
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
Bellona Hospitality Services Limited
[Formerly known as Bellona Finvest Limited]

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

A. M. GHELANI & COMPANY
CHARTERED ACCOUNTANTS

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

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



Chintan Ghelani
Partner

Membership No.: 104391



Place : Mumbai

Dated : 13th May, 2016

A. M. GHELANI & COMPANY
CHARTERED ACCOUNTANTS

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

- i) In respect of its Fixed Assets :
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets on the basis of available information.
 - b. As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. The Company does not own any immovable property.
- ii) In respect of its Inventories :
 - a. The Inventories constitute Stock of trading goods viz. food & beverages. According to the information and explanations given to us, the stock has been physically verified by the management during the year.
 - b. The company has maintained proper records of inventory and discrepancies noticed on physical verification of inventory as compared to books records which has been properly dealt with in the books of account were not material.
- iii) The Company has not granted any loans, secured or unsecured to companies, firm or other parties covered in the register maintained under Section 189 of the Act. Consequently, the requirement of Clause (iii) (a) and Clause (iii) (b) of paragraph 3 of the Order not applicable to the Company.
- iv) The Company has not granted any loans, guarantee and has not purchased security of other body corporates. 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) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act.
- vii) In respect of Statutory dues :
 - a. According to the records of the Company, undisputed statutory dues viz. Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues, wherever applicable have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2016 for a period of more than six months from the date of becoming payable.

A. M. GHELANI & COMPANY
CHARTERED ACCOUNTANTS

- b. According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess etc., which have not been deposited on account of any dispute with the regulatory authorities.
- viii) Based on our audit procedures and as per the information and explanations given to us by the Management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings to financial institutions, banks, government or dues to debenture-holders.
- ix) According to the information and explanations given to us, monies raised by way of Debentures have prima-facie been applied for the purpose for which they were raised. The company has not taken any term Loans during the year.
- 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 explanations given by the management, the managerial remuneration, if any, 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 provisions of clause (xii) of the Paragraph 3 of the Order are not applicable to the Company.
- xiii) In our opinion, the transactions with related parties are in compliance with section 177 and 188 of The Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
- xiv) The company has made a private placement of optionally fully convertible debentures during the year under review and the requirements 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 been 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 provisions of Clause (xv) of paragraph 3 of the Order are 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 provisions of Clause (xvi) of the paragraph 3 of Order are not applicable to the Company.

For A.M. Ghelani & Company

Chartered Accountants

Registration No : 103173W



Chintan Ghelani

Partner

Membership No.: 104391



Place : Mumbai

Dated :

13 MAY 2016

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

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

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

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal 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 : 13th May, 2016

BELLONA HOSPITALITY SERVICES LIMITED
(FORMERLY KNOWN AS BELLONA FINVEST LIMITED)
CIN NO. U67120MH1995PLC085663

Balance Sheet as at 31st March, 2016

(Amount in Rs.)

Particulars	Notes	As at March 31, 2016	As at March 31, 2015
I. <u>Equity and Liabilities</u>			
Shareholders Funds			
(a) Share Capital	1	43,871,200	43,871,200
(b) Reserves and Surplus	2	(19,743,638)	38,506,807
		24,127,562	82,378,007
Non - Current Liabilities			
(a) Long Term Borrowings	3	208,250,000	-
(b) Long Term Provisions	4	1,036,212	-
		209,286,212	-
Current Liabilities			
(a) Short Term Borrowings	5	520,357,956	547,661,388
(b) Trade Payables	6		
Total outstanding dues of creditors other than micro and small enterprises		40,964,965	18,072,510
(c) Other Current Liabilities	7	6,602,696	2,690,241
(d) Short Term Provisions	8	42,301	1,911,150
		567,967,918	570,335,289
TOTAL		801,381,692	652,713,296
II. <u>Assets</u>			
Non current assets			
(a) Fixed Assets	9		
(i) Tangible Assets		131,137,426	14,529,887
(ii) Intangible Assets		1,023,100	1,364,133
(iii) Capital Work in Progress		17,607,412	12,859,660
(b) Non Current Investments	10	552,510,032	552,510,032
(c) Long Term Loans & Advances	11	65,682,374	62,805,408
		767,960,344	644,069,120
Current Assets			
(a) Inventories	12	2,811,801	1,309,142
(b) Trade Receivables	13	685,504	729,371
(c) Cash And Cash Equivalents	14	14,432,837	3,483,352
(d) Other Current Assets	15	15,491,207	3,122,310
		33,421,348	8,644,176
TOTAL		801,381,692	652,713,296

