

AUDITORS' REPORT

To The Members of THE PHOENIX MILLS LIMITED Report on the Consolidated Ind AS financial statements

We have audited the accompanying consolidated Ind AS financial statements of **THE PHOENIX MILLS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its Associates comprising the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and changes in the equity of the Group including its Associates 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.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the 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 consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated 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 the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (1) and (2) of the Other Matters paragraph below, are sufficient and appropriate to provide a basis for our audit opinion on the consolidated 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 consolidated 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, of the consolidated state of affairs of the Group and its associates as at 31st March, 2017, and their consolidated profit including total comprehensive income, their consolidated cash flows and the statement of changes in equity for the year ended on that date.

Other Matters

1. Consolidated Ind AS financial statements includes nineteen subsidiaries, whose financial statements reflect total assets of ₹ 4,15,325.39 lakhs as at March 31, 2017, total revenue of ₹ 75,348.18 Lakhs and net cash inflow of ₹ 812.63 lakhs for the year ended on that date and include financial statements of three associates in which the total share of profit of the Group is ₹ 3738.70 lakhs, which have been audited by one of us.
2. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 1,15,399.88 lakhs as at 31st March, 2017, total revenues of ₹ 25,586.32 lakhs and net cash inflow of ₹ 1,837.43 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements and other financial information have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

AUDITORS' REPORT

3. We have relied upon unaudited financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 94,583.16 lakhs as at 31st March, 2017, total revenues of ₹ 26,443.97 lakhs and net cash outflow of ₹ 43.32 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements certified by the management.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- 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 of the aforesaid consolidated Ind AS financial statements.
 - In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.

- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and its associates and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the subsidiary companies, associate companies and jointly controlled companies incorporated in India.

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

- The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates – Refer Note 42(ii) to (iv) to the consolidated Ind AS financial statements.
- The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.
- There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and its associates.
- The Holding Company has provided requisite disclosures in its consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of accounts maintained by the Holding Company and the respective group entities, as produced to us and based on the reports of other auditors.

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

Chintan A. Ghelani
Partner
Membership No.: 104391

Place: Mumbai
Date: 10th May, 2017

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

Jignesh Mehta
Partner
Membership No.: 102749

Place: Mumbai
Date: 10th May, 2017

AUDITORS' REPORT

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

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

We have audited the Internal Financial Controls over financial reporting of The Phoenix Mills Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies and its associate companies, which are companies incorporated in India as of 31st March, 2017 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year then ended.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial

controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, 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 controls over financial reporting includes those policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company, 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 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 controls 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 Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal controls

AUDITORS' REPORT

over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 2 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

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

Chartered Accountants
Registration No : 103173W

Chintan A. Ghelani

Partner
Membership No.: 104391

Place: Mumbai

Date: 10th May, 2017

For **Chaturvedi & Shah**

Chartered Accountants
Registration No : 101720W

Jignesh Mehta

Partner
Membership No.: 102749

Place: Mumbai

Date: 10th May, 2017

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH 2017

(₹ in Lakhs)

