ALLIANCE SPACES PRIVATE LIMITED

Regd. Off.: C/o. Market City Resources Pvt. Ltd., Gr. Floor., R. R. Hosiery Building, Laxmi Woollen Mills Estate, Mahalaxmi, Mumbai – 400011. CIN: U55101MH2007PTC169101

NOTICE

NOTICE is hereby given that the Annual General Meeting of the members of **ALLIANCE SPACES PRIVATE LIMITED** ("the Company") will be held on Saturday, September 29, 2018 at 3.00 PM at registered office of the Company at C/o Market City Resources Private Limited, Second Floor, R.R. Hosiery Building, Laxmi Woollen Mills Estate, Mahalaxmi, Mumbai- 400011 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company for the financial year ended March 31, 2018, Profit and Loss Statement as at that date together with the Reports of Board of Directors and Auditors thereon.

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

By order of the Board of Directors
For Alliance Spaces Private Limited

Haresh Morajkar
Director
DIN: 00074983

ALLIANCE SPACES PRIVATE LIMITED * MUMBAI

Place : Mumbai
Date : August 7, 2018

ALLIANCE SPACES PRIVATE LIMITED

Regd. Off.: C/o. Market City Resources Pvt. Ltd., Gr. Floor., R. R. Hosiery Building, Laxmi Woollen Mills Estate, Mahalaxmi, Mumbai – 400011. CIN: U55101MH2007PTC169101

NOTES

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

By order of the Board of Directors
For Alliance Spaces Private Limited

Place : Mumbai
Date : August 7, 2018

Haresh Morajkar
Director
DIN: 00074983

ALLIANCE SPACES PRIVATE LIMITED MUMBAI

ALLIANCE SPACES PRIVATE LIMITED

Regd. Off.: C/o. Market City Resources Pvt. Ltd., Gr. Floor., R. R. Hosiery Building, Laxmi Woollen Mills Estate, Mahalaxmi, Mumbai – 400011. CIN: U55101MH2007PTC169101

ATTENDANCE SLIP

I/We hereby record my/our presence at the Annual General Meeting of the Company held on Saturday, September 29, 2018 at 3.00 PM at C/o Market City Resources Private Limited, Second Floor, R.R. Hosiery Building, Laxmi Woollen Mills Estate, Mahalaxmi, Mumbai- 400011.

Name ______________________________

Regd. Folio. No. ______________________No. of Shares held ______________________

Client ID. No. ______________________DP. ID. No. ______________________

Name of Proxy/Representative, if any______________________

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

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

ALLIANCE SPACES PRIVATE LIMITED
MUMBAI

ALLIANCE SPACES PRIVATE LIMITED

Regd. Off.: C/o. Market City Resources Pvt. Ltd., Gr. Floor., R. R. Hosiery Building, Laxmi Woollen Mills Estate, Mahalaxmi, Mumbai – 400011. CIN: U55101MH2007PTC169101

Form No. MGT-11

Proxy form

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

CIN: U55101MH2007PTC169101

Name of the company: Alliance Spaces Private Limited

Registered office: C/o. Marketcity Resources Private Ltd., Ground Floor, R.R. Hosiery Building, Shree Laxmi Woollen Mills Estate, Opp. Shakti Mills, Off Dr. E. Moses Road, Mahalaxmi, Mumbai – 400011

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

I/We, being the member (s) of .... shares of the above named company, hereby appoint

1. Name: ______________________________

Address: ______________________________

E-mail Id: ______________________________

Signature:__________________ or failing him

2. Name: ....

Address:

E-mail Id:

Signature:..............., or failing him

3. Name: ....

Address:

E-mail Id:

Signature:...............

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held Saturday, September 29, 2018 at 3.00 PM at C/o Market City Resources Private Limited, Second Floor, R.R. Hosiery Building, Laxmi Woollen Mills Estate, Mahalaxmi, Mumbai- 400011 and at any adjournment thereof in respect of such resolutions as are indicated below:

ALLIANCE SPACES PRIVATE LIMITED

Regd. Off.: C/o. Market City Resources Pvt. Ltd., Gr. Floor., R. R. Hosiery Building, Laxmi Woollen Mills Estate, Mahalaxmi, Mumbai – 400011. CIN: U55101MH2007PTC169101

Resolution No.

1. to receive, consider and adopt the audited balance sheet of the company for the financial year ended march 31, 2017, profit and loss statement as at that date together with the reports of board of directors and auditors thereon.

2. To appoint a Director in place of Ms. Rajesh Kulkarni, who retires by rotation and being eligible, offers himself for re-appointment.

Affix Re. 1 revenue Stamp

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

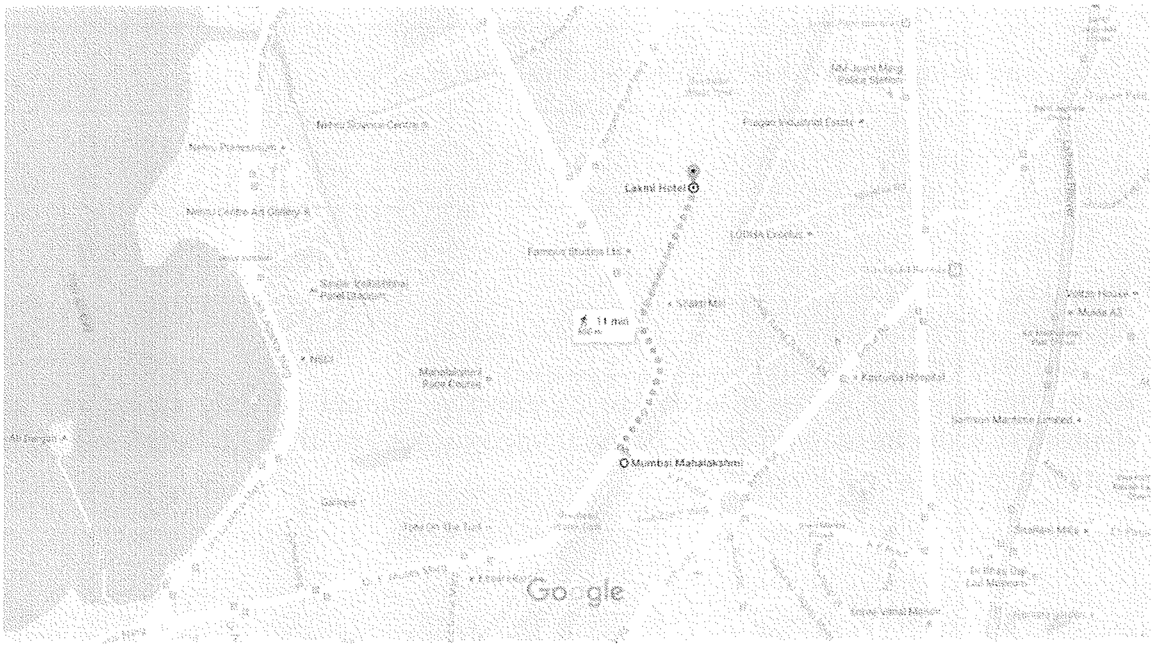
ALLIANCE SPACES PRIVATE LIMITED MUMBAI

ALLIANCE SPACES PRIVATE LIMITED

Regd. Off.: C/o. Market City Resources Pvt. Ltd., Gr. Floor., R. R. Hosiery Building, Laxmi Woollen Mills Estate, Mahalaxmi, Mumbai – 400011. CIN: U55101MH2007PTC169101

Route map to the venue of AGM

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



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

ALLIANCE SPACES PRIVATE LIMITED

Regd. Off.: C/o. Market City Resources Pvt. Ltd., Gr. Floor., R. R. Hosiery Building, Laxmi Woollen Mills Estate, Mahalaxmi, Mumbai – 400011. CIN: U55101MH2007PTC169101

DIRECTORS' REPORT

To
The Members,
Alliance Spaces Private Limited

Your Directors have pleasure in presenting Directors' Report of the Company together with the Audited Statement of Accounts for the year ended March 31, 2018.

