.

(d) Disaggregation of revenue

For disaggregation of revenue, Refer note 28 above.

(e) Revenue recognized during the year from opening balance of income received in advance:

(Rs. in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Balance at the beginning of the year	497.85	515.67
Revenue recognised that was included in the deferred revenue at the beginning of the year	126.54	131.37

(f) Reconciliation of revenue recognized with the contracted price is as follows:

(Rs. in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018 (Refer note 45)
Contracted price	30,744.26	28,268.15
Less: Reductions towards contribution to customer loyalty program	323.69	369.70
Revenue recognised	30,420.57	27,898.45

(Rs. in lakhs)

29

Other income	For the year ended 31st March 2019	For the year ended 31st March 2018
Dividend income from non-current investments		
- In respect of investments designated at amortised cost	0.57	-
Interest income from financial assets at amortised cost	31.88	87.61
Interest on income tax refund	50.18	-
Total	82.63	87.61

(Rs. in lakhs)

30

Food and beverages consumed	For the year ended 31st March 2019	For the year ended 31st March 2018
Opening stock	418.35	350.55
Add: Purchases	3,568.96	3,199.20
	3,987.31	3,549.75
Less: Closing stock	377.46	418.35
Total	3,609.85	3,131.40

(Rs. in lakhs)

31

Other operating cost	For the year ended 31st March 2019	For the year ended 31st March 2018
Stores and operating supplies	1,429.79	1,522.21
Power and fuel	2,397.74	2,263.01
Repairs and maintenance		
- to buildings	169.67	190.38
- to machinery	468.27	437.59
- to others	119.18	117.60
Contract labour (Housekeeping, Security etc.)	902.26	948.37
Management fees*	1,520.77	1,015.93
Car hire charges	150.16	179.27
Uniform expenses	80.05	62.58
Music and entertainment expenses	133.55	161.82
Others	252.37	225.65
Total	**7,623.81**	**7,124.41**

*Net of credit note of Rs. Nil (Previous year: Rs. 90.97 lakhs) received from hotel operator.

(Rs. in lakhs)

32

Personnel expenses	For the year ended 31st March 2019	For the year ended 31st March 2018
Salaries, wages, bonus etc.	3,681.25	3,734.25
Contribution to provident and other funds (Refer note 42)	214.60	215.65
Gratuity and leave benefits (Refer note 42)	161.63	78.24
Staff welfare expenses	60.08	104.23
Employee stock option expenses (Refer note 41 & 44)	10.60	7.44
Total	**4,128.16**	**4,139.81**

(Rs. in lakhs)

33

Selling and marketing expenses	For the year ended 31st March 2019	For the year ended 31st March 2018
Advertisement expenses	207.50	141.60
Marketing expenses	278.15	294.94
Travel agent commission	259.84	170.12
Business promotion expenses	42.75	27.96
Reservation fees	182.56	169.60
Other selling expenses	-	15.42
Total	**970.80**	**819.64**

(Rs. in lakhs)

34

Administrative and other expenses	For the year ended 31st March 2019	For the year ended 31st March 2018 (Refer note 45)
Auditors' remuneration	20.60	19.20
Provision for property tax (Refer note 27.1(b))	977.00	977.00
Rent, rates and taxes	99.09	117.44
Legal and professional fees	382.87	329.22
Travelling and conveyance expenses	81.50	48.32
Printing and stationery	61.93	66.90
License and stamp duty	152.10	89.04
Insurance	96.17	105.29
Telephone /internet and web mail charges	236.69	230.34
Provision for doubtful advances	-	135.00
Bad debts (net of utilization of Rs. 4.83 lakhs (Previous year Rs. 42.90 lakhs)	7.47	-
Allowance for doubtful debts [net of write back of Rs Nil (Previous year: Rs. 15.29 lakhs)]	68.91	26.92
Loss on sale / discard of fixed assets (net)	77.39	98.26
Provision for contingency (Refer note 27.1(c))	90.00	-
Forex exchange loss (net) (Refer note 45)	50.20	19.97
Miscellaneous expenses	26.57	16.59
Total	**2,428.49**	**2,279.49**

34.1 Auditors' remuneration (excluding service tax/GST)

(Rs. in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Audit fees	20.60	19.20
Total	**20.60**	**19.20**

(Rs. in lakhs)

35 Finance costs	For the year ended 31st March 2019	For the year ended 31st March 2018
Borrowing cost		
Interest on term loans and other loans (in respect of financial liabilities measured at amortised cost)	4,890.77	5,847.74
Other borrowing cost	8.74	28.53
Interest others	12.55	26.70
Notional interest expenses as per Ind AS (Refer note 18.1 & 21.2)	-	219.27
Premium on NCD (Refer note 21.2)	-	1,034.28
	4,912.06	**7,156.52**
Other charges		
Credit card commission	243.53	253.73
Bank charges	3.76	4.72
	247.29	**258.45**
Total	**5,159.35**	**7,414.97**

(Amount in Rs.)

28

Revenue from operations	For the year ended 31st March 2019	For the year ended 31st March 2018 (Refer note 45)
Room rent income*	1,351,591,279	1,225,507,568
Food, beverages and banquet income	1,423,693,916	1,275,713,781
Other operating income		
- License fees** (Refer note 43)	49,613,335	33,899,416
- Revenue from spa and health club	57,394,040	31,489,871
- Car rentals	48,384,562	46,150,815
- Notional income as per Ind AS (Refer note 19.4 & 21.2)	-	21,927,360
- Laundry charges	10,613,928	11,637,937
- Export incentives	28,547,330	32,365,551
- Key money (Refer note 45)	27,194,928	27,194,930
- Service charge	7,473,984	48,035,531
- Equipment rental revenue	18,826,524	17,525,728
- Others	18,723,436	18,396,858
Total (Also refer note 38)	**3,042,057,262**	**2,789,845,346**

* Net of contribution to customer loyalty program of Rs. 32,369,174 (Previous year: Rs. 36,969,765)
** Net of reversal of Rs. Nil (Previous year: Rs. 7,187,717) based on renegotiation.

28.1 Disclosures of Ind AS 115:

(a) Effective from 1st April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 Revenue from contracts with customers replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

Adoption of new standard does not have any impact on revenue recognition for current year as well as earlier years. Refer note 3.8.

(b) The Company's operations relates to hospitality services. The Company applies the guidance provided in Ind AS 115 'Revenue from contracts with customer' for determining the timing of recognition of revenue. Refer note 3.8.

(c) For details of revenue recognised from contracts with customers, Refer note 28 above.

(d) Disaggregation of revenue

For disaggregation of revenue, Refer note 28 above.

(e) Revenue recognized during the year from opening balance of income received in advance:

(Amount in Rs.)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Balance at the beginning of the year	49,785,464	51,566,946
Revenue recognised that was included in the deferred revenue at the beginning of the year	12,654,380	13,137,341

(f) Reconciliation of revenue recognized with the contracted price is as follows:

(Amount in Rs.)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018 (Refer note 45)
Contracted price	3,074,426,436	2,826,815,111
Less: Reductions towards contribution to customer loyalty program	32,369,174	36,969,765
Revenue recognised	3,042,057,262	2,789,845,346

(Amount in Rs.)

29

Other income	For the year ended 31st March 2019	For the year ended 31st March 2018
Dividend income from non-current investments		
- In respect of investments designated at amortised cost	56,875	-
Interest income from financial assets at amortised cost	3,187,916	8,760,806
Interest on income tax refund	5,018,469	-
Total	**8,263,260**	**8,760,806**

(Amount in Rs.)

30

Food and beverages consumed	For the year ended 31st March 2019	For the year ended 31st March 2018
Opening stock	41,835,307	35,054,631
Add: Purchases	356,895,259	319,921,175
	398,730,566	354,975,806
Less: Closing stock	37,745,743	41,835,307
Total	**360,984,823**	**313,140,499**

(Amount in Rs.)