Particulars	Note no.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
ASSETS				
1 Non-current assets				
Property, plant and equipment	5	420,022.59	435,115.13	412,777.89
Capital work-in-progress	5	32,774.64	19,486.12	21,377.73
Goodwill		33,404.56	19,308.63	2,071.29
Other Intangible assets	5	289.06	373.25	253.49
Intangible assets under development	5	72.00	-	-
Financial assets				
- Investments	6	40,957.40	13,974.06	18,219.96
- Loan	7	889.76	6,914.26	1,493.21
- Other	8	11,641.26	7,288.85	6,264.66
Deferred tax assets (Net)	9	12,517.17	14,506.68	12,877.50
Other non-current assets	10	11,274.47	24,099.82	19,858.77
(A)		563,842.91	541,066.80	495,194.50
2 Current assets				
Inventories	11	94,549.67	132,396.19	117,830.86
Financial assets				
- Investments	12	-	2,135.34	1,900.00
- Trade receivables	13	14,701.15	27,858.46	21,251.37
- Cash and cash equivalents	14	6,412.83	10,682.60	5,696.66
- Bank Balance other than above	15	1,711.37	5,620.85	1,076.85
- Loans	7	3,397.81	1,891.33	4,247.63
- Other	8	2,291.18	1,734.61	3,034.52
Current Tax Assets (net)	16	12,196.33	13,859.21	8,490.43
Other current assets	10	5,419.74	8,693.08	9,147.03
(B)		140,680.08	204,871.67	172,675.35
TOTAL (A + B)		704,522.99	745,938.47	667,869.85
Equity and Liabilities				
Equity				
Equity Share capital	17	3,061.34	3,059.78	2,899.13
Other equity	18	215,657.49	199,670.68	167,129.22
Equity attributable to the owners		218,718.78	202,730.46	170,028.35
Non-controlling interest		27,965.28	47,894.11	66,765.29
(A)		246,684.11	250,624.57	236,793.64
Liabilities				
2 Non-current liabilities				
Financial liabilities				
- Borrowings	19	310,657.55	338,009.34	280,100.89
- Trade Payables	20	388.78	567.58	812.01
- Other financial liabilities	21	966.46	290.56	126.99
Provisions	22	4,426.15	3,120.30	2,223.27
Deferred tax liabilities (Net)	23	-	3,548.13	2,313.02
Other non-current liabilities	24	28,964.37	28,157.17	28,742.71
(B)		345,403.31	373,693.06	314,318.89
3 Current liabilities				
Financial liabilities				
- Borrowings	25	24,763.88	24,319.04	22,712.29
- Trade Payables	20	10,770.89	12,100.79	10,507.95
- Other financial liabilities	21	30,304.99	33,013.72	42,050.32
Other current liabilities	24	42,590.44	49,801.26	40,100.19
Provisions	22	3,452.03	2,375.63	1,204.91
Current tax Liabilities (net)	26	553.34	10.38	181.66
(C)		112,435.57	121,620.81	116,757.32
TOTAL (A+B+C)		704,522.99	745,938.47	667,869.85

Significant Accounting Policies and Notes on Financials Statements 1 to 63

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

As per our report of even date

For A.M.Ghelani & Company

Chartered Accountants
FRN : 103173W

Chintan A. Ghelani

Partner
M. No.:104391

For Chaturvedi & Shah

Chartered Accountants
FRN : 101720W

Jignesh Mehta

Partner
M. No.:102749

For and on behalf of the Board of Directors

Ashokkumar Ruia

(Chairman & Managing Director)
DIN - 00086762

Atul Ruia

(Jt. Managing Director)
DIN - 00087396

Puja Tandon

(Company Secretary)
M.No.A21937

Shishir Shrivastava

(Jt. Managing Director)
DIN - 01266095

Pradumna Kanodia

(Director - Finance)
DIN - 01602690

Place : Mumbai
Date: 10th May, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

Sr No.	Particulars	Note	For the year ended 31st March, 2017	For the year ended 31st March, 2016
I	Revenue from Operations	27	182,460.70	177,951.46
II	Other Income	28	4,716.91	3,023.58
III	TOTAL INCOME		187,177.61	180,975.04
IV	Expenses:			
	Cost of Materials/Construction	29	28,272.88	43,312.86
	Change in Inventory	30	(3,608.71)	(14,835.24)
	Employee Benefits Expense	31	14,026.05	12,442.29
	Depreciation and Amortisation	5	19,530.73	17,728.21
	Finance Costs	32	42,302.52	44,246.45
	Other Expenses	33	59,076.98	58,341.53
	TOTAL EXPENSES		159,600.45	161,236.10
V	PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		27,577.16	19,738.94
	Add/(Less): Exceptional Item	34	-	(3,872.74)
VI	PROFIT BEFORE TAX		27,577.16	15,866.20
VIII	TAX EXPENSES	35		
	Current Income Tax		7,925.16	10,696.82
	Deferred Tax		1,994.30	(309.47)
	Minimum Alternate Tax Credit Entitlement		(1,250.06)	(2,717.16)
	Short Tax Provisions for earlier years		(93.64)	(1.20)
IX	PROFIT AFTER TAX		19,001.40	8,197.21
	Add : Share of Profit/(Loss) in Associates		95.07	167.98
	PROFIT FOR THE YEAR		19,096.47	8,365.19
X	OTHER COMPREHENSIVE INCOME			
	A) Items that will not be reclassified To Profit or Loss			
	a) Re-measurement gain of the net defined benefit plans		(18.02)	152.98
	b) Gain/(Loss) on Equity instruments at fair value through Other Comprehensive Income		(53.79)	(51.34)
	B) Income tax relating to items that will not be reclassified to Profit or Loss		10.30	(8.05)
	OTHER COMPREHENSIVE INCOME/(LOSS)		(61.51)	93.60
	TOTAL COMPREHENSIVE INCOME FOR THE YEAR		19,034.96	8,458.78
	Net Profit attributable to			
	a) Owners of the Company		16,792.13	12,892.96
	b) Non controlling interest		2,304.34	(4,527.77)
	Other comprehensive income attributable to			
	a) Owners of the Company		(57.11)	56.92
	b) Non controlling interest		(4.40)	36.68
	Total comprehensive income attributable to			
	a) Owners of the Company		16,735.02	12,949.88
	b) Non controlling interest		2,299.94	(4,491.09)
	Basic and Diluted EPS (Face Value of ₹2 each)	41		
	Basic EPS (Face Value of ₹2 each)		10.97	8.56
	Diluted EPS (Face Value of ₹2 each)		10.97	8.56