1. FINANCIAL STATEMENTS & RESULTS

a. Financial Results

The Company's performance during the year ended March 31, 2018 as compared to the previous financial year, is summarized below:

Particulars	For the financial year ended March 31, 2018 (in Rs.)	For the financial year ended March 31, 2017 (in Rs.)
Total Income	53,27,924	41,334,045
Total Expenditure	21,699,896	30,530,709
Profit / (Loss) Before Tax	(16,371,972)	10,803,336
Tax Expenses		
• Current tax	-	14,28,000
• Deferred tax	74,30,306	39,28,800
• MAT Credit	-	(14,28,000)
Profit / (Loss) After Tax	**(23,807,555)**	**6,874,536**

b. Operations

The Company is engaged in the activities pertaining to its commercial project. There was no change in nature of the business of the Company, during the year under review.

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

ALLIANCE SPACES PRIVATE LIMITED MUMBAI

During the year under review, your Company did not have any subsidiary, associate and joint venture company.

d. Share Capital

Authorized Share Capital:

The Company has an authorized share capital of Rs. 2,00,00,000/- (Rupees Two Crores Only) divided into 20,00,000 Equity Shares of Rs.10/- each

Issued, Subscribed and Paid up Share Capital:

The Company has an Issued, Subscribed and Paid up Share Capital of Rs. 19,986,940/- (Rupees One Crore Ninety Nine Lakh Eighty Six Thousand Nine Hundred Forty only) divided into 1,998,694 Equity Shares of Rs.10/- each

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

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

e. Dividend

With a view to conserve resources, your Directors have thought it prudent not to recommend any dividend for the financial year under review.

f. Transfer To Reserves

The Board has not recommended transfer of any amount to the General Reserve.

g. Revision Of Financial Statement

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

h. Deposits

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review.

ALLIANCE SPACES PRIVATE LIMITED MUMBAI

Hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

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

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

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

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

k. Particular of contracts or arrangement with related parties

All related party transactions that were entered into during the financial year 2017-18 were on arm's length basis and were in the ordinary course of the business.

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

The details of transactions/contracts/arrangements entered by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review, has been furnished in Form AOC-2 is appended as Annexure II to this Report.

l. Particulars of Loans, Guarantees, Investments and Securities

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

2. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) Board Of Directors & Key Managerial Personnel

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Rajesh Kulkarni retire by rotation at the ensuing Annual General Meeting and being

ALLIANCE SPACES PRIVATE LIMITED MUMBAI

eligible, offer himself for re-appointment. Your Directors recommend his approval.

3. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

a. Board Meetings

The Board of Directors met 08 times during the financial year ended 31st March 2018 i.e. on May 5, 2017, August 7, 2017, September 5, 2017, September 12, 2017, October 3, 2017, November 7, 2017, December 03, 2017 and February 9, 2018 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

b. Nomination And Remuneration Committee

The Nomination and Remuneration Committee of Directors as constituted by the Board of Directors of the Company in accordance with the requirements of Section 178 of the Act.

During the Financial Year 2017-18 two meetings of Nomination and Remuneration Committee were held i.e. October 3, 2017 and February 9, 2018.

The composition of the committee is as under:

Mr. Varun Parwal	:	Chairman
Mr. Dipesh Gandhi	:	Member
Mr. Rajesh Kulkarni	:	Member

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees.

The aforementioned detailed policy duly approved and adopted by the Board is appended as Annexure III to this report

c. Audit Committee

The Audit Committee of Directors was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013. The composition of the Audit Committee is in conformity with the provisions of the said section.

During the Financial Year 2017-18 four meetings of Audit Committee were held i.e. October 3, 2017, November 7, 2017, December 1, 2017 and February 9, 2018.

ALLIANCE SPACES PRIVATE LIMITED MUMBAI

The Audit Committee comprises of:

Mr. Varun Parwal	:	Chairman
Mr. Dipesh Gandhi	:	Member
Mr. Rajesh Kulkarni	:	Member

The scope and terms of reference of the Audit Committee have been amended in accordance with the Act.

d. Internal Control Systems

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

Further, the Internal Financial Controls with reference to the Financial Statements as designed and implemented by the Company are adequate. Proper policies and procedures are in place to ensure orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

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

f. Payment Of Remuneration / Commission To Directors From Holding Or Subsidiary Companies:

Not Applicable

4. DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended March 31, 2018, the Board

ALLIANCE SPACES PRIVATE LIMITED MUMBAI

of Directors hereby confirms that:

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
b. such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit/loss of the Company for that year;
c. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d. the annual accounts of the Company have been prepared on a going concern basis;
e. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

5. AUDITORS AND REPORTS

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

a. Observations of Statutory Auditors on accounts for the year ended March 31, 20188

The observations made by the Statutory Auditors in their report for the financial year ended March 31, 2018 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

b. Ratification of Appointment of Auditors

In line with the requirements of Section 139 of the Companies Act, 2013 A. M. Ghelani & Company, Chartered Accountants were appointed as Statutory Auditors of the Company to hold office for a period of 5 consecutive years from the conclusion Annual General Meeting of the Company held on September 30, 2018 till the conclusion of the Annual General Meeting to be held in the year 2022, subject to ratification by Shareholders at the Annual General Meeting or any may necessitated by the Act from time to time.

In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting. Hence, the appointment M/s A. M. Ghelani & Company, Chartered Accountants is not being

ALLIANCE SPACES PRIVATE LIMITED MUMBAI

placed before the Shareholders for ratification.

c. **INTERNAL AUDITORS:**

M/s Pipalia Singhal & Associates, Chartered Accountants, had offered themselves for re-appointment as Internal Auditors of the Company. M/s Pipalia Singhal & Associates, Chartered Accountants have been appointed as the Internal Auditors of the Company for the financial year 2018-19.

6. FRAUD REPORTING

During the year under review, there were no instances of material or serious fraud falling under Rule 13 of the Companies (Audit and Auditors) Rules, 2014, by officers or employees reported by the Auditors of the Company during the course of the audit.

7. OTHER DISCLOSURES

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

a. **Extract Of Annual Return**

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended March 31, 2018 made under the provisions of Section 92(3) of the Act forms part of this Report as Annexure III.

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

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

c. **FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

Particulars	2017 -18 (In Rs.)	2016-2017 (In Rs.)
Foreign Exchange Earnings	Nil	Nil

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Foreign Exchange Outgo	Nil	Nil

8. BUSINESS RISK MANAGEMENT

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

9. SEXUAL HARASSMENT POLICY

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace and has also established an Internal Complaints Committee, as stipulated by The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder. During the year under review, no complaints in relation to such harassment at workplace have been reported.

10. ACKNOWLEDGEMENTS AND APPRECIATION:

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

For and on behalf of the Board
For Alliance Spaces Private Limited

Sd
Dipesh Gandhi
Managing Director
DIN: 02079576

Sd
Haresh Morajkar
Director
DIN : 00074983

August 7, 2018
Place: Mumbai

ALLIANCE SPACES PRIVATE LTD. MUMBAI

Annexure I
Extract of Annual Return
As on financial year ended on 31st March 2018
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	:	U55101MH2007PTC169101
Registration Date	:	23/03/2007
Name of the Company	:	Alliance Spaces Private Limited
Category / Sub-Category of the Company	:	Private Limited Company
Address of the Registered office and contact details	:	C/o Marketcity Resources Pvt Ltd, R R Hosiery Bldg, Shree Laxmi Woollen Mills Estate, Opp Shakti Mills, Mumbai - 400011
Whether listed company	:	Yes / No
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Real estate development and construction	41	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN / GLN	Holding / subsidiary / associate	% of shares held	Applicable section
1	Phoenix Hospitality Company Private Limited 462, Senapati Bapat Marg, Lower Parel, Mumbai - 400013	U55101MH2007PTC169101	Holding	57.99	2(46)

ALLIANCE SPACES PRIVATE LIMITED * MUMBAI

2	The Phoenix Mills Ltd Phoenix Mill Premises 462 Senapati Bapat Marg, Lower Parel, Mumbai 400013	U55101MH 2007PTC169 101	Associate	42.01	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a)Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp. Phoenix Hospitality Co Pvt Ltd	-	1158950	1158950	57.99	-	1158950	1158950	57.99	-
e) Bodies Corp. The Phoenix Mills Limited	-	75000	75000	3.75	439744	400000	839744	42.01	38.26
f) Banks / FI	-	-	-	-	-	-	-	-	-
g) Any other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):	-	1233950	1233950	61.74	439744	1558950	1998694	100.00	38.26
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	1233950	1233950	61.74	439744	1558950	1998694	100.00	38.26
B. Public									