Pallazzio Hotels & Leisure Limited

Notes to financial statements for the year ended 31st March 2019

31

Other operating cost	For the year ended 31st March 2019	For the year ended 31st March 2018
Stores and operating supplies	142,979,473	152,221,116
Power and fuel	239,773,521	226,300,544
Repairs and maintenance		
- to buildings	16,967,418	19,037,763
- to machinery	46,827,020	43,759,300
- to others	11,918,091	11,759,621
Contract labour (Housekeeping, Security etc.)	90,225,824	94,837,090
Management fees*	152,077,249	101,592,911
Car hire charges	15,015,968	17,926,990
Uniform expenses	8,004,583	6,258,365
Music and entertainment expenses	13,355,210	16,182,422
Others	25,236,723	22,564,606
Total	**762,381,080**	**712,440,728**

*Net of credit note of Rs. Nil (Previous year: Rs. 9,097,813) received from hotel operator.

(Amount in Rs.)

32

Personnel expenses	For the year ended 31st March 2019	For the year ended 31st March 2018
Salaries, wages, bonus etc.	368,125,476	373,425,069
Contribution to provident and other funds (Refer note 42)	21,460,486	21,565,151
Gratuity and leave benefits (Refer note 42)	16,163,486	7,823,769
Staff welfare expenses	6,006,441	10,423,421
Employee stock option expenses (Refer note 41 & 44)	1,060,180	744,036
Total	**412,816,069**	**413,981,446**

(Amount in Rs.)

33

Selling and marketing expenses	For the year ended 31st March 2019	For the year ended 31st March 2018
Advertisement expenses	20,750,131	14,160,026
Marketing expenses	27,814,891	29,493,573
Travel agent commission	25,984,129	17,011,588
Business promotion expenses	4,275,217	2,795,885
Reservation fees	18,255,959	16,960,498
Other selling expenses	-	1,542,338
Total	**97,080,327**	**81,963,908**

(Amount in Rs.)

34

Administrative and other expenses	For the year ended 31st March 2019	For the year ended 31st March 2018 (Refer note 45)
Auditors' remuneration	2,060,000	1,920,000
Provision for property tax (Refer note 27.1(b))	97,700,000	97,700,000
Rent, rates and taxes	9,909,408	11,744,037
Legal and professional fees	38,286,729	32,922,347
Travelling and conveyance expenses	8,149,985	4,832,054
Printing and stationery	6,192,505	6,690,235
License and stamp duty	15,210,036	8,903,751
Insurance	9,617,221	10,528,907
Telephone /internet and web mail charges	23,669,113	23,033,856
Provision for doubtful advances	-	13,500,000
Bad debts (net of utilization of Rs. 482,639 (Previous year Rs. 42,90,265)	747,397	-
Allowance for doubtful debts [net of write back of Rs Nil (Previous year: Rs. 1,529,482)]	6,891,139	2,692,338
Loss on sale / discard of fixed assets (net)	7,739,478	9,826,108
Provision for contingency (Refer note 27.1(c))	9,000,000	-
Forex exchange loss (net) (Refer note 45)	5,019,948	1,997,187
Miscellaneous expenses	2,656,269	1,657,271
Total	**242,849,228**	**227,948,091**

34.1 Auditors' remuneration (excluding service tax/GST)

(Amount in Rs.)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Audit fees	2,060,000	1,920,000
Total	**2,060,000**	**1,920,000**

(Amount in Rs.)

35

Finance costs	For the year ended 31st March 2019	For the year ended 31st March 2018
Borrowing cost		
Interest on term loans and other loans (in respect of financial liabilities measured at amortised cost)	489,076,855	584,774,432
Other borrowing cost	873,654	2,853,139
Interest others	1,254,639	2,670,131
Notional interest expenses as per Ind AS (Refer note 18.1 & 21.2)	-	21,927,360
Premium on NCD (Refer note 21.2)	-	103,427,955
	491,205,148	**715,653,017**
Other charges		
Credit card commission	24,353,119	25,372,590
Bank charges	376,423	472,073
	24,729,542	**25,844,663**
Total	**515,934,690**	**741,497,680**

36 Capital Commitments and Other Commitments

(a) Estimated amounts of contracts remaining to be executed on capital accounts and not provided for in the accounts are Rs. Nil (Previous year: Rs. Nil)

(b) Other commitment (for current year and previous year) is for simple coupon rate @ 4% which will be payable only in case of redemption of OFCD and this will accrue at the time of redemption (Also refer note 18 1(b))

37 Contingent Liabilities

(a) Bank guarantees aggregating to
(i) Rs. 251.51 lakhs (Previous year: Rs. 274.58 lakhs) given by the Company for EPCG license
(ii) Rs. 13.30 lakhs (Previous year: Rs. 16.87 lakhs) given by the Company to Directorate General of Foreign Trade for obtaining liquor licenses
(iii) Rs. Nil (Previous year: Rs. 90.00 lakhs) given by the Company to Maharashtra Pollution Control Board
(iv) Rs. 141.89 lakhs (Previous year: Rs. 129.97 lakhs) given by the Company towards Tata Power Company Limited as a Security towards prompt payment
(v) Rs 3.30 lakhs given by the company to The Collector/ Superintendent of State Excise

The Company does not expect any future cash outflow on account of above bank guarantees.

(b) Demand received for property tax (net of provision) of Rs 1,085.90 lakhs (Previous year: Rs 1,085.90 lakhs) which has been contested by the Company. (Refer note 27 1(b))

(c) Demand from sales tax department for Value Added Tax of Rs. 251.11 lakhs (Previous year: Rs.251.11 lakhs) and interest & penalty of Rs. 329.01 lakhs (Previous year: Rs.329.01 lakhs). During the year Company has filed appeal against the said order and also paid Rs. 25.11 lakhs under the protest.

(d) In the earlier years, the Company had received service tax demand of Rs. 54.76 lakhs (including penalty of Rs. 27.38 lakhs) from department. The Company had filed appeal against the said demand and also paid Rs. 2.05 lakhs under protest. During the year, the matter has been settled in favour of the Company and the Company is in process of claiming the refund of Rs. 2.05 lakhs paid under protest.

(e) Demand from sales tax department for Luxury Tax of Rs. 20.91 lakhs (Previous year: Rs. 20.91 lakhs) and interest & penalty of Rs. 23.68 lakhs (Previous year: Rs.23.68 lakhs). During the year Company has filed appeal against the said order and also paid Rs 10.00 lakhs under the protest.

(f) In the previous year Company has received legal notice from customer (for claim of Rs. 12 lakhs plus interest) which has been disputed by the Company. Pending outcome of matter, the same has not been acknowledged as debt by the Company in the current year and in the previous year.

The future cash outflows of matters reported under point 37 (b), (c), (e) & (f) are determinable on receipt of decisions / judgments pending with forums / authorities and there will not be any cash outflow in repsect of meller reported under point 37(d) as it is settled in favour of the Company during the year.

38 Revenue from operations for the periods upto 30th June, 2017 includes excise duty, which is discontinued effective 1st July, 2017 upon implementation of Goods and Services Tax (GST) in India. GST is not included in revenue from operations w.e.f. 1st July, 2017. In view of the aforesaid restructuring of indirect taxes, revenue from operations for the year ended 31st March, 2019 are not comparable with previous year.

For the purpose of comparability, revenue from operations including excise duty and excluding excise duty are given below

(Rs. in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018 (Refer note 45)
Revenue from operations (including excise duty)	30,420.57	27,898.45
Less: Excise duty	-	2.84
Revenue from operations (excluding excise duty)	30,420.57	27,895.61

39 Disclosure regarding derivative instruments and un-hedged foreign currency exposure

The Company does not enter into any forward exchange contracts being derivative instruments for trading or speculative purposes. The Company did not enter into any forward exchange contracts being derivative instruments for hedging purposes during the year. The Foreign Currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	Foreign Currency (FC)	31st March 2019		31st March 2018 (Refer note 45)	
		Amount in FC	Rs. in lakhs	Amount in FC	Rs. in lakhs
Trade payables and creditors for capital goods	USD	8.62	597.20	5.42	352.29
	HKD	2.16	19.03	2.16	17.90
Other liabilities	USD	86.03	5,824.75	90.68	6,098.20
Advance to suppliers	SGD	0.01	0.38	0.01	0.36
Cash and cash equivalent	USD	0.02	1.73	-	0.18
	EURO	0.01	0.40	-	0.04
	CAD	-	-	-	0.07
	HKD	0.01	0.09	-	-
	SGD	-	0.06	-	-

40 There are no reportable segments under Ind AS-108 'Operating Segments' as all the activities relate to only one segment i.e. hospitality services. Further the management of the Company is also reviewing the results / operations of the Company as single segment i.e. hospitality services.