Significant Accounting Policies and Notes on Financials Statements 1 to 63

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

As per our report of even date

For A.M.Ghelani & Company

Chartered Accountants
FRN : 103173W

Chintan A. Ghelani

Partner
M. No.:104391

For Chaturvedi & Shah

Chartered Accountants
FRN : 101720W

Jignesh Mehta

Partner
M. No.:102749

For and on behalf of the Board of Directors

Ashokkumar Ruia

(Chairman & Managing Director)
DIN - 00086762

Atul Ruia

(Jt. Managing Director)
DIN - 00087396

Puja Tandon

(Company Secretary)
M.No.A21937

Shishir Shrivastava

(Jt. Managing Director)
DIN - 01266095

Pradumna Kanodia

(Director - Finance)
DIN - 01602690

Place : Mumbai
Date: 10th May, 2017

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED ON 31ST MARCH, 2017

(₹ in Lakhs)

	2016-2017	2015-2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit before tax as per the Statement of Profit or Loss	27,577.15	15,866.20
Adjustments for :		
Depreciation	19,530.73	17,728.21
(Profit)/Loss on Assets sold/discarded	778.96	271.23
Balances in Debtors/Advances written off	92.55	214.59
Provision for Doubtful Debts and Advances	1,120.35	3,341.64
Interest Expenses	42,302.52	44,246.45
Interest Income	(3,212.82)	(1,878.06)
Dividend Income	(41.29)	(53.74)
Profit on sale of Investments	(368.46)	(709.29)
Investment Impairment	-	3,872.74
Net gain arising on financial assets measured at FVTPL	(96.62)	52.53
Compensation on relinquishment of rights	(24.69)	-
Balances written back	(440.97)	(307.86)
	59,640.26	66,778.44
Operating Cash flow before working capital changes	87,217.41	82,644.64
Adjustment for Working Capital changes :		
Trade and other Receivables	27,414.63	(18,064.80)
Inventories	37,846.52	(14,565.33)
Trade and other Payables	(6,729.84)	13,228.11
	58,531.31	(19,402.02)
Cash generated from Operations	145,748.72	63,242.62
Direct Taxes Paid	(4,375.63)	(13,518.52)
Net Cash from Operating Activities A	141,373.09	49,724.10
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions/Purchases of Fixed Assets	(18,576.65)	(38,621.37)
Sale of Fixed Assets	107.84	56.55
Inter Corporate Deposits & Loans (placed)/refunded (Net)	4,518.01	(3,064.74)
Purchase of Investments	(26,951.15)	488.62
Sale of Investments	330.17	-
Sale of Current Investments(Mutual Fund)	2,333.15	473.94
Interest Received	2,841.78	1,724.18
Dividend Received	41.29	53.74
Net Cash generated from/(used in) Investing Activities B	(35,355.56)	(38,889.09)

(₹ in Lakhs)