ALLIANCE SPACES PRIVATE LIMITED MUMBAI

Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e)Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h)Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	-	-	-	-	-	-	-	-	-
(2)Non-Institutions									
a) Bodies Corp.									
i) Crest Ventures Ltd (Indian)	102353	-	102353	5.12	-	102353	102353	5.12	(5.12)
ii) K2A Hospitality Ltd (Overseas)	-	325000	325000	16.26	-	-	-	-	(16.26)
iii) Fulda River Ltd (Overseas)	318694	-	318694	15.95	-	-	-	-	(15.95)
iv) Fuhse River Ltd (Overseas)	18697	-	18697	0.94	-	-	-	-	(0.94)
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2):	414744	350000	764744	38.26	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	414744	350000	764744	38.26	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	1998694	1998694	100.00	439744	1558950	1998694	100.00	-

ALLIANCE SPACES PRIVATE LIMITED MUMBAI

ii. **Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Phoenix Hospitality Company Private Limited	1158950	57.99	-	1158950	57.99	-	-
2	The Phoenix Mills Limited	75000	3.75	-	839744	42.01	-	38.26

iii. **Change In Promoters' Shareholding**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Phoenix Hospitality Company Private Limited				
	At the beginning of the year	1158950	57.99	1158950	57.99
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	-	-	-	-
	At the End of the year	1158950	57.99	1158950	57.99
	The Phoenix Mills Limited				
		75000	3.75		
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	318694 (Purchase of 318694 Equity Shares from Fulda River Limited on 05/09/2017)	15.95	393694	19.70
	Date wise Increase/ Decrease in	102353	5.12	496047	24.82

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	Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	(Purchase of 102353 Equity Shares from Crest Ventures Limited on 05/09/2017)			
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	325000 (Purchase of 325000 Equity Shares from K2A Hospitality Limited on 05/09/2017)	16.26	821047	41.08
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	18,697 (Purchase of 18,697 Equity Shares from Fuhse River Limited on 12/09/2017)	0.94	839744	42.01
	At the End of the year	839744	42.01	839744	42.01

iv. **Shareholding Pattern Of Top Ten Shareholders (Other Than Directors, Promoters And Holders Of GDRs And ADRs)**

Sr. No.	Name of the shareholder	Shareholding		Date	Increase /Decrease in Shareholding	Reason	Cumulative Shareholding during the year(April 01, 2017 to March 31, 2018)	
		No. of shares at the beginning of the year	% of total shares of the Company				No. of shares	% of total shares of the Company
1	K2A Hospitality Limited	325000	16.26	05/09/2017	Decrease	Transfer of 325000 Equity Shares	-	-
2	Fulda River Limited	318694	15.95	05/09/2017	Decreas	Transf	-	-

					e	er of 318694 Equity Shares		
3	Crest Resources Limited	102353	5.12	05/09/2017	Decrease	Transfer of 102353 Equity Shares	-	-
4	Fuhse River Limited	18697	0.94	12/09/2017	Decrease	Transfer of 18697 Equity Shares	-	-

. **Shareholding of Directors and Key Managerial Personnel: NIL**

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

V. INDEBTEDNESS:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	8,700,000	-	8,700,000
ii) Interest due but not	-	17,819,087	-	17,819,087

paid				
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	26,519,087	-	26,519,087
Change in Indebtedness during the financial year				
Addition	-	1,34,46,15,609	-	1,34,46,15,609
Reduction	-	(79,50,11,716)	-	(79,50,11,716)
Net Change	-	54,96,03,893	-	54,96,03,893
Indebtedness at the end of the financial year				
Principal Amount	-	57,42,00,000	-	57,42,00,000
ii) Interest due but not paid	-	19,22,980	-	19,22,980
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	57,61,22,980	-	57,61,22,980

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. *Remuneration to Managing Director, Whole-time Directors and/or Manager:-* Not Applicable

Sl. No.	Particulars of Remuneration	Mr. Dipesh Gandhi Managing Director	Total Amount
1	Gross salary	-	-
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	-	-
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-

ALLIANCE SPACES PRIVATE LIMITED MUMBAI

	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total (A)	-	-

Being 5% (as there is only one Managing Director) of the Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013.

B. REMUNERATION TO OTHER DIRECTORS: NIL

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

Being 11% of the Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD- Not Applicable

Sl. No.	Particulars of Remuneration	Key Managerial Personnels		
		CFO	CS	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	
2	Stock Option	-	-	

3	Sweat Equity	-	-	
4	Commission	-	-	
	- as % of profit	-	-	
	- others, specify	-	-	
5	Others, please specify	-		-
	Total	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NOT APPLICABLE

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

For and on behalf of the Board
For Alliance Spaces Private Limited

Sd
Dipesh Gandhi
Managing Director
DIN: 02079576

Sd
Haresh Morajkar
Director
DIN : 00074983

August 7, 2018
Place: Mumbai

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	-
b)	Nature of contracts / arrangements / transaction	-
c)	Duration of the contracts / arrangements / transaction	-
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	-
e)	Justification for entering into such contracts or arrangements or transactions'	-
f)	Date of approval by the Board	-
g)	Amount paid as advances, if any	-
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	-

2. Details of contracts or arrangements or transactions at Arm's length basis.

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	-
b)	Nature of contracts / arrangements / transaction	-
c)	Duration of the contracts / arrangements / transaction	-
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	-
e)	Date of approval by the Board	-
f)	Amount paid as advances, if any	-

For and on behalf of the Board
For Alliance Spaces Private Limited

Sd
Dipesh Gandhi
Managing Director
DIN: 02079576

Sd
Haresh Morajkar
Director
DIN : 00074983

ALLIANCE SPACES PRIVATE LIMITED MUMBAI

Date: August 7, 2018
Place: Mumbai

Annexure I

Nomination & Remuneration Policy

1. Preface

The Company understands the importance of attracting and retaining highly talented individuals at all levels of the organization. The Company and its management endeavor to recruit and retain employees who achieve operational excellence and create value for shareholders. The Company believes that a transparent, fair and reasonable process is vital for determining the appropriate remuneration at all levels of the Organization and is committed to ensure that all the stakeholders remain informed and confident in the management of the Company. The Board has constituted the Nomination and Remuneration Committee (the "Committee") to assist the Board in discharging its responsibilities relating to compensation of the Company's directors and other senior level employees.

2. Objectives

The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Independent, Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions.
- To recommend to the Board, the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To determine criteria for remuneration of the Directors and Key Managerial Personnel based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel and provide necessary report to the Board for further evaluation by the Board.
- To provide them rewards linked directly to their efforts, performance, dedication and achievement relating to the Company's operations and growth.
- To lay down policies to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To devise a policy on Board diversity.

3. Definitions

'Act' means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

'Board' means Board of Directors of the Company.

'Committee' means the Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board from time to time.

ALLIANCE SPACES PRIVATE LIMITED
MUMBAI

'Company or the Company' means Offbeat Developers Private Limited.

'Director(s)' mean Director(s) of the Company.

'Independent Director' means a Independent Director of the Company appointed pursuant to the provisions of Section 149(6) of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

"Key Managerial Personnel" means a key managerial personnel as defined under the Companies
Act, 2013 and includes

(i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;

(ii) Company Secretary;
and

(iii) Chief Financial Officer

'Senior Management' means Senior Management means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

4. Policy

This Policy is divided in two sections Part A and Part B. Part - A covers the appointment and nomination related policies. Part – B covers remuneration related policies.

4.1. *Part A - Appointment and Nomination*

4.1.1 *Criteria for Board Membership*

The Committee shall take into account following points for appointment of a person as Director, KMP or at Senior Management level and recommend to the Board his / her appointment accordingly.

- Shall possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- Shall possess the highest personal and professional ethics, integrity, values and moral reputation and be eligible to hold the office under the provisions of the Companies Act, 2013 and Rules made thereunder and the applicable policies of the Company.