Significant Accounting Policies and Notes to Accounts "1 to 32"

The accompanying Notes are an integral part of the financial statements

As per our Report of even date

For **A. M. Ghelani & Company**

Chartered Accountants

Firm Registration No.: 103173W

Chintan A. Ghelani

Partner

Membership No.: 104391

Place : Mumbai



For and on behalf of the Board of Directors

Romil Ratra

Director

Din No.06948396



Harshal Vohra

Director

Din No.06947197

BELLONA HOSPITALITY SERVICES LIMITED
(FORMERLY KNOWN AS BELLONA FINVEST LIMITED)

CIN NO. U67120MH1995PLC085663

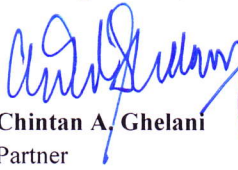
Statement of Profit & Loss for the year ended 31st March, 2016

(Amount in Rs.)

Particulars	Notes	For the financial year ended March 31, 2016	For the financial year ended March 31, 2015
I Income:			
Revenue from Operations	16	48,423,587	9,505,351
Other Income	17	3,586,746	6,119,572
TOTAL REVENUE		52,010,333	15,624,922
II Expenses:			
Purchases	18	23,172,810	8,624,961
Variation in Inventories	19	(1,502,659)	(1,309,142)
Operating Expenses	20	23,882,584	4,654,410
Employee Benefit Expenses	21	32,558,979	6,589,762
Administration and Other Expenses	22	16,147,187	2,534,737
Depreciation and Amortisation Expenses	9	13,813,750	1,882,242
Finance Cost	23	2,188,125	614,926
TOTAL EXPENSES		110,260,777	23,591,896
Profit/(Loss) Before Tax		(58,250,444)	(7,966,973)
Tax Expenses :			
Current Tax		-	-
Deferred Tax		-	6,622
Profit/(Loss) for the year		(58,250,444)	(7,973,595)
Earning Per Equity Share:			
Basic (Face Value of Rs. 10/- each)	29	(13.28)	(1.92)
Diluted (Face Value of Rs. 10/- each)		(13.28)	(1.92)


Significant Accounting Policies and Notes to Accounts "1 to 32"

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



Chintan A. Ghelani
Partner
Membership No.: 104391



For and on behalf of the Board of Directors


Romil Ratra
Director
Din No.06948396




Harshal Vohra
Director
Din No.06947197

Place : Mumbai
Date : 13th May, 2016

BELLONA HOSPITALITY SERVICES LIMITED
(FORMERLY KNOWN AS BELLONA FINVEST LIMITED)

CIN NO. U67120MH1995PLC085663

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

Particulars	2015-2016		2014-2015	
	Rupees	Rupees	Rupees	Rupees
A CASH FLOWS FROM OPERATING ACTIVITIES				
Net Profit/(Loss) before tax as per the Profit and Loss Account		(58,250,444)		(7,966,973)
Adjustments for :				
* Depreciation	13,813,750		1,882,242	
* Interest Expenses	2,188,125		614,926	
* Interest Income	(89,848)		-	
* Dividend on Investments	(3,496,898)		(6,119,572)	
		12,415,129		(3,622,404)
Operating Cash flow before working capital changes		(45,835,316)		(11,589,377)
Adjustment for Working Capital changes :				
* Trade & Other Payables	25,973,223		21,421,832	
* Inventories	(1,502,659)		(1,309,142)	
* Trade & Other Receivables	(14,437,272)	10,033,293	(3,092,647)	17,020,042
Cash generated from Operations		(35,802,023)		5,430,665
Less: Direct Taxes (Paid)/ Refund received		(77,668)		(9,050)
Net Cash generated from /(used in) Operating Activities	A	(35,879,691)		5,421,615
B CASH FLOWS FROM INVESTING ACTIVITIES				
* Purchase of Fixed Assets	(130,080,256)		(17,664,787)	
* Expenditure incurred on Capital Work in Progress	(4,747,752)		(12,859,660)	
* Advances given towards Capital Assets	(688,005)		(2,975,383)	
* Interest Income	89,848		-	
* Dividend Received	3,496,898		6,119,572	
Net Cash generated from/(used in) Investing Activities	B	(131,929,267)		(27,380,259)
C CASH FLOWS FROM FINANCING ACTIVITIES				
* Unsecured Loans availed	120,691,328		27,758,565	
* Unsecured Loans (repaid)	(147,994,760)		(6,825,000)	
* Interest paid	(2,188,125)		(614,926)	
* Proceeds from Issue of Debentures	208,250,000		-	
* Proceeds from Issue of Equity Shares	-		3,871,000	
Net Cash generated from/(used in) Financing Activities	C	178,758,443		24,189,639
D Net Increase/(Decrease) in Cash and Cash Equivalents	A+B+C	10,949,485		2,230,995
Cash and Cash Equivalents at the beginning of the year		3,483,352		1,252,356
Cash and Cash Equivalents at the end of the year		14,432,837		3,483,352