	For the year ended 31st March 2017	For the year ended 31st March 2016
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	50,653.26	148,497.87
Repayment of long term borrowings	(77,492.68)	(99,410.04)
Short term loans availed / (repaid)(Net)	444.86	1,606.75
Interest paid	(43,206.96)	(44,687.43)
Proceeds from Minorities	(40,072.85)	(33,408.22)
Issue of Equity Share	215.69	27,595.69
Dividend paid (including tax on Dividend)	(828.60)	(7,264.76)
Net Cash generated from/(used in) Financing Activities	C	(110,287.30)
Net Increase/(Decrease) in Cash and Cash Equivalents	A+B+C	3,764.86
Cash and Cash equivalents at the beginning of the year	10,682.60	5,696.66
Add : on Amalgamation / Acquisition of New Subsidiaries	-	1,221.08
Cash and Cash equivalents at the end of the year	6,412.83	10,682.60

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

As per our report of even date

For A.M.Ghelani & Company

Chartered Accountants
FRN : 103173W

Chintan A. Ghelani

Partner
M. No.:104391

For Chaturvedi & Shah

Chartered Accountants
FRN : 101720W

Jignesh Mehta

Partner
M. No.:102749

For and on behalf of the Board of Directors

Ashokkumar Ruia

(Chairman & Managing Director)
DIN - 00086762

Atul Ruia

(Jt. Managing Director)
DIN - 00087396

Puja Tandon

(Company Secretary)
M.No.A21937

Shishir Shrivastava

(Jt. Managing Director)
DIN - 01266095

Pradumna Kanodia

(Director - Finance)
DIN - 01602690

Place : Mumbai
Date: 10th May, 2017

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED ON 31ST MARCH, 2017

(a) Equity share capital

(₹ in Lakhs)

Particulars	As at 1st April, 2015	Changes in equity share capital during the year	As at 31st March, 2016	Changes in equity share capital during the year	As at 31st March, 2017
Equity Share Capital	2,899.13	160.65	3,059.78	1.56	3,061.34

(b) Statement of changes in Other equity

(₹ in Lakhs)

Particulars	Reserves and Surplus					Items of Other Comprehensive Income		Total Other Equity	Non Controlling Interest	Total
	Capital Reserve	Securities Premium	General Reserve	Share based payment reserve	Retained earning	Re-measurement gain of the net defined benefit plans	Gain/(Loss) on Equity instruments at fair value			
Balance as at 1st April, 2015	185.25	106,890.78	22,918.36	0.19	36,986.31	-	148.33	167,129.22	66,765.29	233,894.51
Securities Premium On Issue of Shares	-	28,207.42	-	-	-	-	-	28,207.42	-	28,207.42
Expense on Issue of Shares	-	(772.37)	-	-	-	-	-	(772.37)	-	(772.37)
ESOPs Cost for the year	-	-	-	42.37	-	-	-	42.37	-	42.37
Profit for the year	-	-	-	-	12,892.96	-	-	12,892.96	(4,527.77)	8,365.19
Interim Dividend	-	-	-	-	(2,673.70)	-	-	(2,673.70)	-	(2,673.70)
Final Dividend	-	-	-	-	(3,365.75)	-	-	(3,365.75)	-	(3,365.75)
Tax on Dividend	-	-	-	-	(1,225.31)	-	-	(1,225.31)	-	(1,225.31)
Other Comprehensive Income	-	-	-	-	-	19.91	37.01	56.92	36.68	93.60
Impact in Acquisition/Disposal/Change in Controlling Interest	-	-	-	-	(621.07)	-	-	(621.07)	(14,380.09)	(15,001.17)
Balance as at 31st March, 2016	185.25	134,325.83	22,918.36	42.56	41,993.43	19.91	185.34	199,670.68	47,894.11	247,564.79
Securities Premium On Issue of Shares	-	214.13	-	-	-	-	-	214.13	-	214.13
Final Dividend	-	-	-	-	(688.45)	-	-	(688.45)	-	(688.45)
Tax on Dividend	-	-	-	-	(140.15)	-	-	(140.15)	-	(140.15)
ESOPs Cost for the year	-	-	-	295.56	-	-	-	295.56	-	295.56
Profit for the year	-	-	-	-	16,792.13	-	-	16,792.13	2,304.33	19,096.46
Other Comprehensive Income	-	-	-	-	-	1.61	(58.72)	(57.11)	(4.40)	(61.51)
Impact in Acquisition/Disposal/Change in Controlling Interest	-	-	-	-	(435.58)	-	6.27	(429.30)	(22,228.76)	(22,658.06)
Balance as at 31st March 2017	185.25	134,539.96	22,918.36	338.12	57,521.38	21.52	132.89	215,657.49	27,965.28	243,622.42