ALLIANCE SPACES PRIVATE LIMITED MUMBAI *

4.1.2 *Additional Criteria for Independent Directors*

In addition to the criteria mentioned above, a person proposed to be appointed as an Independent Director shall meet all criteria specified in Section 149(6) of the Companies Act, 2013 and rules made thereunder.

4.1.3 *Term / Tenure*

The Term / Tenure of the Directors shall be in accordance with the provisions of the Companies Act, 2013 and rules made there under as amended from time to time.

4.1.4 *Removal*

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or the applicable policies of the Company, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

4.1.5 *Retirement*

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board shall have the discretion to retain a Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

4.1.7 Policy on Board diversity

The Company believes that a truly diverse Board would be necessary for effectively managing the affairs of the Company. Diversity in terms of the skills, regional and industry experience, background, gender and other diversities between Directors is essential to enable the Board, as a whole, to achieve the desired results for the Company. These distinctions shall be considered in determining the optimum composition of the Board and when possible shall be balanced appropriately. All Board appointments shall be made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. The Board shall have at least one Board member who has accounting or related financial management expertise and at least three members who are financially literate.

4.2 <u>Part B – Remuneration and Perquisites</u>

The Committee shall recommend the remuneration to be paid to the Managing Director, Whole-time Director, KMP and Senior Management Personnel to the Board for their approval. The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also

ALLIANCE SPACES PRIVATE LIMITED MUMBAI * involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals: The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

4.2.1 *Managing Director/Whole-time Director/Executive Director*

Besides the above criteria, the remuneration/ compensation/ commission etc to be paid to Managing Director/Whole-time Director/Executive Director etc shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

4.2.2 *Non executive Independent Directors*

The Non-Executive Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof as approved by the Board and shareholders. Provided that the amount of such fees shall be subject to ceiling/ limits as provided under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

4.2.3 *KMPs / Senior Management Personnel etc*

The remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

5. Disclosure

The Criteria for remuneration of Directors shall be disclosed in the Annual Report. The Policy shall be made available at the registered office of the Company and the Policy and evaluation criteria shall be published in the Annual Report.

6. Review

The Board shall periodically review this Policy to determine its appropriateness to the needs of the Company. The Board shall have the authority to amend the Policy, if required.

For Alliance Spaces Private Limited

Sd/-	**Sd/-**
Dipesh Gandhi	**Haresh Morajkar**
DIRECTOR	**DIRECTOR**
DIN: 02079576	**DIN: 00074983**

Date: August 7, 2018
Place: Mumbai

ALLIANCE SPACES PRIVATE LIMITED MUMBAI

A. M. GHELANI & COMPANY
CHARTERED ACCOUNTANTS

224, Champaklal Industrial Estate,
Sion-Koliwada Road, Sion (East),
Mumbai - 400 022.
Tel : 2402 4909 / 8739
Fax : 2407 1138
E-mail : amghelaniandco@gmail.com

AJIT M. GHELANI
B.Com (Hons), F.C.A., GRAD. C.W.A.

CHINTAN A. GHELANI
B.Com (Hons), F.C.A., C.S

INDEPENDENT AUDITOR'S REPORT

To the Members of
Alliance Spaces Private Limited.
[Formerly known as Alliance Hospitality Services Private Limited]

Report on the Standalone Ind AS Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at March 31, 2018, and its financial performance, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

2. As required under provisions of section 143(3) of the Act, we report that:

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

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

   c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.

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

   e. On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial control over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements [Refer Note 30 to the financial statements].

ii. The Company did not have any long term contracts including derivative contracts that require provision under any law or accounting standards for which there were any material foreseeable losses.

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

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

Chintan Ghelani
Partner
Membership No.: 104391

Place : Mumbai
Dated : 05 MAY 2018

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

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

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

i) In respect of its Fixed Assets :

a. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets on the basis of available information.

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

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

ii) In respect of its Inventories :

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

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

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

v) According to the information and explanations given to us, the company has not accepted any deposits within the meaning of provisions of section 73 to 76 or any other relevant provisions of the Act and rules framed hereunder. Therefore, provisions of Clause (v) of paragraph 3 of the Order are not applicable to the company.

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

vii) In respect of Statutory dues :

a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, GST, Value Added Tax, Cess and any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2018 for a period of more than six months from the date of becoming payable.

b. The disputed statutory dues aggregating to **Rs. 91,500/-**, that have not been deposited on account of disputed matters pending before the appropriate authorities are as under :-

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

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

viii) According to the records examined by us and the information and explanation given to us, we are of the opinion that the company has not defaulted in re-payment of dues to financial institution and banks.

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

x) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

xi) Based upon the audit procedures performed and information and explanation given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of section 197 read with "schedule v" to the companies Act, 2013.

xii) In our opinion, The Company is not a Nidhi Company. Therefore, the provision of clause (xii) of the Paragraph 3 of the Order Not applicable to the Company.

xiii) In our opinion, all the transactions with related parties are in compliance with section 177 and 188 of The Companies Act, 2013 and the details have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable Accounting Standards.

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

xv) The Company has not entered into any Non-Cash transaction with Director or Persons connected with him. Hence, the requirement of Clause (xv) of paragraph 3 of the Order Not applicable to the Company.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provision of Clause (xvi) of the paragraph 3 of Order not applicable to the Company.

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

Chintan Ghelani
Partner
Membership No.: 104391

Place : Mumbai
Dated : 05 MAY 2018

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

"Annexure B" referred to in paragraph 2(f) under the heading Report on other legal and regulatory requirements of our report of even date

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

We have audited the internal financial controls over financial reporting of **Alliance Spaces Private Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

Chintan Ghelani
Partner
Membership No.: 104391

Place : Mumbai
Dated : 05 MAY 2018

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

ALLIANCE SPACES PRIVATE LIMITED
(CIN U55101MH2007PTC169101)
BALANCE SHEET AS AT 31ST MARCH, 2018

(Amount in Rs.)

	Particulars	Note no.	As at 31st March 2018	As at 31st March 2017
	ASSETS:-			
1	**Non-current assets**			
	Property, Plant and Equipment	5	15,78,82,685	15,81,55,273
	Capital work-in-progress	5	2,14,33,52,653	1,25,84,96,073
	Intangible Assets	5	6,21,785	6,59,644
	Deferred tax assets (Net)		2,27,45,337	3,01,75,643
	Other Non Current Assets	6	79,61,451	79,30,036
	(A)		**2,33,25,63,912**	**1,45,54,16,669**
2	**Current assets**			
	Inventories	7	-	-
	Financial assets			
	- Trade receivables	8	-	2,57,00,000
	- Cash and cash equivalents	9	9,28,803	1,82,00,794
	Current Tax Assets (Net)	10	59,76,066	53,58,343
	Other Current Assets	11	2,05,71,623	99,37,471
	(B)		**2,74,76,492**	**5,91,96,608**
	TOTAL (A + B)		**2,36,00,40,404**	**1,51,46,13,277**
	EQUITY AND LIABILITIES:-			
1	**Equity**			
	Equity Share capital	12	1,99,86,940	1,99,86,940
	Other equity	13	1,68,40,46,073	1,43,51,16,328
	(A)		**1,70,40,33,013**	**1,45,51,03,268**
	Liabilities			
2	**Non-current liabilities**			
	Financial liabilities			
	- Other financial liabilities	14	75,80,768	3,53,334
	Provisions	15	3,32,713	2,38,393
	(B)		**79,13,481**	**5,91,727**
3	**Current liabilities**			
	Financial liabilities			
	- Borrowings	16	57,42,00,000	2,65,19,087
	- Trade Payables	17	3,65,22,522	87,76,373
	Other current liabilities	18	91,37,675	2,27,94,122
	Provisions	19	2,82,33,713	8,28,700
	(C)		**64,80,93,910**	**5,89,18,282**
	TOTAL (A+B+C)		**2,36,00,40,404**	**1,51,46,13,277**

Significant Accounting Policies and Notes on Financial Statements **1 to 37**
The accompanying Notes are an integral part of Financial Statements

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

Chintan A. Ghelani
Partner
Membership No. 104391

Place : Mumbai
Date : 05/05/2018

For and on behalf of the Board of Directors

Dipesh Gandhi	**Haresh Morajkar**
(Managing Director)	**(Director)**
DIN: 02079576	**DIN: 74983**

ALLIANCE SPACES PRIVATE LIMITED
(CIN U55101MH2007PTC169101)
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in Rs.)