Notes:-

a Cash and Cash Equivalents includes :

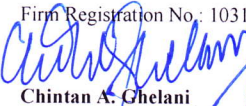
Balances with Banks	12,401,429	2,837,418
Cash on hand	505,423	101,433
Fixed Deposits with Banks	1,525,985	544,500
	14,432,837	3,483,352

b The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cashflow Statements" as notified by the Companies (Accounting Standards) Rules 2006.

c The figures in brackets represent Cash outflows.

d The Figures of the previous year have been regrouped and/or recast wherever necessary, so as to conform to the current year's classification.

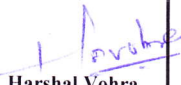
As per our report of even date

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

Chintan A. Ghelani
Partner



For and on behalf of the Board of Directors


Romil Ratra
Director


Harshal Vohra
Director



BELLONA HOSPITALITY SERVICES LIMITED
(FORMERLY KNOWN AS BELLONA FINVEST LIMITED)
CIN NO. U67120MH1995PLC085663

Notes to Financial Statements for the Financial Year ended 31st March, 2016

Notes	Particulars	As at March 31, 2016	As at March 31, 2015
1	Share Capital		
	Authorised 5,000,000 (P.Y. 5,000,000) Equity Shares of Rs.10/- each	50,000,000	50,000,000
	Issued, subscribed and fully paid up 4,387,120 (P.Y.4,387,120) Equity Shares of Rs.10/- each fully paid up	43,871,200	43,871,200
		43,871,200	43,871,200
	a) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period		
	<u>Equity Shares</u>	4,387,120	4,000,020
	Shares outstanding at the beginning the year	-	387,100
	Shares Issued during the year	-	-
	Shares bought back during the year	4,387,120	4,387,120
	Shares outstanding at the end of the year		
	b) Shares held by holding company/ultimate holding company and /or their subsidiaries/associates		
	Holding Company The Phoenix Mills Limited	4,387,120	4,387,120
	c) Details of shareholders holding more than 5% Shares in the company (Equity Shares of Rs. 10 each fully paid)	March 31, 2016	March 31, 2015
		Number of shares	% of Holdings
		Number of shares	% of Holdings
	The Phoenix Mills Ltd	4,387,120	100
		4,387,120	100
	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.		
2	Reserves and Surplus		
	General Reserve As Per Last Balance Sheet	71,500	71,500
	Capital Reserve As at the Beginning of the year	111,475	-
	(+) Capital Reserve on Acquisition of Assets	-	111,475
	As at the end of the year	111,475	111,475
	Surplus/(deficit) in the Statement of Profit and Loss As at the Beginning of the year	38,323,832	46,297,427
	(+) Net Profit/(Net Loss) For the year	(58,250,444)	(7,973,595)
	As at the end of the year	(19,926,613)	38,323,832
		(19,743,638)	38,506,807
3	Long Terms Borrowings (Unsecured) 20,82,500 Optionally - Fully convertible debentures (OFCD) of Rs. 100 each The Phoenix Mills Limited - Holding Company	208,250,000	-
	<u>Terms & Conditions of OFCD:</u> The Company shall have the option to convert the OFCDs into equity shares of the Company at anytime on or after 31st March, 2026. The OFCDs shall carry an interest rate of 0.0001% p.a. until the date of redemption or conversion into Equity Shares of the Company. <u>Redemption:</u> At the option of the Company, OFCDs may at any time during the tenure of the OFCDs be redeemed in one or more tranches at a redemption premium not exceeding Rs.10/- per OFCD. <u>Conversion:</u> 20,82,500 OFCD will be converted into 1,73,54,166 Equity Shares having a face value of Rs. 10/- each fully paid at a premium of Rs. 2/- per share on the date of conversion		
		208,250,000	-
4	Long Term Provisions Provision for Gratuity	626,122	-