41 Details of related party transactions

A) Name of related parties

Holding Company (Ultimate holding company)	The Phoenix Mills Limited (PML)
Fellow Subsidiary Companies / Companies in which holding company is having substantial interest (only where there are transactions)	Island Star Mall Developers Palladium Constructions Pvt Ltd Vamona Developers Pvt Ltd Classic Mall Developers Company Pvt Ltd Alyssum Dvelopers Pvt Ltd Marketcity Resources Pvt Ltd
Entity having significant influence	Avinash Bhosale Infrastructure Pvt Ltd (ABIPL)
Post Employment benefit plan	Pallazzio Hotels & Leisure Ltd Employees' Group Gratuity Scheme

B) Transactions with related parties

For transactions with related parties refer annexure 1

42 Employee Benefits:

(a) Brief description of the defined benefit plans and other long term benefits

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days salary for each completed year of service subject to a maximum of Rs. 20 lakhs (Previous year: Rs. 20 lakhs). Vesting occurs upon completion of five continuous years of service in accordance with Payment of Gratuity Act, 1972. The Company has funded its Gratuity obligation under Group Gratuity policy managed by LIC.

Leave benefits are payable to eligible employees who have earned leaves, during the employment and / or on separation as per the Company's policy and it is un-funded. Further employees can utilize earned leaves balances against the absences.

(b) Assumptions used by actuary for arriving at the value of benefits of gratuity and leave :

Particulars	31st March 2019	31st March 2018
Discount rate	7.75%	8.25%
Expected rate of salary increase	10%	10%
Expected rate of return on asset	7.75%	8.25%
Attrition Rate	15%	15%
Mortality Pre-retirement	India Assured Lives (2006-08)	India Assured Lives (2006-08)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other supply and demand factors in the employment market.

The other disclosures are tabulated below: (Rs in Lakhs)

Particulars	2018-19		2017-18	
(i) Change in present value of defined benefit obligation during the year	Gratuity (Funded)	Leave benefits (Unfunded)	Gratuity (Funded)	Leave benefits (Unfunded)
Present value of obligation	178.43	206.77	152.18	183.45
Interest cost	18.21	16.92	14.67	10.28
Current service cost	52.93	23.02	50.35	60.08
Benefits paid	(27.43)	(63.70)	(11.70)	(31.71)
Actuarial changes arising from changes in financial assumptions	6.41	-	(8.08)	-
Actuarial changes arising from changes in demographic assumptions	-	-	(14.43)	-
Actuarial changes arising from changes in experience adjustments	(1.35)	47.32	(12.44)	(21.32)
Past service cost*	-	-	7.89	-
Present value of obligation at the end of the year	227.20	230.33	178.43	206.77

* Due to increase in gratuity limit from Rs. 10 Lakhs to Rs. 20 lakhs in the previous year.

(Rs. in lakhs)

	2018-19	2017-18
(ii) Change in fair value of plan assets during the year	Gratuity (funded)	Gratuity (funded)
Plan assets at the beginning of the year	75.25	78.04
Contribution	10.12	5.10
Benefits paid during the year	(27.43)	(11.70)
Interest income	5.74	5.94
Actuarial gains / (losses)	(6.23)	(2.73)
Fair value of plan assets at the end of the year	57.45	75.25

(Rs. in lakhs)

	2018-19		2017-18	
(iii) Net asset / (Liability) recognised in the balance sheet	Gratuity (Funded)	Leave benefits (Unfunded)	Gratuity (Funded)	Leave benefits (Unfunded)
Present value of obligation at the end of the year	227.20	230.33	178.43	206.77
Fair value of plan assets at the end of the year	(57.46)	-	(75.25)	-
Net obligation at the end of the year	169.74	230.33	103.18	206.77

(Rs. in lakhs)

	2018-19		2017-18	
(iv) Expenses recognised in the statement of profit and loss for the year	Gratuity (Funded)	Leave benefits (Unfunded)	Gratuity (Funded)	Leave benefits (Unfunded)
Current service cost	52.93	23.02	50.35	60.08
Net Interest cost	12.47	16.92	8.73	16.26
Actuarial (Gains) / Losses	-	47.32	-	(21.32)
Past Service cost*	-	-	7.89	-
Net cost	65.40	87.26	66.97	55.02

* Due to increase in gratuity limit from Rs. 10 lakhs to Rs. 20 lakhs

(Rs. in lakhs)

(v) Recognised in other comprehensive income for the year	2018-19	2017-18
Actuarial changes arising from changes in financial assumptions	6.41	(8.08)
Actuarial changes arising from changes in demographic assumptions	-	(14.43)
Actuarial changes arising from changes in experience assumptions	(1.35)	(12.44)
Return on plan assets excluding interest income	6.23	2.73
Recognised in other comprehensive income	11.29	(32.22)

(Rs. in lakhs)

(vi) Maturity profile of defined benefit obligation	31st March 2019	31st March 2018
Within the next 12 months (next annual reporting period)	25.99	21.24
Between 2 and 5 years	104.81	91.45
Between 6 and 10 years	95.15	112.69

(Rs. in lakhs)

(vii) Quantitative sensitivity analysis for significant assumption is as below: (increase / (decrease) on present value of defined benefits obligation at the end of the year)	31st March 2019	31st March 2018
One percentage point increase in discount rate	194.78	168.83
One percentage point decrease in discount rate	210.22	186.30
One percentage point increase in rate of salary	217.11	187.50
One percentage point decrease in rate of salary	195.09	169.04
One percentage point increase in employee turnover rate	203.65	176.28
One percentage point decrease in employee turnover rate	209.04	180.62

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied for calculating the defined benefit obligation recognised within the Balance Sheet.

As at 31st March 2019 and 31st March 2018, the plan assets have been primarily invested in Government securities. The Company expects to contribute Rs. 25 lakhs to the gratuity scheme in the next financial year.

Particulars	31st March 2019	31st March 2018
Insurer Managed Funds	100%	100%

(c) In the current year, there is provision for short term compensated absences of Rs. 19.29 lakhs and in the previous year, there was write back of short term compensated absences of Rs. 22.02 lakhs (including effect of leave balance curtailment due to change in leave policy). Cumulative outstanding balance of provision for short term compensated absence is Rs. 20.17 lakhs (Previous year: Rs. 0.88 lakhs).

(d) Defined contributions plans

Amount of Rs. 214.60 lakhs (Previous year: Rs. 215.65 lakhs) is recognised as an expense and included in Employee benefits expense as under the following defined contribution plans:

(Rs. in lakhs)

Particulars	2018-19	2017-18
Contribution to Provident Fund	185.69	175.46
Contribution to Employee state insurance scheme	28.45	30.76
Contribution to Labour welfare scheme	0.46	0.43
Total	214.60	215.65

43 Operating Leases

(a) As lessor

(i) In accordance with the terms of the issue of non-convertible debentures, the Company had given the debenture holders a right to occupy certain premises of the building. No separate/additional consideration is receivable for the same. As stated in note 21.2, during the year, the Company has converted NCD of Rs. 4,600 lakhs into 0.0001% OCD aggregating to Rs. 4,600 lakhs and accordingly, right to occupy certain portion of Company's premises by NCD holders has been relinquished.

(ii) In accordance with the arrangements entered into by the Company, the Company has accounted for license fees of Rs. 496.13 lakhs (Previous year: Rs. 338.99 lakhs) [including amortization of non-refundable security deposit of Rs. 111.11 lakhs (Previous year: Rs 66.67 lakhs) and contingent rent of Rs. 74.89 lakhs (Previous year: Rs. 52.96 lakhs)].

The minimum license fees receivable in next one year is Rs. 325.50 lakhs (Previous year: Rs. 338.22 lakhs) and later than one year and not later than five years is Rs. 679.39 lakhs (Rs. 896.86 lakhs) and later than five years is Rs. Nil (Previous year: Rs. Nil).