Significant Accounting Policies and Notes on Financials Statements 1 to 63

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

As per our report of even date

For A.M.Ghelani & Company

Chartered Accountants
FRN : 103173W

Chintan A. Ghelani

Partner
M. No.:104391

Place : Mumbai
Date: 10th May, 2017

For Chaturvedi & Shah

Chartered Accountants
FRN : 101720W

Jignesh Mehta

Partner
M. No.:102749

For and on behalf of the Board of Directors

Ashokkumar Ruia

(Chairman & Managing Director)
DIN - 00086762

Atul Ruia

(Jt. Managing Director)
DIN - 00087396

Puja Tandon

(Company Secretary)
M.No.A21937

Shishir Shrivastava

(Jt. Managing Director)
DIN - 01266095

Pradumna Kanodia

(Director - Finance)
DIN - 01602690

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

NOTE 1:

SIGNIFICANT ACCOUNTING POLICIES

1. Corporate and General Information

The Phoenix Mills Ltd ("PML" or "Parent") is domiciled and incorporated in India and its shares are publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE'), in India. The registered office of the company is at 462 Senapati Bapat Marg, Lower Parel, Mumbai – 400013, Maharashtra, India.

Group is engaged in operation and management of mall, construction of commercial and residential property, hotel business in India.

2. Basis of Preparation of Financial Statement

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.

The Financial Statements for all the periods upto and including the year ended 31st March, 2016 were prepared in accordance with the accounting standards notified under the section 133 of the Companies Act, 2013 read together with the paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These Financial Statements for the year ended 31st March, 2017 are the first financial statements of the Group prepared in accordance with Ind AS. Refer note no. 62 for an explanation how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

The Financial statements provide comparative information in respect of the previous year. In addition, the company presents Balance sheet as at beginning of the previous year, which is the transition date of Ind AS.

The significant accounting policies used in preparing financial statements are set out in Note 3 of the Notes to Financial Statements. The accounting policies have been applied consistently over all the periods presented in this consolidated financial statement.

3. Significant Accounting Policies

3.1. Basis of Measurement

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention except following which have been measured at fair value:

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

The consolidated financial statements are presented in Indian Rupees ("in Lakhs"), which is the Group's

functional currency and all amounts are rounded to the nearest rupees in lakhs

3.2. Basis of consolidation

The consolidated financial statements of the Group incorporate the financial statements of the Parent Company and its subsidiaries and associates. The Parent Company has control over the subsidiaries as it is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to affect its returns through its power over the subsidiaries. Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements, the Group's voting rights and potential voting rights and the size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders. The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but has no control or joint control over those policies.

Consolidation Procedure:

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b) Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary.
- c) Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

- d) Adjustments are made to the financial statements of subsidiaries, as and when necessary, to bring their accounting policies into line with the Group's accounting policies.
- e) All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.
- f) Carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity are eliminated. Business combinations policy explains how the related goodwill is accounted at the time of acquisition of subsidiary.
- g) Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Parent Company.
- h) Investment in Associates has been accounted under the equity method as per Ind AS 28 - Investments in Associates and Joint Ventures. The Company accounts for its share of post acquisition changes in net assets of associates, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Statement of Profit and Loss, to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance based on available information.

3.3. Business Combinations

The acquisitions of businesses are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair values at the acquisition date except certain assets and liabilities required to be measured as per the applicable standard. Goodwill arising on acquisition

is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities recognized and contingent liabilities assumed. In the case of bargain purchase, resultant gain is recognized in other comprehensive income on the acquisition date and accumulated to capital reserve in equity. The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders proportionate share of the acquiree's identifiable net assets.

3.4. 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 the 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 group 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.

Depreciation methods, estimated useful lives and residual value

Leasehold land is amortized over the period of lease. Depreciation on other fixed assets (excluding land and lease land in perpetuity) is provided on written down value method as per the useful life specified in schedule II to the Companies Act, 2013, in the manner state therein. 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. In some of the Subsidiaries, the Depreciation is provided on the straight line method as per the useful life specified in schedule II to the Companies Act, 2013, in the manner state therein.