5	Short Terms Borrowings Unsecured Inter Corporate Loans (Repayable On Demand) : 1) The Phoenix Mills Limited - Holding Company 2) Galaxy Entertainment India Ltd. - Associate	487,320,721 33,037,235	514,624,153 33,037,235
		520,357,956	547,661,388
6	Trade Payables Micro & Small Enterprises (Refer Note No. 26) Total outstanding dues of creditors other than micro and small enterprises	- 40,964,965	- 18,072,510
		40,964,965	18,072,510
7	Other Current Liabilities Statutory Dues Provision for Expenses	3,208,047 3,394,649	1,717,076 973,166
		6,602,696	2,690,241
8	Short Term Provisions Provision for Employee Benefits: Dues to Employees Provision for Gratuity Provision for Leave Encashment Provision for Income Tax [Net of Taxes Paid]	- 18,553 23,748 -	1,910,200 - - 950
		42,301	1,911,150
10	Non Current Investments Trade Investments (At Cost) Equity shares (Quoted) 3,686,484 (P.Y. 3,686,484) Equity shares of Rs. 10/- each fully paid up of Galaxy Entertainment Corporation Limited. 524,534 (P.Y. 524,534) Equity shares of Rs. 10/- each fully paid up of GKW Limited. 1,748,449 (P.Y. 1,748,449) Equity shares of Rs. 2/- each fully paid up of Graphite India Limited. Equity shares (Unquoted) 2,500,000 (P.Y.2,500,000) Equity shares of Rs. 10/- each fully paid up of Galaxy Entertainment India Limited. Preference Shares (Unquoted) 1,000,000 (P.Y. 1,000,000) 7% Cumulative Optionally Convertible Preference Shares of Rs. 10/- each fully paid up of Galaxy Entertainment India Limited. 250,000 (P.Y. 250,000) 7% Cumulative Optionally Convertible Preference Shares of Rs. 10/- each Re. 0.80 paid up of Galaxy Entertainment India Limited.	74,309,402 52,682,417 390,393,213 25,000,000 10,000,000 125,000	74,309,402 52,682,417 390,393,213 25,000,000 10,000,000 125,000
		552,510,032	552,510,032
	1) Aggregate Value of Quoted Investments : Book Value Market Value	517,385,032 490,321,806	517,385,032 503,012,186
	2) Aggregate Value of Unquoted Investments :	35,125,000	35,125,000
	Total Book Value of Investments	552,510,032	552,510,032
11	Long Term Loans & Advances (Unsecured, considered good by the Management, unless otherwise stated) Deposits: Security Deposit with a fellow subsidiary Other Deposits Advances towards Capital Assets Other Advances: Considered Good Considered Doubtful Less :- Provision For Doubtful Debts	3,559,296 348,003 3,663,388 58,111,687 344,702 (344,702)	1,800,000 30,025 2,975,383 58,000,000 344,702 (344,702)
		65,682,374	62,805,408

12	Inventories (As taken, valued & certified by the Management) (At Lower of Cost or Net Realisable Value) Food & Beverages	2,811,801	1,309,142
		2,811,801	1,309,142
13	Trade Receivables [Unsecured, considered good unless otherwise stated] Debts outstanding for a period exceeding six months from the date these are due for payment Others [Including Rs. 1,55,417 (P.Y. Nil) due from Fellow subsidiary]	-	-
		685,504	729,371
		685,504	729,371
14	Cash and Cash Equivalents Balances with Banks In Current Accounts Cash on hand Fixed Deposits with Banks [Original Maturity of less than 12 Months]	12,401,429	2,837,418
		505,423	101,433
		1,525,985	544,500
		14,432,837	3,483,352
15	Other Current Assets (Unsecured, considered good, unless otherwise stated) Advances recoverable in cash or kind or for value to be received [Including Rs. 60,06,790 (P.Y. Nil) due from a Fellow subsidiary] Income Tax paid [Net of Provisions] Balances with Government Authorities Prepaid Expenses	6,961,988	679,005
		76,718	-
		2,256,380	1,157,979
		6,196,121	1,285,327
		15,491,207	3,122,310

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Notes to Financial Statements for the Financial Year ended 31st March, 2016