The gross carrying amount and accumulated depreciation at the balance sheet date of the said premises is given below:

(Rs. in lakhs)

	Buildings	Plant & Machinery	Furniture & Fixtures	Total
Gross block				
As at 31st March 2018	1,695.17	189.01	42.09	1,926.27
As at 31st March 2019	438.22	5.10	32.26	475.58
Depreciation				
For FY 17-18	84.88	13.84	6.78	105.50
For FY 18-19	48.02	10.49	6.38	64.89
Accumulated depreciation:				
As at 31st March 2018	171.71	41.58	20.33	233.62
As at 31st March 2019	56.95	0.24	20.76	77.95
Net book value				
As at 31st March 2018	1,523.46	147.43	21.76	1,692.65
As at 31st March 2019	381.27	4.86	11.50	397.63

44 Share based payment

The holding company has issued stock options under "Employees Stock Option Scheme 2007". The Compensation Committee of the holding company has granted options to the certain employees of the Company.

As per the scheme, options are vested to employees over a period of 5 years and once options are vested, it remains exercisable for 3 years. When exercisable, each option entitles the holder to purchase one share of holding company at an exercise price determined by the compensation committee on the grant date. The holding company has the obligation to deliver the shares and there is no obligation to deliver shares on the Company. Since the Company does not have an obligation to settle the options, the options are treated as an equity-settled plan. The details of the plan are as follows:

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Options outstanding at the beginning of the year (Nos)	25,000	-
Options granted during the year (Nos)	-	25,000
Options forfeited during the year (Nos)	-	-
Options expired during the year (Nos)	-	-
Options exercised during the year (Nos)	(2,200)	-
Options outstanding at the end of the year (Nos)	22,800	25,000
Options vested and exercisable at the end of the year (Nos)	-	-
Weighted average exercise price in Rs.	333.90	333.90
Remaining contractual period	3 years 7 months	4 years 7 months

45 Consequent to amendment to "Ind AS 21 - The Effects of Changes in Foreign Exchange Rates" which is effective from 1st April 2018, non-monetary liability with respect to key money received from hotel operator is valued at the exchange rate on the date of receipt of advance. The Company has given retrospective effect of this amendment as per the transitional provisions in para A2 (a) of Appendix B to Ind AS 21. Other disclosures as required by "Ind AS 8 - Accounting policies, change in accounting estimates and errors" due to change in accounting policy (including restatement of audited figures for F.Y. 2017-18) are given below:

a) Effect of retrospective changes on losses (before OCI) for the year ended 31st March 2018:

(Rs. in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Profit / (Loss) for the year before adoption of amendment to Ind AS 21	6,085.28	(2,413.88)
Increase / (Decrease) in revenue from operation	(6.91)	10.17
Decrease / (Increase) in administrative and other expenses (Due to Foreign Exchange Gain / Loss)	383.20	17.76
Profit/(Loss) for the year after adoption of amendment to Ind AS 21	6,461.57	(2,385.95)

b) Change in basic and diluted EPS:

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Basic EPS before adoption of amendment to Ind AS 21	114.41	(45.38)
Diluted EPS before adoption of amendment to Ind AS 21	70.94	(45.38)
Basic EPS after adoption of amendment to Ind AS 21	121.48	(44.86)
Diluted EPS after adoption of amendment to Ind AS 21	75.32	(44.86)
Increase in basic EPS due to amendment to Ind AS 21	**7.07**	**0.53**
Increase in diluted EPS due to amendment to Ind AS 21	**4.39**	**0.53**

c) Changes in other equity as on 31st March 2018:

(Rs. in lakhs)

Particulars	For the year ended 31st March 2018
Other equity before adoption of amendment to Ind AS 21 (as per audited financials)	23,509.05
Decrease in other equity due to retrospective changes (effect given on 1st April 2017)	(226.50)
Increase in profit of F.Y. 2017-18 due to amendment to Ind AS 21	27.93
Other equity after adoption of amendment to Ind AS 21	**23,310.48**

Effect of retrospective application of amendment to Ind AS 21 upto 31st March 2017 has been given on 1st April 2017 in other equity. Consequently, the revised other equity as on 1st April 2017 would be Rs. 25,656.77 lakhs as against Rs. 25,883.27 lakhs.

46 Earnings/ (losses) per share

(Rs. in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018 (Refer note 45)
Profit/(Loss) after tax but before other comprehensive income	6,461.57	(2,385.95)
Weighted average number of equity shares - Basic EPS	53.19	53.19
Weighted average number of equity shares - Diluted EPS	85.78	53.19
Nominal value of equity share	100.00	100.00
Basic EPS / (loss) per share	**121.48**	**(44.86)**
Diluted EPS / (loss) per share	**75.33**	**(44.86)**

Note: As per para 23 of Ind AS 33, mandatorily convertible instrument should be considered for basic EPS from the date of the contract. Accordingly, compulsory convertible debentures issued by the Company has been considered for the calculation of basic EPS. Further, the impact of OFCD on the last year's EPS would be anti-dilutive and hence not considered for calculation of diluted EPS in the previous year.

47 Income Tax

(Rs. in lakhs)

Particulars	For the year ended 31st March 2019
A Statement of profit or loss and OCI	
Current income tax	-
	-
Deferred tax credit / (charge):	
In respect of earlier years - debited to P&L	415.90
In respect of earlier years - credited to OCI	(34.32)
	381.58
Total income tax expenses	**381.58**
B Reconciliation of Current Tax expenses:	
Profit before tax	6,045.66
Applicable Tax Rate	0.35
Computed tax expenses	2,112.60
Impact of permanent disallowance	(1,744.55)
Impact of temporary disallowance	110.39
Tax saving on carry forward lossess	(478.44)
	-
C Deferred tax recognised in statement of profit and Loss and OCI relates to the following:	
Deferred tax assets:	
Unabsorbed tax losses and Carry forward depreciation	2,772.45
Unamortized key money income	2,035.22
Items covered under section 43B of Income Tax Act	802.00
Provision for doubtful debts	33.14
Others	23.74
Deferred tax liability:	
Depreciation / Amortization	5,284.97
Net deferred tax assets	**381.58**
D Reconciliation of deferred tax asset / (liabilites):	
Balance at the beginning of the year	-
Tax expenses / (income) during the period (including amount debited / credited to OCI)	381.58
Balance at the closing of the year	**381.58**

In the previous year, no provision for tax was made, as the Company had incurred tax loss and there were brought forward losses under income tax. In the previous year, the Company had recognised deferred tax assets to the extent of deferred tax liability and hence other disclosure related to tax reconciliation etc. was not required to be made.

51 Cash flow statement

(a) Aggregate net inflow on acocunt of direct tax (including interest on income tax refund) is Rs. 484.51 lakhs and in the previous year there was net outflow of Rs. 337.08 lakhs on account of direct taxes paid

(b) During the year, Non-convertible debentures of Rs. 4,600 lakhs has been converted into Optionally Convertible Debentures (OCD) Series J aggregating to Rs. 4,600 lakhs. These item do not involve any cash flow and hence same is not considered for preparing cash flow

(c) The changes in liabilities arising from financing activities are as follows:

(Rs. In lakhs)

Particulars	As at 31st March 2018	Cash inflow/(outflow)	Non-cash changes (Refer note (b) above)	As at 31st March 2019
Term loans	56,296.34	(8,464.18)	-	47,832.16
Non-convertible debentures	4,600.00	-	(4,600.00)	-
Unsecured loans	1,861.00	-	-	1,861.00
Compulsory convertible debentures	4,118.92	-	-	4,118.92
Optionally fully convertible debentures	21,980.91	-	-	21,980.91
Optionally convertible debentures	-	-	4,600.00	4,600.00
Total	**88,857.17**	**(8,464.18)**	-	**80,392.99**

Particulars	As at 31st March 2017	Cash inflow/(outflow)	Non-cash changes	As at 31st March 2018
Term loans	62,573.29	(6,276.95)	-	56,296.34
Non-convertible debentures	4,600.00	-	-	4,600.00
Unsecured loans	1,861.00	-	-	1,861.00
Compulsory convertible debentures	4,118.92	-	-	4,118.92
Optionally fully convertible debentures	21,980.91	-	-	21,980.91
Total	**95,134.12**	**(6,276.95)**	-	**88,857.17**

52 Additional Information as required by para 7 of General Instructions for preparation of Statement of Profit and Loss (other than already disclosed above) are either Nil or Not Applicable