	Particulars	Note no.	2017-18	2016-17
I	**Revenue from operations**	20	53,00,000	4,00,00,000
II	**Other income**	21	27,924	13,34,045
	Total Income		**53,27,924**	**4,13,34,045**
III	**Expenses**			
	Cost of materials consumed	22	-	-
	Variation in inventories	23	-	-
	Employee benefits expenses	24	41,70,722	94,42,967
	Finance cost	25	73,63,560	1,29,88,894
	Depreciation and amortisation expense	5	7,49,077	9,79,726
	Other expenses	26	94,16,537	71,19,122
	Total expenses		**2,16,99,896**	**3,05,30,709**
IV	**Profit/ (loss) before tax**		**(1,63,71,972)**	**1,08,03,336**
	Tax expense			
	Current Tax		-	14,28,000
	Deferred Tax	27	74,30,306	39,28,800
	Tax adjustment of earlier years		5,277	-
	MAT Credit		-	(14,28,000)
V	**Profit/ (loss) for the year**		**(2,38,07,555)**	**68,74,536**
VI	**Other comprehensive income**		-	-
VII	**Total comprehensive income for the period (V + VI)** *(Profit/ loss + other comprehensive income)*		**(2,38,07,555)**	**68,74,536**
	Earnings per equity share from continuing operations			
	a) Basic	31	(11.91)	3.44
	b) Diluted		(11.91)	2.44

Significant Accounting Policies and Notes on Financial Statements 1 to 37
The accompanying Notes are an integral part of the financial statements

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

A. M. GHELANI & COMPANY MUMBAI

Chintan A. Ghelani
Partner
Membership No. : 104391

For and on behalf of the Board of Directors

Dipesh Gandhi
(Managing Director)
DIN: 02079576

Haresh Morajkar
(Director)
DIN:74983

Place : Mumbai
Date : 05/05/2018

Alliance Spaces Private Limited

(Formerly Known as Alliance Hospitality Services Private Limited)

(CIN No. U55101MH2007PTC169101)

Cash Flow Statement For The Year Ended on 31st March, 2018

PARTICULARS		2017-18 Rs.	2016-17 Rs.
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax as per the Profit and Loss Account		(1,63,71,972)	1,08,03,336
Adjustments for Non Cash / Non Operating Items :			
Depreciation		7,49,077	9,79,726
Interest Expenses		-	-
Operating Cash flow before working capital changes		(1,56,22,894)	1,17,83,062
Adjustments for Working Capital changes :			
Trade & Other Payables		4,88,16,469	(7,98,74,842)
Trade & Other Receivables		1,50,34,433	4,13,49,658
Cash generated from Operations		4,82,28,007	(2,67,42,121)
Less: Taxes (paid)/refund received - [Net]		(6,23,001)	14,46,807
Net Cash generated from/(used in) Operating Activities	**(A)**	**4,76,05,007**	**(2,52,95,315)**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(4,38,631)	(5,14,084)
Change in Capital Work In Progress [Net of conversion from inventories to CWIP]*		(88,48,56,580)	(9,13,42,049)
Net Cash generated from/(used in) Investing Activities	**(B)**	**(88,52,95,211)**	**(9,18,56,133)**
CASH FLOW FROM FINANCING ACTIVITIES			
Long Term Borrowings availed / (repaid)		-	-
Term Loans availed/(repaid) [net]		-	(38,72,10,957)
Loans availed from others		54,76,80,913	2,65,19,087
Proceeds from Other Borrowings - OFCD		27,27,37,300	48,95,00,000
Net Cash generated from /(used in) Financing Activities	**(C)**	**82,04,18,213**	**12,88,08,130**
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B +C)		**(1,72,71,991)**	**1,16,56,682**
Opening Balance of Cash and Cash Equivalents		**1,82,00,794**	**65,44,111**
Closing Balance of Cash and Cash Equivalents		**9,28,803**	**1,82,00,794**
Notes:			
Cash and Cash Equivalents include:			
Cash on hand		53,991	1,26,163
Balances with Scheduled Banks		8,74,812	1,80,74,631
Cash and Bank Balances		**9,28,803**	**1,82,00,794**

The figures in brackets represent Cash outflows.

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

As per our Report of even date

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

Chintan A. Ghelani
Partner
Membership No.: 104391

Place : Mumbai
Date : 05/05/2018

For and on behalf of the Board of Directors

Dipesh Gandhi
(Managing Director)
DIN: 02079576

Haresh Morajkar
(Director)
DIN: 74983

ALLIANCE SPACES PRIVATE LIMITED
Statement of changes in equity for the year ended 31st March, 2018

A Equity share capital

Particulars	Opening balance as at 1st April 2017	Changes in equity share capital during the year	Closing balance as at 31st March 2018
19,98,694 (P.Y. 19,98,694) Equity Shares of Rs.10/- each	1,99,86,940.00	-	1,99,86,940.00
	1,99,86,940.00	-	**1,99,86,940.00**

B Other Equity

Particulars	Equity Component of compounded Financial Instruments	Reserve & Surplus		
		Securities Premium	Retained Earning	Total
Balances at April 1, 2017	48,95,00,000	**96,67,91,933**	**(2,11,75,605)**	**1,43,51,16,328**
Profit for the year			(2,38,07,555)	(2,38,07,555)
Optionally Fully Convertible Debentures **- Vamona Developers Pvt Ltd** (0.0001% OFCD Face Value - Rs 100 each)	76,22,37,300	-	-	76,22,37,300
Balance At the End of the reporting period	**76,22,37,300**	**96,67,91,933**	**(4,49,83,160)**	**1,68,40,46,073**

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

Chintan A. Ghelani
Partner
Membership No. 104391

Place : Mumbai
Date : 05/05/2018

For and on behalf of the Board of Directors

Dipesh Gandhi
(Managing Director)
DIN: 02079576

Haresh Morajkar
(Director)
DIN: 74983

ALLIANCE SPACES PRIVATE LIMITED

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

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

1. Corporate Information:

The Company is a private limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at 2nd floor, R.R. Hosiery Building, off Dr. Annie Besant Road, Mahalaxmi (W), Mumbai – 400011.

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

For the information of the Company's principal shareholders, refer Note No.12

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

2. Basis of Preparation of Financial Statements:

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

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

3. Significant Accounting Policies:

a) Functional and presentation of currency:

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

b) Basis of measurement:

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

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

c) Property, Plant and Equipment:

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

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

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

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

Depreciation methods, estimated useful lives and residual value

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

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

d) **Intangible asset:**

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

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

Amortisation methods and periods

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

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

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

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

f) Inventories:

Inventories comprise Realty Stock, which is valued at the lower of cost and net realisable value.

Cost of Realty construction/development is charged to the Statement of Profit and Loss in Proportion to the revenue recognized during the period and balance cost is carried over under Inventory as part of Realty Stock. Cost of realty construction / development includes all costs directly related to the project and other expenditure as identified by the management which are incurred for the purpose of executing and securing the completion of the Project (net off incidental recoveries/receipts).