Notes	Particulars	For the financial year ended March 31, 2016	For the financial year ended March 31, 2015
16	Revenue from Operations		
	Sales & Services:		
	Food & Beverages	47,258,962	3,819,276
	Service Charges	1,164,624	369,643
	Cloth	-	5,316,432
		48,423,587	9,505,351
17	Other Income		
	Dividend on Equity Shares	3,496,898	6,119,572
	Interest on Fixed Deposit	89,848	-
		3,586,746	6,119,572
18	Purchases		
	Food & Beverages [Net of Discount]	23,172,810	3,497,384
	Cloth	-	5,127,578
		23,172,810	8,624,961
19	Variation in Inventories		
	Food & Beverages		
	As at the beginning of the year	1,309,142	-
	As at the end of the year	(2,811,801)	(1,309,142)
		(1,502,659)	(1,309,142)
20	Operating Expenses		
	CAM & Rent Charges	13,311,311	1,647,628
	Cleaning & House Keeping Charges	2,259,649	404,414
	Crockery & Kitchen Consumables	413,014	144,164
	Power & Fuel Expenses	5,609,490	948,255
	License Fees & Stamp Duty	2,106,891	1,509,949
	Insurance Expenses	182,229	-
		23,882,584	4,654,410
21	Employee Benefit Expenses		
	Salaries, Wages, Bonus etc.	26,989,642	6,221,744
	Staff welfare Expenses	1,637,248	368,018
	Gratuity & Leave Encashment	1,134,915	-
	Contribution to Provident Fund & Other Funds	2,797,174	-
		32,558,979	6,589,762

22	Administration and Other Expenses		
	Advertising & Business Promotion Charges	4,450,480	231,589
	Bank Charges	820,764	71,652
	Compensation	-	544,561
	Computer & Network Expenses	506,091	-
	General & Miscellaneous Expenses	397,801	77,559
	Legal & Professional Fees	5,153,909	445,356
	Auditors Remuneration	450,000	250,000
	Printing & Stationery Expenses	1,044,135	204,763
	Provision for Doubtful Debts & Advances	-	344,702
	Rent, Rates & Taxes	266,501	71,130
	Repairs & Maintenance Expenses	875,941	136,649
	Security Charges	1,210,150	40,428
	Telephone Expenses	302,003	38,271
	Travelling Expenses	669,412	78,077
		16,147,187	2,534,737
23	Finance costs		
	Interest on Loan	2,188,125	614,926
		2,188,125	614,926

Note “24”

A. SIGNIFICANT ACCOUNTING POLICIES:

a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (“GAAP”) under the historical cost convention on accrual basis. GAAP comprises of mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 prescribed by the Central Government and the relevant provisions of the Companies Act, 2013.

b) INFLATION

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

c) USE OF ESTIMATES

The preparation of Financial Statements in conformity with GAAP requires Management to make estimate and assumption that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and reported amount of revenue and expenses for the year. Actual result could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized. Any revision to an accounting estimate is recognized prospectively in the year of revision

d) Fixed Assets

- i. Tangible assets:- Tangible assets are stated at cost of acquisition less accumulated depreciation / amortization and accumulated impairment losses, if any.
- ii. Cost of fixed assets includes non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable costs of bringing the asset to its working condition for its intended use.
- iii. Capital work-in-progress comprises of cost incurred on fixed assets under construction / acquisition that are not yet ready for their intended use at the Balance Sheet date. Ready to use items like Kitchen equipments etc are considered as a part of capital work-in-progress / project cost as it can be used only when hotel starts operations and are capitalized along with other assets as and when hotel commences operations.

e) DEPRECIATION / AMORTIZATION

- i. Depreciation on fixed assets is provided on Written down Value method at the rate and in the manner prescribed in Schedule II of the Companies Act, 2013.
- ii. Goodwill arising on acquisition is been amortised over a period of five years.