53 The Company's management has developed a system of maintenance of information and documents as required by the Transfer Pricing Legislation under Section 92 to Section 92F of the Income Tax Act, 1961. The Company has represented that international transactions with associated enterprises are at arm's length and transfer pricing legislation will not have an impact on the financial statements particularly on the amount of tax expense for the period and the amount of provision for tax at the period end

As per our audit report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W / 100149W

For and on behalf of the Board of Directors of
Pallazzio Hotels & Leisure Limited

Prashant Daftary
Partner
Membership No. : 117080

Varun Parwal
Director
DIN:07586435

Pradumna Kanodia
Director
DIN:01602690

Prashant Khandelwal
Chief Financial Officer

Prashant Parekh
Company Secretary
M. No. A28632

Place: Mumbai
Date: 14th May, 2019

36 Capital Commitments and Other Commitments

(a) Estimated amounts of contracts remaining to be executed on capital accounts and not provided for in the accounts are Rs Nil (Previous year: Rs Nil)

(b) Other commitment (for current year and previous year) is for simple coupon rate @ 4% which will be payable only in case of redemption of OFCD and this will accrue at the time of redemption (Also refer note 18 1(b))

37 Contingent Liabilities

(a) Bank guarantees aggregating to
(i) Rs 2,5150,511 (Previous year: Rs 27,457,698) given by the Company for EPCG license
(ii) Rs 13,30,000 (Previous year: Rs 1,686,500) given by the Company to Directorate General of Foreign Trade for obtaining liquor licenses
(iii) Rs Nil (Previous year: Rs 9,000,000) given by the Company to Maharashtra Pollution Control Board
(iv) Rs 1,41,88,940 (Previous year: Rs 12,996,920) given by the Company towards Tata Power Company Limited as a Security towards prompt payment
(v) Rs 3,30,000 given by the company to The Collector/ Superintendent of State Excise

The Company does not expect any future cash outflow on account of above bank guarantees

(b) Demand received for property tax (net of provision) of Rs 108,590,254 (Previous year: Rs 108,590,254) which has been contested by the Company (Refer note 27 1(b))

(c) Demand from sales tax department for Value Added Tax of Rs 25,110,803 (Previous year: Rs.25,110,803) and interest & penalty of Rs 32,900,572 (Previous year: Rs 32,900,572) During the year Company has filed appeal against the said order and also paid Rs 2,511,100 under the protest

(d) In the earlier years, the Company had received service tax demand of Rs 5,475,642 (including penalty of Rs 2,737,821) from department The Company had filed appeal against the said demand and also paid Rs 205,337 under protest During the year, the matter has been settled in favour of the Company and the Company is in process of claiming the refund of Rs 205,337 paid under protest

(e) Demand from sales tax department for Luxury Tax of Rs 2,091,409 (Previous year: Rs 2,091,409) and interest & penalty of Rs 2,368,393 (Previous year: Rs 2,368,393) During the year Company has filed appeal against the said order and also paid Rs 1,000,000 under the protest

(f) In the previous year Company has received legal notice from customer (for claim of Rs 1,200,000 plus interest) which has been disputed by the Company Pending outcome of matter, the same has not been acknowledged as debt by the Company in the current year and in the previous year

The future cash outflows of matters reported under point 37 (b), (c), (e) & (f) are determinable on receipt of decisions / judgments pending with forums / authorities and there will not be any cash outflow in repsect of meller reported under point 37(d) as it is settled in favour of the Company during the year

38 Revenue from operations for the periods upto 30th June, 2017 includes excise duty, which is discontinued effective 1st July 2017 upon implementation of Goods and Services Tax (GST) in India GST is not included in revenue from operations w.e.f 1st July, 2017 In view of the aforesaid restructuring of indirect taxes, revenue from operations for the year ended 31st March, 2019 are not comparable with previous year

For the purpose of comparability revenue from operations including excise duty and excluding excise duty are given below

(Amount in Rs)

Particulars	For the year ended	
	31st March 2019	31st March 2018 (Refer note 45)
Revenue from operations (including excise duty)	3,042,057 262	2,789,845 346
Less Excise duty	-	283,843
Revenue from operations (excluding excise duty)	3,042,057 262	2,789,561 503

39 Disclosure regarding derivative instruments and un-hedged foreign currency exposure

The Company does not enter into any forward exchange contracts being derivative instruments for trading or speculative purposes The Company did not enter into any forward exchange contracts being derivative instruments for hedging purposes during the year The Foreign Currency exposures that have not been hedged by a derivative Instrument or otherwise are given below:

Particulars	Foreign Currency (FC)	31st March 2019		31st March 2018 (Refer note 46)	
		Amount in FC	Amount in Rs	Amount in FC	Amount in Rs
Trade payables and creditors for capital goods	USD	862 085	59 726 391	541 644	35 228 549
	HKD	216 556	1,902 542	216 556	1 789 575
Other liabilities	USD	8 663 192	582 424,742	9,067 700	609 619 671
Advance to suppliers	SGD	749	38,250	749	35 743
Cash and cash equivalent	USD	2 490	172,510	279	18 145
	EURO	520	40 424	46	3,743
	CAD	-	-	150	6,983
	HKD	1,000	8 626	-	-
	SGD	122	6 187	-	-

40 There are no reportable segments under Ind AS-108 'Operating Segments' as all the activities relate to only one segment i e hospitality services Further the management of the Company is also reviewing the results / operations of the Company as single segment i e hospitality services

41 Details of related party transactions

A) Name of related parties

Holding Company (Ultimate holding company)	The Phoenix Mills Limited (PML)
Fellow Subsidiary Companies / Companies in which holding company is having substantial interest (only where there are transactions)	Island Star Mall Developers Palladium Constructions Pvt Ltd Vamona Developers Pvt Ltd Classic Mall Developers Company Pvt Ltd Alyssum Dvelopers Pvt Ltd Marketcity Resources Pvt Ltd
Entity having significant influence	Avinash Bhosale Infrastructure Pvt Ltd (ABIPL)
Post Employment benefit plan	Pallazzio Hotels & Leisure Ltd Employees' Group Gratuity Scheme

B) Transactions with related parties

For transactions with related parties refer annexure 1

42 Employee Benefits:

(a) Brief description of the defined benefit plans and other long term benefits:

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days salary for each completed year of service subject to a maximum of Rs. 2,000,000 (Previous year Rs. 2,000,000). Vesting occurs upon completion of five continuous years of service in accordance with Payment of Gratuity Act, 1972. The Company has funded its Gratuity obligation under Group Gratuity policy managed by LIC.

Leave benefits are payable to eligible employees who have earned leaves, during the employment and / or on separation as per the Company's policy and it is un-funded. Further employees can utilize earned leaves balances against the absences.

(b) Assumptions used by actuary for arriving at the value of benefits of gratuity and leave :

Particulars	31st March 2019	31st March 2018
Discount rate	7.75%	8.25%
Expected rate of salary increase	10%	10%
Expected rate of return on asset	7.75%	8.25%
Attrition Rate	15%	15%
Mortality Pre-retirement	India Assured Lives (2006-08)	India Assured Lives (2006-08)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other supply and demand factors in the employment market.

The other disclosures are tabulated below, (Amount in Rs.)

Particulars	2018-19		2017-18	
(i) Change in present value of defined benefit obligation during the year	Gratuity (Funded)	Leave benefits (Unfunded)	Gratuity (Funded)	Leave benefits (Unfunded)
Present value of obligation	17,843,078	20,676,613	15,217,838	18,344,992
Interest cost	1,621,154	1,691,042	1,460,635	1,026,080
Current service cost	5,293,200	2,302,421	5,034,570	6,008,418
Benefits paid	(2,743,381)	(6,370,421)	(1,169,628)	(3,170,772)
Actuarial changes arising from changes in financial assumptions	640,935	-	(808,211)	-
Actuarial changes arising from changes in demographic assumptions	-	-	(1,442,927)	-
Actuarial changes arising from changes in experience adjustments	(135,061)	4,732,402	(1,243,825)	(2,132,105)
Past service cost*	-	-	788,626	-
Present value of obligation at the end of the year	22,720,015	23,032,657	17,843,078	20,676,613

* Due to increase in gratuity limit from Rs. 1,000,000 to Rs. 2,000,000 in the previous year.

(Amount in Rs.)