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

g) Cash and cash equivalents:

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

h) Foreign currency transactions:

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

i) Financial Instrument:

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

Financial Assets and investments

i) Initial recognition and measurement:

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

ii) Subsequent recognition and measurement:

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

- **Debt instrument at amortised cost:**

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

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

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

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

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

iii) De-recognition:

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

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

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

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

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

iv) Impairment of Financial asset:

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

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

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

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

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

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

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

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

v) Trade receivables:

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

Financial Liabilities:

i) Initial recognition and measurement:

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

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

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

ii) Subsequent measurement:

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

Financial liabilities at fair value through profit or loss

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

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

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

Loans and Borrowings:

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

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

Trade and other payables:

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

iii) De - recognition:

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

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

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

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

k) Equity share capital:

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

l) Revenue Recognition:

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

Interest income

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

m) Employees benefits:

(i) Short-term Employee benefits:

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

(ii) Post-employment benefits

a. Defined Contribution Plan

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

b. Defined benefit plan

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

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

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

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

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

(iii) Other long-term benefits

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

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

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

n) Borrowing Cost:

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

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

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

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

o) Provisions and contingencies:

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

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

p) **Income Taxes:**

Current Income Tax:

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

Deferred Tax:

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

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

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

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

q) **Earnings per share:**

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

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

4. Critical accounting estimates, assumptions and judgements:

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

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

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

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

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

(b) Investment Property

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

(c) Defined Benefit plans

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

(d) Provisions:

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

(e) Impairment of financial assets:

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

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

(f) Fair Value measurement:

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

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

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

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

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

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

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

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

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

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Notes to and forming part of the Balance Sheet as at 31st March, 2018

Note "5" Property, Plant and Equipment

Particulars	Tangible Assets				Intangible Assets	Total
	Land *	Motor Car	Computer	Office Equipment	Software	
Gross Block						
As at April 1, 2017	15,71,23,050	27,02,345	21,78,465	20,15,009	11,81,941	16,52,00,810
Additions *	-	-	50,000	1,60,535	2,28,096	4,38,631
Disposal	-	-	-	-	-	-
As at March 31, 2018	**15,71,23,050**	**27,02,345**	**22,28,465**	**21,75,544**	**14,10,037**	**16,56,39,441**
Accumulated Depreciation						
As at April 1, 2017	-	24,95,780	17,93,859	15,73,957	5,22,297	63,85,893
Charge for the year	-	71,447	2,04,078	2,07,597	2,65,955	7,49,077
Disposal	-	-	-	-	-	-
As at March 31, 2018	-	**25,67,227**	**19,97,937**	**17,81,554**	**7,88,252**	**71,34,970**
Net Carrying Amount						
As at April 1, 2017	15,71,23,050	2,06,565	3,84,606	4,41,052	6,59,644	15,88,14,917
As at March 31, 2018	**15,71,23,050**	**1,35,118**	**2,30,528**	**3,93,990**	**6,21,785**	**15,85,04,471**

Capital Work in Progress *	Total
As at April 1, 2017	1,25,84,96,073
As at March 31, 2018	2,14,33,52,653

***Note :- The company has converted the Inventory of Realty work in progress and Land to Fixed Asset/capital work in progress during the previous year 2016-17, as the nature of business/project has changed from Residential to commercial project**

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Notes to and Forming Part of Balance Sheet As At 31st March, 2018

(Amount in Rs.)

Note No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
6	**Other Non Current Assets**		
	Security Deposit	63,25,455	63,25,455
	Others	16,35,996	16,04,581
		79,61,451	**79,30,036**
7	**Inventories**		
	[As taken, valued and certified by the management]		
	Realty Work in Progress		
	As at the beginning of the year	-	1,16,71,54,024
	Add:- Addition during the year	-	6,84,54,087
	Less:- Transferred to CWIP [refer note no 5]	-	(1,23,56,08,111)
	As at the end of the year	-	-
	Land		
	As at the beginning of the year	-	15,71,23,050
	Add:- Addition during the year	-	-
	Less:- Transferred to CWIP [refer note no 5]	-	(15,71,23,050)
	As at the end of the year	-	-
		-	-
8	**Trade Receivables**		
	[Unsecured & considered Good by the management, unless otherwise stated]		
	Considered good	-	2,57,00,000
		-	**2,57,00,000**
9	**Cash and cash equivalents**		
	1. Cash on hand	53,991	1,26,163
	2. Balances with banks - In Current Accounts	8,74,812	30,74,631
	3. In Fixed Deposits	-	1,50,00,000
	[Original Maturity less than 3 months]		
		9,28,803	**1,82,00,794**
10	**Current Tax Assets (Net)**		
	Taxes paid [Net of Provisions]	59,76,066	53,58,343
		59,76,066	**53,58,343**
11	**Other Current Assets**		
	Advances Recoverable In cash or Kind or for the value to be received		
	[Unsecured, Considered Good]		
	Advances given to Parties :		
	- Considered Good	33,94,600	45,94,140
	- Considered Doubtful	-	2,42,341
	Less:- Provision for Doubtful Advances	-	(2,42,341)
		33,94,600	45,94,140
	Balances with Statutory/Government Authorities	1,55,25,848	36,60,589
	Accrued Interest On Fixed Deposit	-	3,699
	MAT Credit Entitlement	13,35,000	14,28,000
	Prepaid Expenses	3,00,895	2,35,763
	Others	15,280	15,280
		2,05,71,623	**99,37,471**

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Notes to and Forming Part of Balance Sheet As At 31st March, 2018

(Amount in Rs.)

Note No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
12	**Share Capital**		
	Authorised		
	20,00,000 (P.Y. 20,00,000) Equity Shares of Rs.10/- each	2,00,00,000	2,00,00,000
	Issued, Subscribed and Paid Up		
	19,98,694 (P.Y. 19,98,694) Equity Shares of Rs.10/- each	1,99,86,940	1,99,86,940
		1,99,86,940	**1,99,86,940**
	a) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period		
	Equity Shares		
	Shares outstanding at the beginning the year	19,98,694	19,98,694
	Shares Issued during the year	-	-
	Shares bought back during the year	-	-
	Shares outstanding at the end of the year	19,98,694	19,98,694
	b] Shares held by Holding Company:-		
	Holding company		
	Phoenix Hospitality Company Pvt. Ltd.	11,58,950	11,58,950

c) Details of shareholders holding more than 5% Shares in the company	March 31, 2018		March 31, 2017	
Equity Shares of Rs.10 each fully paid up	Number of shares	% of Holdings	Number of shares	% of Holdings
Equity - Fulda River Ltd	-	-	3,18,694	15.95
Equity- K2A Hospitality Ltd.	-	-	3,25,000	16.26
Equity- Phoenix Hospitality Company Pvt. Ltd.	11,58,950	57.99	11,58,950	57.99
Equity- The Phoenix Mills Ltd.	8,39,744	42.01	75,000	3.75
Equity- Crest Ventures Limited	-	-	1,02,353	5.12

d] The company has only one class of Equity shares having a face value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share.

Note No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
13	**Other Equity**		
	Surplus in the Statement of Profit & Loss		
	As at the Beginning of the year	(2,11,75,605)	(2,80,50,141)
	Add: Profit/(Loss) during the year	(2,38,07,555)	68,74,536
	As at the end of the year	(4,49,83,160)	(2,11,75,605)
	Securities Premium Account		
	As per last Balance Sheet	96,67,91,933	96,67,91,933
	Equity Component of compounded Financial Instruments		
	Optionally Fully Convertible Debentures		
	- Vamona Developers Pvt Ltd (0.0001% 76,22,373 OFCD, P.Y. 20,05,000 OFCD - Face Value - Rs 100 each)	76,22,37,300	20,05,00,000
	- The Phoenix Mills Ltd (Nil, P.Y. 0.0001% 28,90,000 OFCD Face Value - Rs 100 each)	-	28,90,00,000
		76,22,37,300	48,95,00,000
	[0.0001% Optionally Convertible Debenture holders have an option to convert the debentures into equity shares within 10 years from the date of allotment. Each debenture is convertible into equity shares of Rs. 10 each fully paid at premium of Rs. 470 per share on the date of conversion. The company has an option to redeem the shares in one or more tranches at the redemption premium not exceeding Rs. 10/- per Optionally Convertible Debenture.]		
		1,68,40,46,073	**1,43,51,16,328**

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Notes to and Forming Part of Balance Sheet As At 31st March, 2018

(Amount in Rs.)