- iii. High end operating supplies forming part of restaurant operating supplies are depreciated over a period of three years on straight line method.

f) IMPAIRMENT

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

g) REVENUE RECOGNITION

- i. Revenue comprises of, sale of food & beverages and allied services relating to restaurant services. Revenue is recognized upon rendering of service
- ii. Dividend Income is recognised when the right to receive the same is established.
- iii. Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

h) Inventories

- i. Inventories comprise of food, beverages, perishables & non perishables, liquor and operating supplies.
- ii. Inventories are valued at lower of cost or net realizable value.
- iii. The Cost comprises of cost of purchases, duties and taxes (other than those subsequently recoverable) and other costs incurred in bringing them to their present location and condition. Cost of inventories is arrived at after providing for cost of obsolescence.

i) Investments

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long term investments and are carried at cost. Provision for diminution in their values is made only if the diminution is other than temporary in nature. Current investments are carried at the lower of cost and quoted/fair value, computed category wise.

j) EMPLOYEE BENEFITS

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

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

k) TAXES ON INCOME

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

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

l) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

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

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B. OTHER NOTES:

25. Contingent Liabilities are as under :-

Particulars	As at 31st March 2016	As at 31st March 2015
Estimated amount of contracts remaining to be executed on capital account not provided for	5,89,30,678	2,40,47,727

26. In the opinion of the Management, the Current Assets, Loans and advances are approximately of the value stated in the balance sheet if realized in the ordinary course of the business and the provision for all known liabilities is adequate and not in excess of amount considered reasonably necessary.

The said balances are, however, subject to confirmations from the respective parties and the reconciliations / adjustments arising there from, if any.

27. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2016. The above information, regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

28. RELATED PARTY DISCLOSURES:

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

- a) Related Parties with whom transactions have taken place and relationships:

Sr. No	Name of the Related Party	Relationship
1.	The Phoenix Mills Ltd	Holding Company
2.	Offbeat Developers Pvt Ltd	Fellow Subsidiary
3.	Vamona Developers Pvt Ltd	Fellow Subsidiary
4.	Savannah Phoenix Pvt Ltd	Fellow Subsidiary
5.	Alliance Spaces Pvt Ltd	Fellow Subsidiary
6.	Marketcity Resources Pvt Ltd	Fellow Subsidiary

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- b) The following transactions were carried out with the Related Parties in the ordinary course of business in the financial year under report:

Sr. No.	Nature of Transactions	Amount (Rs.) 2015-16	Amount (Rs.) 2014-15
	With Holding Company :		
1	Loan Taken	12,06,91,328	2,72,05,132
2	Repayment of Loan	15,46,15,729	68,25,000
3.	Interest Paid	73,56,632	6,14,926
4.	Allotment of Equity Shares	-	38,71,000
5	Allotment of OFCD	20,82,50,000	-
	With Fellow Subsidiaries:		
1.	CAM & Rent Expenses	1,52,41,639	1,647,628
2.	Reimbursement of CWIP cost	151,862	151,862
3.	Security Deposit given	39,38,448	1,800,000
4.	Refund of Security Deposit	21,79,152	-
5.	Sales of Food & Beverages (Including Service Charges)	4,71,130	-
6.	Reimbursement of Expenses	61,97,032	-

- c) The following Balances were due from / to the related parties as on 31st March, 2016:

Sr. No.	Nature of Balances	Amount (Rs.) 2015-16	Amount (Rs.) 2014-15
1	Of Holding Company : Unsecured Loan	48,73,20,721	51,46,24,153
2	Of Associate : Unsecured Loan	3,30,37,235	3,30,37,235
3.	Of Fellow Subsidiary:		
	i) Trade Payable	78,83,987	1,538,079
	ii) Trade Receivable	1,55,417	-
	iii) Security Deposit (Asset)	17,59,296	18,00,000

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29. EARNING PER SHARE (EPS):

Basic as well as Diluted - EPS	Amount (Rs.) 2015-16	Amount (Rs.) 2014-15
Nominal Value of Equity Shares	10/-	10/-
Profit (Loss) after Tax	(5,82,50,444)	(79,73,595)
Profit (Loss) attributable to Equity Shareholders	(5,82,50,444)	(79,73,595)
Weighted average number of equity shares	43,87,120	41,45,316
Basic and Diluted EPS (Rupees)	(13.28)	(1.92)

30. EMPLOYEE BENEFITS:

a. Brief description of the defined benefit plans:

The Company provides gratuity benefit to its employees, which is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

Leave encashment is payable to eligible employees who have earned leaves, during the employment and / or on separation as per the Company's policy.

b. Assumptions used by actuary for arriving at the value of benefits of leave encashment :

Particulars	2015-16	2014-15
Discount rate	7.70% pa	NA
Expected rate of salary increase	7.50% pa	NA
Withdrawal Rate	1.00% at all ages	NA
Mortality Pre-retirement	Indian Assured Lives (2006-08). Ult. Mortality Rates	NA
Retirement Age	60 years.	NA
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other supply and demand factors in the employment market.		