	2018-19	2017-18
(ii) Change in fair value of plan assets during the year	Gratuity (funded)	Gratuity (funded)
Plan assets at the beginning of the year	7,525,269	7,863,654
Contribution	1,012,000	510,128
Benefits paid during the year	(2,743,381)	(1,169,628)
Interest income	574,489	593,743
Actuarial gains / (losses)	(622,662)	(272,828)
Fair value of plan assets at the end of the year	5,745,715	7,525,269

(Amount in Rs.)

	2018-19		2017-18	
(iii) Net asset / (Liability) recognised in the balance sheet	Gratuity (Funded)	Leave benefits (Unfunded)	Gratuity (Funded)	Leave benefits (Unfunded)
Present value of obligation at the end of the year	22,720,015	23,032,657	17,843,078	20,676,613
Fair value of plan assets at the end of the year	(5,745,715)	-	(7,525,269)	-
Net obligation at the end of the year	16,974,300	23,032,657	10,317,809	20,676,613

(Amount in Rs.)

	2018-19		2017-18	
(iv) Expenses recognised in the statement of profit and loss for the year	Gratuity (Funded)	Leave benefits (Unfunded)	Gratuity (Funded)	Leave benefits (Unfunded)
Current service cost	5,293,290	2,302,421	5,034,570	6,008,418
Net interest cost	1,246,665	1,691,642	872,892	1,626,080
Actuarial (Gains) / Losses	-	4,732,402	-	(2,132,105)
Past Service cost*	-	-	788,626	-
Net cost	6,539,955	8,726,465	6,696,088	5,502,393

* Due to increase in gratuity limit from Rs. 1,000,000 to Rs. 2,000,000

(Amount in Rs.)

(v) Recognised in other comprehensive income for the year	2018-19	2017-18
Actuarial changes arising from changes in financial assumptions	640,935	(808,211)
Actuarial changes arising from changes in demographic assumptions	-	(1,442,927)
Actuarial changes arising from changes in experience assumptions	(135,061)	(1,243,825)
Return on plan assets excluding interest income	622,662	272,828
Recognised in other comprehensive income	1,128,536	(3,222,135)

(Amount in Rs.)

(vi) Maturity profile of defined benefit obligation	31st March 2019	31st March 2018
Within the next 12 months (next annual reporting period)	2,599,396	2,123,531
Between 2 and 5 years	10,481,401	9,145,192
Between 6 and 10 years	9,515,245	11,268,723

(Amount in Rs.)

(vii) Quantitative sensitivity analysis for significant assumption is as below: (Increase / (decrease) on present value of defined benefits obligation at the end of the year)	31st March 2019	31st March 2018
One percentage point increase in discount rate	19,478,399	16,802,953
One percentage point decrease in discount rate	21,921,510	18,938,085
One percentage point increase in rate of salary	21,711,333	18,750,027
One percentage point decrease in rate of salary	19,509,123	16,983,080
One percentage point increase in employee turnover rate	20,385,308	17,528,267
One percentage point decrease in employee turnover rate	20,904,474	18,082,068

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied for calculating the defined benefit obligation recognised within the Balance Sheet.

As at 31st March 2019 and 31st March 2018 the plan assets have been primarily invested in Government securities. The Company expects to contribute Rs 2,500,000 to the gratuity scheme in the next financial year.

Particulars	31st March 2019	31st March 2018
Insurer Managed Funds	100%	100%

(c) In the current year, there is provision for short term compensated absences of Rs 1,929,128 and in the previous year, there was write back of short term compensated absences of Rs 2,201,812 (including effect of leave balance curtailment due to change in leave policy). Cumulative outstanding balance of provision for short term compensated absence is Rs 2,017,515 (Previous year: Rs 88,387)

(d) Defined contributions plans

Amount of Rs 21,460,486 (Previous year: Rs 21,565,151) is recognised as an expense and included in Employee benefits expense as under the following defined contribution plans:

(Amount in Rs)

Particulars	2018-19	2017-18
Contribution to Provident Fund	18,569,425	17,545,870
Contribution to Employee state insurance scheme	2,844,944	3,976,261
Contribution to Labour welfare scheme	46,116	43,020
Total	**21,460,486**	**21,565,151**

43 Operating Leases

(a) As lessor

(i) In accordance with the terms of the issue of non-convertible debentures, the Company had given the debenture holders a right to occupy certain premises of the building. No separate/additional consideration is receivable for the same. As stated in note 21.2, during the year, the Company has converted NCD of Rs 460,000,000 into 0.0001% OCD aggregating to Rs 460,000,000 and accordingly, right to occupy certain portion of Company's premises by NCD holders has been relinquished.

(ii) In accordance with the arrangements entered into by the Company, the Company has accounted for license fees of Rs 49,613,335 (Previous year: Rs 33,899,416) [including amortization of non-refundable security deposit of Rs 11,111,090 (Previous year: Rs 6,666,672) and contingent rent of Rs 7,489,183 (Previous year: Rs 5,296,253)]

The minimum license fees receivable in next one year is Rs 32,550,440 (Previous year: Rs 33,822,419) and later than one year and not later than five years is Rs 67,939,015 (Rs 89,686,432) and later than five years is Rs Nil (Previous year: Rs Nil)

The gross carrying amount and accumulated depreciation at the balance sheet date of the said premises is given below:

(Amount in Rs.)

	Buildings	Plant & Machinery	Furniture & Fixtures	Total
Gross block				
As at 31st March 2018	169,517,213	18,901,363	4,209,347	192,627,923
As at 31st March 2019	43,822,475	510,127	3,225,977	47,558,579
Depreciation				
For FY 17-18	8,487,809	1,384,417	677,753	10,549,979
For FY 18-19	4,802,166	1,048,688	638,095	6,488,949
Accumulated depreciation:				
As at 31st March 2018	17,171,078	4,158,461	2,032,703	23,362,242
As at 31st March 2019	5,695,187	24,466	2,076,057	7,795,710
Net book value				
As at 31st March 2018	152,346,135	14,742,902	2,176,644	169,265,681
As at 31st March 2019	38,127,288	485,661	1,149,921	39,762,870

44 Share based payment

The holding company has issued stock options under "Employees Stock Option Scheme 2007". The Compensation Committee of the holding company has granted options to the certain employees of the Company.

As per the scheme, options are vested to employees over a period of 5 years and once options are vested, it remains exercisable for 3 years. When exercisable, each option entitles the holder to purchase one share of holding company at an exercise price determined by the compensation committee on the grant date. The holding company has the obligation to deliver the shares and there is no obligation to deliver shares on the Company. Since the Company does not have an obligation to settle the options, the options are treated as an equity-settled plan. The details of the plan are as follows:

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Options outstanding at the beginning of the year (Nos)	25,000	-
Options granted during the year (Nos)	-	25,000
Options forfeited during the year (Nos)	-	-
Options expired during the year (Nos)	-	-
Options exercised during the year (Nos)	(2,200)	-
Options outstanding at the end of the year (Nos)	22,800	25,000
Options vested and exercisable at the end of the year (Nos)	-	-
Weighted average exercise price in Rs	333.90	333.90
Remaining contractual period	3 years 7 months	4 years 7 months

45 Consequent to amendment to "Ind AS 21 - The Effects of Changes in Foreign Exchange Rates" which is effective from 1st April 2018, non-monetary liability with respect to key money received from hotel operator is valued at the exchange rate on the date of receipt of advance The Company has given retrospective effect of this amendment as per the transitional provisions in para A2 (a) of Appendix B to Ind AS 21 Other disclosures as required by "Ind AS 8 - Accounting policies change in accounting estimates and errors" due to change in accounting policy (including restatement of audited figures for F Y 2017-18) are given below:

a) Effect of retrospective changes on losses (before OCI) for the year ended 31st March 2018:

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Profit / (Loss) for the year before adoption of amendment to Ind AS 21	608,527,542	(241,389,138)
Increase / (Decrease) in revenue from operation	(691,464)	1,017,357
Decrease / (Increase) in administrative and other expenses (Due to Foreign Exchange Gain / Loss)	38,320,452	1,776,136
Profit/(Loss) for the year after adoption of amendment to Ind AS 21	646,156,530	(238,595,645)

b) Change in basic and diluted EPS:

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Basic EPS before adoption of amendment to Ind AS 21	114.41	(45.38)
Diluted EPS before adoption of amendment to Ind AS 21	70.94	(45.38)
Basic EPS after adoption of amendment to Ind AS 21	121.48	(44.86)
Diluted EPS after adoption of amendment to Ind AS 21	75.32	(44.86)
Increase in basic EPS due to amendment to Ind AS 21	7.07	0.53
Increase in diluted EPS due to amendment to Ind AS 21	4.39	0.53

c) Changes in other equity as on 31st March 2018:

Particulars	For the year ended 31st March 2018
Other equity before adoption of amendment to Ind AS 21 (as per audited financials)	2,350,904,470
Decrease in other equity due to retrospective changes (effect given on 1st April 2017)	(22,649,988)
Increase in profit of F Y 2017-18 due to amendment to Ind AS 21	2,793,493
Other equity after adoption of amendment to Ind AS 21	2,331,047,975

Effect of retrospective application of amendment to Ind AS 21 upto 31st March 2017 has been given on 1st April 2017 in other equity Consequently, the revised other equity as on 1st April 2017 would be Rs 2,565,677,449 as against Rs 2,588,327,437

46 Earnings/ (losses) per share

(Amount in Rs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018 (Refer note 45)
Profit/(Loss) after tax but before other comprehensive income	646,156,530	(238,595,645)
Weighted average number of equity shares - Basic EPS	5,318,918	5,318,918
Weighted average number of equity shares - Diluted EPS	8,578,378	5,318,918
Nominal value of equity share	100	100
Basic EPS / (loss) per share	121.48	(44.86)
Diluted EPS / (loss) per share	75.32	(44.86)

Note: As per para 23 of Ind AS 33, mandatorily convertible instrument should be considered for basic EPS from the date of the contract Accordingly, compulsory convertible debentures issued by the Company has been considered for the calculation of basic EPS Further, the impact of OFCD on the last year's EPS would be anti-dilutive and hence not considered for calculation of diluted EPS in the previous year

47 Income Tax

(Amount in Rs.)

	Particulars	For the year ended 31st March 2019
A	**Statement of profit or loss and OCI**	
	Current income tax	-
		-
	Deferred tax credit / (charge):	
	In respect of earlier years - debited to P&L	41,590,243
	In respect of earlier years - credited to OCI	(3,431,927)
		38,158,316
	Total income tax expenses	**38,158,316**
B	**Reconciliation of Current Tax expenses:**	
	Profit before tax	604,566,287
	Applicable Tax Rate	34.94%
	Computed tax expenses	211,259,643
	Impact of permanent disallowance	(174,454,740)
	Impact of temporary disallowance	11,038,979
	Tax saving on carry forward lossess	(47,843,882)
		-
C	**Deferred tax recognised in statement of profit and Loss and OCI relates to the following:**	
	Deferred tax assets:	
	Unabsorbed tax losses and Carry forward depreciation	277,245,644
	Unamortized key money income	203,522,503
	Items covered under section 43B of Income Tax Act	80,199,742
	Provision for doubtful debts	3,314,175
	Others	2,373,710
	Deferred tax liability:	
	Depreciation / Amortization	528,497,458
	Net deferred tax assets	**38,158,316**
D	**Reconciliation of deferred tax asset / (liabilites):**	
	Balance at the beginning of the year	-
	Tax expenses / (income) during the period (including amount debited / credited to OCI)	38,158,316
	Balance at the closing of the year	38,158,316

In the previous year, no provision for tax was made as the Company had incurred tax loss and there were brought forward losses under income tax In the previous year, the Company had recognised deferred tax assets to the extent of deferred tax liability and hence other disclosure related to tax reconciliation etc was not required to be made

48 Financial instruments - Accounting Classifications & Fair value Measurement

(a) Financial instruments by category

(Rs. in lakhs)

Sr. No	Particulars	31st March 2019			31st March 2018		
		Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
A	**Financial assets**						
(i)	Investments						
	Equity Instrument	-	-	0.25	-	-	0.25
	Preference Shares	5.00	-	-	5.00	-	-
	Government Securities	0.70	-	-	0.70	-	-
(ii)	Trade receivables	1,706.33	-	-	1,548.23	-	-
(iii)	Cash and cash equivalents	603.75	-	-	720.96	-	-
(iv)	Non-current financial assets - Other assets	459.21	-	-	587.66	-	-
(v)	Current financial assets - Other assets	390.24	-	-	236.17	-	-
	Total financial assets	**3,165.23**	**-**	**0.25**	**3,098.72**	**-**	**0.25**
B	**Financial liabilities**						
(i)	Borrowings	49,673.43	-	-	62,730.72	-	-
(ii)	Trade Payables	2,664.10	-	-	1,196.34	-	-
(iii)	Non-current financial liabilities - Other liabilities	16.50	-	-	4.51	-	-
(iv)	Current financial liabilities - Other liabilities	2,328.90	-	-	1,960.43	-	-
	Total financial liabilities	**54,682.93**	**-**	**-**	**65,892.00**	**-**	**-**

FVTOCI - Fair Value Through Other Comprehensive Income
FVTPL - Fair Value Through Profit or Loss

(b) Fair valuation techniques

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

The following method and assumptions are used to estimate the fair values:

(i) The management assessed that fair value of trade receivables, Cash and cash equivalents, Current financial assets - Other assets, Short term borrowings, Current financial liabilities - Other liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Further the management has assessed that fair value of Non-current financial assets - Other assets, Non-current financial liabilities - Other liabilities, Equity Instrument, Preference Shares, Government Securities will be approximate to their carrying amounts.

(ii) Long-term variable rate borrowings are evaluated by the Company based on the parameters such as interest rates, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximate their carrying values.

(c) Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable , either directly or indirectly

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

(Rs. in lakhs)

Sr. No	Particulars	31st March 2019			31st March 2018		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A	Investment in equity instrument*						

* Cost of investment in equity instruments is Rs 0.25 lakhs (Previous year Rs 0.25 lakhs). Considering the materiality, the cost of investment has been considered as equivalent fair value and hence no additional disclosure has been made.

During the year ended 31st March 2019 & 31st March 2018 there were no transfers between level 1 & level 2 fair value measurements, and no transfer into & out of level 3 fair value measurements.

49 Financial Risk Management

The Company has exposure to the three risks from its use of financial instruments i.e. Credit risk, Liquidity risk and Market risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company does not have any derivative financial instruments. The Board of directors has overall responsibility for the establishment of the company's risk management framework. Risk management systems are reviewed periodically to reflect changes in market conditions and company's activities.

(a) Market Risks :

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. The value of a financial instruments may change as a result of changes in interest rates, foreign currency exchange rates, equity prices and other market changes that affect the market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivable and payables and loans & advances etc. The Company is exposed to market risk primarily related to foreign exchange currency risk and interest rate risk.

(i) Foreign exchange currency risk

The Company transacts business primarily in Indian Rupee, however, it has foreign currency payable and receivable [mainly in USD] and is therefore, exposed to the said foreign exchange currency risk. The following table demonstrates the sensitivity in the foreign currency to the Indian rupee with all other variables held constant. The impact on company's loss after tax and on other equity due to change in fair value of financial assets and liabilities is given below.

(Rs. in lakhs)

Particulars	Increase / (Decrease) in loss after tax		Increase / (Decrease) in other equity	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018
USD sensitivity				
INR/ USD - Increase by 1%	5.96	3.52	5.96	3.52
INR/ USD - Decrease by 1%	(5.96)	(3.52)	(5.96)	(3.52)

(ii) Interest rate risk

The Company's primarily interest rate risk arises from borrowings at variable interest rates. Borrowings taken at variable rate expose the company to cash flow interest rate risk. With all other variables held constant the following table demonstrates the impact of interest rate risk.

(Rs. in lakhs)

Particulars	Increase / (Decrease) in loss after tax		Increase / (Decrease) in other equity	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Increase by 1%	478.32	665.52	478.32	665.52
Decrease by 1%	(478.32)	(665.52)	(478.32)	(665.52)

The above amount is excluding the outstanding interest free loan.

(b) **Credit Risk :**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instruments fail to meet its contractual obligations. The Company is exposed mainly to credit risk arises from cash and cash equivalents, deposit with banks and outstanding trade receivables.