Note No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
14	**Other Financial Liabilities**		
	Retention Money of Contractors	75,80,768	3,53,334
		75,80,768	**3,53,334**
15	**Provisions**		
	Provisions for Employee benefits		
	Leave Encashment	3,32,713	2,38,393
		3,32,713	**2,38,393**
16	**Borrowings**		
	Unsecured		
	From Ultimate Holding Company:		
	The Phoenix Mills Limited	-	2,65,19,087
	From Related Party:		
	Vamona Developers Private Limited	57,42,00,000	-
		57,42,00,000	**2,65,19,087**
17	**Trade Payables**		
	Micro & Small Enterprises *	-	-
	Total outstanding dues of creditors other than micro and small enterprises	3,65,22,522	87,76,373
		3,65,22,522	**87,76,373**
18	**Other Current Liabilities**		
	Advances From Prospective Buyers	-	2,05,58,477
	Security Deposits	34,02,636	-
	Statutory Dues	57,35,039	22,35,645
		91,37,675	2,27,94,122
19	**Provisions**		
	Provision for employee benefits:-		
	Gratuity (funded)	-	-
	Leave Encashment	20,684	13,355
	Provision for Expenses	2,82,13,029	8,15,345
		2,82,33,713	**8,28,700**

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Notes to Statement of Profit & Loss for the year ended 31st March, 2018

Note No.	Particulars	2017-18 (Rs.)	2016-17 (Rs.)
20	**Revenue from operation**		
	Project Management consultancy charges	53,00,000	4,00,00,000
		53,00,000	**4,00,00,000**
21	**Other Income**		
	Interest on Fixed Deposit	27,924	9,78,625
	Interest on Income Tax refund	-	3,55,420
		27,924	**13,34,045**
22	**Cost of materials consumed**		
	Site Operating/Development Expenses [including Personnel Cost]	-	2,47,82,763
	RCC and Civil Work [Including Materials]	-	59,57,406
	Less:- Transferred to Capital Work in progress [refer note no 5]	-	(3,07,40,169)
		-	-
23	**Changes in inventories**		
	Land:		
	As at the beginning of the year	-	15,71,23,050
	Less:- Transferred to Fixed Asset	-	(15,71,23,050)
	Less: As at the end of the year	-	-
		-	-
	Realty Work in Progress:		
	As at the beginning of the year	-	1,16,71,54,024
	Add:- Additions during the year	-	6,84,54,087
	Less:- Transferred to Capital Work in progress	-	(1,23,56,08,111)
	Less: As at the end of the year	-	-
		-	-
		-	-
24	**Employee Benefits Expenses**		
	Salaries, Wages and Bonus	40,76,710	92,50,871
	Staff welfare expenses	94,012	1,92,096
		41,70,722	**94,42,967**
25	**Finance cost**		
	Other Interest	73,63,560	1,29,88,894
		73,63,560	**1,29,88,894**
26	**Other expense**		
	Repairs & Maintenance	8,04,207	4,20,503
	Administrative Expenses	34,20,106	33,38,431
	Communication Expenses	1,08,943	1,64,369
	Rent, Rates & Taxes	48,402	49,326
	Auditors' Remuneration;		
	Audit Fees	3,00,000	2,50,000
	Travelling Expenses	3,31,320	3,26,133
	Printing & Stationery	4,97,792	2,16,006
	Interest on delayed tax payments	11,144	1,869
	Bank Charges	6,432	2,913
	Legal & Professional Expenses	15,88,494	18,44,038
	Miscellaneous Expenses	9,572	1,12,388
	Advertisement & Marketing Expenses	22,90,125	3,93,146
		94,16,537	**71,19,122**

(Amount in Rs.)

Particulars	2017-18	2016-17
27 Taxation		
Income tax related to items charged or credited to profit or loss during the year:		
A Statement of Profit or Loss		
1 Current Income Tax	-	14,28,000
	-	14,28,000
2 Deferred Tax expenses/ (benefits):		
Relating to origination and reversal of temporary differences	74,30,306	39,28,800
	74,30,306	39,28,800
3 Minimum Alternate Tax credit entitlement	-	(14,28,000)
Minimum Alternate Tax credit utilisation	-	-
	-	(14,28,000)
Total Income tax Expenses (1 to 3)	**74,30,306**	**39,28,800**
B Reconciliation of Current Tax expenses:		
Profit /(Loss) from Continuing operations	(1,63,71,972)	1,08,03,336
Applicable Tax Rate	-	34.608%
Computed tax expenses	-	**37,39,000**
Additional allowances for tax purpose	-	(15,000)
Expenses not allowed for tax purposes	-	1,000
Carry Forward Loss utilised	-	(37,25,000)
Additional Tax payable due to MAT provisions	-	14,28,000
	-	**14,28,000**
C Deferred Tax Recognised in statement of profit and Loss relates to the following:		
Accelerated depreciation for tax purpose	78,532	14,274
Expenses allowable on payment basis	80,125	2,76,407
Unused Brought Forward losses	72,71,650	36,38,119
Deferred Tax Liabilities/ (Asset)	**74,30,307**	**39,28,800**
D Reconciliation of deferred tax liabilites/(asset) net:	**As at March 31, 2018**	**As at March 31, 2017**
Opening balance	(3,01,75,643)	(3,41,04,443)
Tax expenses / (income) during the period	74,30,307	39,28,800
Closing balance	(2,27,45,336)	(3,01,75,643)

28 Expenses recognised for Defined benefits plan:

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

	Gratuity (Funded)		Leave Encashment (Non - funded)	
	2017-18	2016-17	2017-18	2016-17
1 Change in Defined Benefit Obligation during the year				
Defined Benefit Obligation at the beginning of the year	2,80,135	12,59,208	2,51,748	9,79,920
Interest Cost	25,456	1,19,171	28,756	1,22,365
Current Service Cost	62,330	3,09,075	1,38,346	6,36,177
Past Service Cost	39,863			
Benefits paid during the year	-	-	-	(98,293)
Actuarial (gain)/loss on Defined Benefit Obligation	10,642	(14,07,319)	(65,453)	(13,88,421)
Defined Benefit Obligation at the end of the year	4,18,426	2,80,135	3,53,397	2,51,748

2 Change in fair value of Plan Assets during the year

	2017-18	2016-17	2017-18	2016-17
Fair value of Plan Assets at the beginning of the year	18,84,716	14,03,127	-	-
Expected Return on plan assets	1,41,124	1,06,454	-	-
Contribution	50,000	3,97,293	-	-
Benefits paid during the year	-	-	-	-
Actuarial (gain)/loss on Plan Asset	(21,418)	(22,158)	-	-
Fair value of Plan Assets at the end of the year	20,54,422	18,84,716	-	-

3 Amount to be recognized in Balance sheet:

Present value of Defined Benefit Obligation	4,18,426	2,80,135	3,53,397	2,51,748
Fair Value of plan assets at the end of the year	20,54,422	18,84,716	-	-
Amount recognized in Balance sheet	(16,35,996)	(16,04,581)	3,53,397	2,51,748

4 Current / Non - current bifurcation:

Current benefit obligation	-	-	20,684	13,355
Non - current benefit obligation	(16,35,996)	(16,04,581)	3,32,713	2,38,393

5 Amount adjusted to the capital work in progress

A Current Service Cost	62,330	3,09,075	1,38,346	6,36,177
Interest cost on obligation	25,456	1,19,171	28,756	1,22,365
Expected Return on plan assets	(1,41,124)	(1,06,454)	-	-
Past Service Cost	39,863			
Actuarial (gain)/losses	-	-	(65,453)	(13,88,421)
Net Amount adjusted (A)	(13,475)	3,21,792	1,01,649	(6,29,879)
B Remeasurement due to:				
Effect of change in financial assumptions	(40,785)	6,615	NA	NA
Effect of change in demographic assumptions	-	-	NA	NA
Effect of experience adjustments	51,427	(14,13,935)	NA	NA
Return on plan of assets(excluding interest)	21,418	22,158	NA	NA
Net Actuarial (gain)/loss for the year (B)	32,060	(13,85,162)	NA	NA

6 Maturity profile of defined benefit obligation

Within the next 12 months	8,005	6,116	-	-
Between 2 to 5 years	1,15,260	69,741	-	-
Between 5 to 10 years	1,62,790	1,13,599	-	-

7 Acturial assumptions used for estimating defined benefit obligations

Discount Rate	8.25%	7.50%	8.25%	7.50%
Salary Escalation Rate	7.50%	7.50%	7.50%	7.50%
Expected Rate of Return on Assets	7.50%	7.50%	NA	NA
Martality Rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Attrition/ Withdrawal Rate	5%	5%	5%	5%
The weighted average duration of plan	10.89 years	10.89 years	10.89 years	10.89 years

Notes:

1 Salary escalation rate is arrived after taking into account regular increaments, price inflation and promotion and other relevant factors such as supply and demand in employment market.