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c. The other disclosures are tabulated below:

Particulars	2015-16		2014-15	
	Gratuity (funded)	Leave Encashment (Unfunded)	Gratuity (funded)	Leave Encashment (Unfunded)
Reconciliation of opening and closing balances of the defined benefit obligation:				
Defined Benefit Obligation at the beginning of the year	NIL	NIL	NIL	NIL
Interest Cost	31,999	42,359	NIL	NIL
Current Service Cost	4,13,142	5,46,563	NIL	NIL
Benefits paid during the year	NIL	(85,159)	NIL	NIL
Actuarial (gain)/loss on Defined Benefit Obligation	1,99,534	(69,925)	NIL	NIL
Defined Benefit Obligation at the end of the year	6,44,675	4,33,838	NIL	NIL

Particulars	Gratuity (funded) 2015-16	Gratuity (funded) 2014-15
Reconciliation of opening and closing balances of Plan Assets:		
Plan Assets at the beginning of the year	NIL	NIL
Expected Return on plan assets	NIL	NIL
Contribution	NIL	NIL
Benefits paid during the year	NIL	NIL
Actuarial (gain)/loss on Plan Asset	NIL	NIL
Plan Assets at the end of the year	NIL	NIL

Amount to be recognized in Balance sheet:	2015-16		2014-15	
	Gratuity (funded)	Leave Encashment (Unfunded)	Gratuity (funded)	Leave Encashment (Unfunded)
Present value of Defined Benefit Obligation	6,44,675	4,33,838	NIL	NIL
Fair Value of plan assets at the end of the year	NIL	NIL	NIL	NIL
Amount recognized in Balance sheet	6,44,675	4,33,838	NIL	NIL

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Amount to be recognized in Statement of Profit & Loss:	2015-16		2014-15	
	Gratuity (funded)	Leave Encashment (Unfunded)	Gratuity (funded)	Leave Encashment (Unfunded)
Current Service Cost	4,13,142	5,46,543	NIL	NIL
Interest cost on obligation	31,999	42,359	NIL	NIL
Expected Return on plan assets	NIL	NIL	NIL	NIL
Net Actuarial (gain)/loss recognized for the year	1,99,354	(69,925)	NIL	NIL
Expense recognized in the statement of Profit & Loss	6,44,675	5,18,997	NIL	NIL

Actual return on plan assets for the year:	Gratuity (funded) 2015-16	Gratuity (funded) 2014-15
Expected return on Plan Assets	-	-
Actuarial (gain)/loss on Plan Asset	-	-
Actual return on plan assets	-	-

31. Segment Reporting

Particulars	2015-16		2014-15		Total	
	Food & Beverages	Trading of Cloth	Food & Beverages	Trading of Cloth	2015-16	2014-15
Revenue from Operations	4,84,23,587	-	41,88,919	53,16,432	4,84,23,587	95,05,351
Identifiable expenses	(11,02,60,777)	-	(1,49,66,934)	(86,24,961)	(11,02,60,777)	(2,35,91,896)
Segment Operating Income	(6,18,37,190)	-	(1,07,78,015)	(33,08,529)	(6,18,37,190)	(1,40,86,545)
Un-allocable expenses					-	-
Other Income					35,86,746	61,19,572
Net profit Before Tax					(5,82,50,444)	(79,66,973)
Tax Expense					-	6,622
Profit After Tax					(5,82,50,444)	(79,73,595)

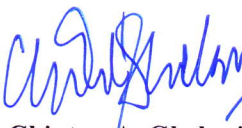
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Segment Assets	80,13,81,692	-	4,12,16,754	6,41,808	80,13,81,692	4,18,58,562
Unallocated Assets					-	61,08,54,734
Total Assets					80,13,81,692	65,27,13,296
Segment Liabilities	80,13,81,692		2,24,35,911	2,37,040	80,13,81,692	2,26,72,951
Unallocated Liabilities					-	63,00,40,345
Total Liabilities					80,13,81,692	65,27,13,295

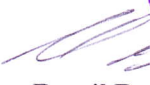
32. Figures of the previous year have been regrouped and/or recast wherever necessary to conform to this year's classification.


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


Chintan A. Ghelani
 Partner
 Membership No. 104391



For and on behalf of the Board of Directors


Romil Ratra
 Director
 Din No.06948396


Harshal Vohra
 Director
 Din No.06947197



Place: Mumbai
 Date : 13th May, 2016