(i) **Trade Receivables and unbilled revenue**

The Company extends credit to customers in normal course of business. The Company considers factor such as credit track report of customer, industry practice, payment track record etc. The Company has also taken advances and security deposits from its customer which mitigate the credit risk to an extent. The Company evaluates the concentration of risk with respect to trade receivables and unbilled revenue as low, as its customers belongs to several industries.

The ageing of trade receivable along with expected loss rate is as below

(Rs. in lakhs)

Particulars	Ageing		Total
	Upto 6 months	More than 6 months	
As at 31st March 2019			
Secured	-	-	-
Unsecured	2,084.82	98.37	2,183.19
Total receivables and unbilled revenue	2,084.82	98.37	2,183.19
Allowance for doubtful receivables*	44.03	62.27	106.30
Net Receivables	2,040.79	36.10	2,076.89
Expected loss rate	**2%**	**63%**	
As at 31st March 2018			
Secured	-	-	-
Unsecured	1,677.56	110.81	1,788.37
Total receivables and unbilled revenue	**1,677.56**	**110.81**	**1,788.37**
Allowance for doubtful receivables*	27.17	15.05	42.22
Net Receivables and unbilled revenue	**1,650.39**	**95.76**	**1,746.15**
Expected loss rate	**2%**	**14%**	

* Calculated based on the expected credit loss for trade receivable under simplified approach.

Movement in allowance for doubtful receivables : **(Rs. in lakhs)**

Particulars	31st March 2019	31st March 2018
Opening balance	42.22	58.20
Addition to allowance for doubtful receivables	68.91	42.21
Adjusted against bad debts	(4.83)	(42.90)
Amount written back	-	(15.29)
Closing balance	**106.30**	**42.22**

(ii) Cash and cash equivalent and Bank deposits

The Company considers factors such as track record, size of institution, market reputation and service standards to select the banks with which balances and deposits are maintained. The balance and fixed deposits are generally maintained with the banks with whom the Company has availed the credit facilities. Further the Company does not maintain significant cash in hand other than those required for its day to day operations. Considering the same, the Company is not exposed to expected credit loss of cash and cash equivalent and bank deposits.

(c) **Liquidity Risk :**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligation on time. The Company relies on mix of borrowings, capital and operating cash flows to meet its needs for funds. The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on the undiscounted payments.

(Rs. in lakhs)

Particulars	Less than 1 year	1 to 5 year	Above 5 years	Total
As at 31st March 2019				
Borrowings	1,861.00	-	47,812.43	49,673.43
Trade Payables	2,664.10	-	-	2,664.10
Other Financial liabilities	2,328.90	16.50	-	2,345.40
As at 31st March 2018				
Borrowings	1,661.00	2,519.79	58,349.93	62,730.72
Trade Payables	1,196.34	-	-	1,196.34
Other Financial liabilities	1,960.43	4.51	-	1,964.94

Un-utilised overdraft facility is Rs. 1,300 lakhs (Previous year Rs. 1,300 lakhs). The said amount is excluding the amount of Rs. 1,200 lakhs (Previous year Rs. 1,200 lakhs) which is not allowed to be utilised as it is blocked against Debt Service Reserve Account.

The table below provides details regarding the remaining contractual maturities of financial assets at the reporting date based on the undiscounted payments.

Particulars	Less than 1 year	1 to 5 year	Above 5 years	Total
As at 31st March 2019				
Investment	-	-	5.95	5.95
Other financial assets	390.24	459.21	-	849.45
Trade receivables	1,706.33	-	-	1,706.33
Cash and cash equivalents	603.75	-	-	603.75
As at 31st March 2018				
Investment	-	-	5.95	5.95
Other financial assets	236.17	587.66	-	823.83
Trade receivables	1,548 23	-	-	1,548.23
Cash and cash equivalents	720.95	-	-	720.95

50 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, convertible instruments, share premium and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company's capital management is to maximise the shareholder's value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

The company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

(Rs. in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Total Debt (including interest on debt)	49,821.18	63,036.90
Total Capital (total equity shareholder's fund - deferred tax assets)	35,155.46	24,510.48
Total Capital and Debt	84,976.64	87,547.38
Gearing Ratio	58.63%	72.00%

Pallazzio Hotels and Leisure Limited
Notes on financial statement for the year ended 31st March 2019

Annexure 1: Transactions with related parties (Also refer note 41) **(Rs. in lakhs)**

Particulars	Holding Company		Fellow Subsidiary Companies / Companies in which holding company is having substantial Interest		Entity having Significant Influence		Post Employment benefit plan		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Nature of transactions										
Reimbursement of cost by the Company (Electricity & water charges etc)	72.86	22.54	-	-	-	-	-	-	72.86	22.54
Reimbursement of cost to the Company	7.79	-	-	-	-	-	-	-	7.79	-
Sale of Fixed Assets	-	-	1.00	-	-	-	-	-	1.00	-
Unsecured loan taken	-	-	-	-	-	50*	-	-	-	50*
Unsecured loan repaid	-	-	-	-	-	50*	-	-	-	50*
Conversion of Non Convertible Debenture into Optionally Convertible Debentures Series J (Refere Note 21.2)	2,300.00	-	-	-	2,300.00	-	-	-	4,600.00	-
Sale of services	35.20	72.13	0.46	10.08	30.89	31.69	-	-	66.55	113.90
Employee stock option expenses (Refer note 4 below)	10.60	7.44	-	-	-	-	-	-	10.60	7.44
Contribution to Employee Group Gratuity Scheme	-	-	-	-	-	-	10.12	5.10	10.12	5.10

Particulars	Holding Company		Fellow Subsidiaries		Entity having Significant		Post Employment benefit		Total	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Outstanding Balances:										
Unsecured loan	1,861.00	1,861.00	-	-	-	-	-	-	1,861.00	1,861.00
Trade receivables	30.03	30.13	1.64	0.67	27.40	15.28	-	-	59.07	46.08
Trade payable	17.67	5.49	-	-	-	-	-	-	17.67	5.49
Zero coupon compulsory convertible debentures series – C **	847.37	847.37	-	-	-	-	-	-	847.37	847.37
Zero coupon non-convertible debentures Series - F **	-	2,300.00	-	-	-	2,300.00	-	-	-	4,600.00
Zero coupon compulsory convertible debentures Series - G **	514.87	514.87	-	-	101.28	101.28	-	-	616.15	616.15
Zero coupon compulsory convertible debentures series – H **	615.18	615.18	-	-	227.79	227.79	-	-	842.97	842.97
Zero coupon compulsory convertible debentures series – D **	-	-	-	-	407.70	407.70	-	-	407.70	407.70
Zero coupon compulsory convertible debentures series – B **	769.44	769.44	-	-	-	-	-	-	769.44	769.44
Zero coupon compulsory convertible debentures series – A **	-	-	-	-	635.29	635.29	-	-	635.29	635.29
Optionally Fully Convertible Debentures (OFCD) series - I **	16,046.07	16,046.07	-	-	5,934.85	5,934.85	-	-	21,980.92	21,980.92
Optionally Convertible Debentures (OCD) series - J **	2,300.00	-	-	-	2,300.00	-	-	-	4,600.00	-

* Amount erroneously received from party has been repaid.
** Disclosed at face value

Notes:
1) As per the hotel operating agreement, PML and ABIPL had given unconditional and irrevocable guarantee on behalf of the Company. The said guarantees are outstanding in the current year and were also outstanding in the previous year.

2) Refer note 19.1.3 in respect of security given by PML / ABIPL on behalf of the Company and for pledging of shares / negative lien on the shares of the Company by PML / ABIPL.

3) The CFO and Manager who have been designated as Key managerial persons as per section 203 of the Companies Act are not considered as key management personnel under Ind AS 24.

4) Holding company has granted ESOP to the employee of the Company. Also refer note 3.12

5) In the previous year, debenture holders had extended the date for mandatory conversion of all CCDs by 10 years from the date of renewal.

6) Refer note 21.1 & 21.2 in respect of provision for premium on redemption of NCD.

7) Terms and Conditions:
a) Refer note 18.1 for terms of the OCD, OFCD & CCD and note 19.4 for terms of NCD issued to related parties.
b) Terms & conditions of service provided at hotel to the related parties is in accordance with the operating agreement entered with hotel operator.
c) All outstanding balances are payable in cash except in respect of OCD and OFCD which are expected to be converted into equity & CCD.