2 Discount rate is based on prevailing market yields of Indian Government Securities as at balance sheet date for estimated term of obligations.

3 Attrition rate/ withdrawal rate is based on Company's policy towards retention of employees, historical data and industry outlook.

4 Expected contribution to defined benefit plans for the financial year 2017-18 is Rs. 8,005

5 The above information is certified by actuary.

8 Sensitivity analysis:

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

	Change in assumption	Effect on Gratuity obligation 2017-18	2016-17
Discount rate	+1%	3,72,180	2,49,324
	-1%	4,74,156	3,17,172
Salary Escalation rate	+1%	4,55,355	2,94,718
	-1%	3,82,330	2,64,611
Attrition Rate	+1%	4,27,404	2,88,114
	-1%	4,06,347	2,69,133

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

Investment Risk:

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

Interest risk

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

Longevity risk

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

Salary risk

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

Alliance Spaces Private Limited
Notes on Financial Statements for year ended 31st March, 2018

29 Related Party Disclosures:-

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

A. Related party name and relationship

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

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

Sr. No.	Nature of Transactions	2017-2018	2016-2017
1	**Inter Corporate Deposit Received**		
	The Phoenix Mills Limited	65,10,00,000	41,37,00,000
	Vamona Developers Private Limited	68,61,50,000	-
2	**Inter Corporate Deposit Repaid (Liability)**		
	The Phoenix Mills Limited	65,97,00,000	40,50,00,000
	Vamona Developers Private Limited	11,19,50,000	-
3	**Interest Expenses**		
	The Phoenix Mills Limited	61,58,591	1,97,99,034
	Vamona Developers Pvt ltd	21,37,078	35
4	**OFCD Issued**		
	The Phoenix Mills Limited	-	28,90,00,000
	Vamona Developers Pvt ltd	56,17,37,300	20,05,00,000
5	**OFCD redeemed**		
	The Phoenix Mills Limited	28,90,00,000	-
6	**Project Management Consultancy Fees/Corporate Cost (CWIP) (Excluding Service Tax)**		
	Market City Resources Private Limited	29,11,000	49,95,300
7	**Advance Repaid [Net]**		
	Vamona Developers Pvt ltd	-	3,02,74,427
8	**Project Management consultancy - Income**		
	Vamona Developers Pvt ltd	53,00,000	4,00,00,000
9	**Interest Income on advances**		
	Vamona Developers Pvt ltd	-	7,94,368
10	**Reimbursement of Expenses**		
	Market City Resources Private Limited	36,966	31,308

Alliance Spaces Private Limited

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

C. Balances at the year end

Sr. No.	Nature of Balances	As at March 31, 2018	As at March 31, 2017
		Rs.	Rs.
1	**Equity Share Capital**		
	The Phoenix Mills Limited	83,97,440	7,50,000
	Phoenix Hospitality Company Private Limited	1,15,89,500	1,15,89,500
2	**Other Equity - OFCD**		
	The Phoenix Mills Limited	-	28,90,00,000
	Vamona Developers Pvt ltd	76,22,37,300	20,05,00,000
3	**Borrowings**		
	Vamona Developers Pvt ltd	57,42,00,000	
	The Phoenix Mills Limited	-	2,65,19,087
4	**Trade Receivables**		
	Vamona Developers Pvt ltd	-	2,57,00,000
5	**Interest Payable**		
	Vamona Developers Pvt ltd	19,22,980	-

30 Contingent Liabilities

Disputed Income Tax liability amounting to Rs. 91,500/- (March 31, 2017 Nil), pertaining to Assessment Year 2015-16 .

31 Earnings Per Share

Particulars	2017-18	2016-17
Issued equity shares	19,98,694	19,98,694
Equity shares compulsorily issuable on conversion of OFCD	76,22,373	48,95,000
Weighted average shares outstanding for Basic EPS	19,98,694	19,98,694
Weighted average shares outstanding for Diluted EPS	74,88,943	28,19,831

Basic as well as Diluted - EPS	Amount (Rs) 2017-18	Amount (Rs) 2016-17
Net Profit / (Loss) after tax	(2,38,07,555)	68,74,536
Weighted average number of equity shares	19,98,694	19,98,694
Nominal value of equity share	10/-	10/-
Basic EPS (Rupees)	(11.91)	3.44
Diluted EPS (Rupees)	(11.91)	2.44

32 Fair Value of Financial assets and Liabilities:

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets designated at amortised cost				
Trade Receivables	-	-	2,57,00,000	2,57,00,000
Cash and Cash Equivalents	9,28,803	9,28,803	1,82,00,794	1,82,00,794
Total	9,28,803	9,28,803	4,39,00,794	4,39,00,794
Financial liabilities designated at amortised cost				
Borrowings	57,42,00,000	57,42,00,000	2,65,19,087	2,65,19,087
Trade payables and others	3,65,22,522	3,65,22,522	87,76,373	87,76,373
Other financial liabilities	75,80,768	75,80,768	3,53,334	3,53,334
Total	61,83,03,290	61,83,03,290	3,56,48,794	3,56,48,794

Fair valuation techniques:

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

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

1. Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Long-term borrowings are evaluated by the Company based on parameters such as interest rates, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. Risk of non-performance for the company is considered to be insignificant in valuation.

33 Financial risk Management:

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

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

- **Market risk:**

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

Foreign currency risk

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

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

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

Interest rate risk

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

Commodity and Other price risk

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

- **Credit Risk**

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

Trade and other recivables:

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. To manage credit risk, the Company periodically assesses the financial reliability of the customer, taking into account the financial condition, current economic trends, and analysis of historical bad debts and aging of accounts receivables. Outstanding customer receivables are regularly monitored.

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

Cash and cash equivalents an other investments

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

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

Exposure to credit risk

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

	As at 31/03/2018	As at 31/03/2017
Financial assets for which loss allowances is measured using 12 months Expected Credit Losses (ECL):		
Cash and cash equivalents	9,28,803	1,82,00,794
Other financial assets	-	-
Financial assets for which loss allowances is measured using Life time Expected Credit Losses (ECL):		
Trade receivables	-	2,57,00,000

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

Liquidity risk

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

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

	As at March 31, 2018					
Particulars	Carrying Amount	On Demand	Less than 1 Yr	1- 5 yrs	>5 years	Total
Borrowings	57,42,00,000	57,42,00,000	-	-	-	57,42,00,000
Other Financial Liabilities	75,80,768	75,80,768	-	-	-	75,80,768
Trade and other payables	3,65,22,522	3,65,22,522	-	-	-	3,65,22,522

	As at March 31, 2017					
Particulars	Carrying Amount	On Demand	Less than 1 Yr	1- 5 yrs	>5 years	Total
Borrowings	2,65,19,087	2,65,19,087	-	-	-	2,65,19,087
Other Financial Liabilities	3,53,334	3,53,334	-	-	-	3,53,334
Trade and other payables	87,76,373	87,76,373	-	-	-	87,76,373

34 Capital management

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

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

Particulars	**As At 31-03-2018**	**As At 31-03-2017**
Loans and Borrowings	57,42,00,000	2,65,19,087
Less: Cash and cash equivalents + Bank Deposits (Current)	9,28,803	1,82,00,794
Net Debt	57,32,71,197	83,18,293
Total Capital	1,70,40,33,013	1,45,51,03,268
Capital+Net Debt	2,27,73,04,210	1,46,34,21,561
Gearing Ratio	25%	1%

Alliance Spaces Private Limited

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

35 Segment reporting:

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

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

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

37 The previous year figures have been regrouped, reworked, rearranged and reclassified, whenever necessary and are to be read in relation to the amounts and other disclosures relating to the current year.

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

Chintan A. Ghelani
Partner
Membership No. 104391

Place : Mumbai
Date : 05/05/2018

For and on behalf of the Board of Directors

Dipesh Gandhi
(Managing Director)
DIN: 02079576

Haresh Morajkar
(Director)
DIN: 74983