High end operating supplies acquired prior to commencement of the hotel operations and opening of new restaurants / outlets are considered as a part of fixed assets and are depreciated over a period of three years on straight line method.

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

3.5. Intangible Assets

Identifiable intangible assets are recognized a) when the Group controls the asset, b) it is probable that future economic benefits attributed to the asset will flow to the Group and c) the cost of the asset can be reliably measured.

Intangible Assets comprising Computer software, License & Franchise and acquired goodwill are amortised over the period not exceeding five years on straight line basis. The assets' useful lives are reviewed at each financial year end.

3.6. 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 instruments 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 group 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 group'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 in the statement of profit & 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 & loss and presented net in the statement of profit & loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

- **Equity instruments:**

All equity instruments other than in associates are initially measured at fair value. Any subsequent fair value gain /loss is recognised through profit or loss if such investments are held for trading purposes. The fair value gains or losses of all other equity investments are recognised in Other Comprehensive Income.

- **Investment in Associates:**

The Group has accounted for its Investment in associates at cost

- iii) **Derecognition:**

A financial asset is primarily derecognised i.e. removed from Group's financial statements when:

- The rights to receive cash flows from asset have expired, or
- The Group 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;

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

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

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group 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 group could be required to repay.

- iv) 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 and subsequently measured at fair value less provision for impairment. For some trade receivables, the Group may obtain security in the form of security deposit which can be called upon if the counterparty is in default under the terms of the agreement.

Financial Liabilities:

- i) Initial recognition and measurement:
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

- ii) Subsequent measurement:
The measurement of financial liabilities depends on their classification, as described below:
Financial liabilities at fair value through profit and 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 & 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.

- iii) 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 & loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

- iv) Trade and other payables:
These amounts represent liabilities for goods and services provided to the group 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.
- v) Derecognition:
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3.7. Impairment of Assets

An asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use).

Impairment of Goodwill

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

(or groups of cash generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or when there is an indication that the unit may be impaired. The recoverable amount of cash generating unit is determined for each legal entity based on a value in use calculation which uses cash flow projections and appropriate discount rate is applied. The discount rate takes into account the expected rate of return to shareholders, the risk of achieving the business projections, risks specific to the investments and other factors. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Impairment of Non – Financial Asset:

The Group 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 transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

Impairment of Financial asset:

The Group 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 Group 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 Group 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 Group 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 group 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.

3.8. Cash and cash equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits with banks and other short-term, highly liquid investments with 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.

3.9. Inventories

Inventories are valued at lower of cost or net realisable value. Cost is determined on FIFO basis.

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

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).

Stock of food, beverages, stores and operating supplies are valued at lower of cost (computed on weighted average basis) and net realizable value.

Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.10. 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 or loss, except in respect of long term foreign currency monetary items which are outstanding as on transition date, where the group has availed the optional exemption under Ind AS 101 for capitalization of exchange difference to the cost of property, plant & equipment and intangible assets.

3.11. Classification of assets and liabilities as current and non – current:

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

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- 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:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- 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.

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

3.12. Equity share capital

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

3.13. Revenue recognition

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

Revenue from license fees and other operating services

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

Revenue from sale of properties

Revenue from sale of properties under construction is recognized on the basis of percentage of completion method subject to transfer of significant risk and rewards to the buyer and outcome of the real estate project can be estimated reliably. Percentage of completion is determined with reference to the entire project cost incurred versus total estimated project cost determined based upon the judgment of management. Accordingly, cost of construction / development is charged to Statement of Profit and Loss in proportion to the revenue recognized during the year and balance costs are carried as part of 'Project Work in Progress' under inventories. Amounts receivable/received are reflected as Debtors/Advances from Customers, respectively, after considering income recognized in the aforesaid manner. The estimates of saleable area and costs are revised periodically by the management and

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

are considered as change in estimate accordingly, the effect of such changes to estimates is recognized in the year when such changes are determined.

Revenue from sale of completed properties (Finished Realty Stock) is recognised upon the transfer of significant risks and rewards to the buyer.

Revenue from hotel component of sale of rooms, foods and beverages

Revenue from hotel component of sale of rooms, banquets, foods and beverages, allied services relating to hotel operations are recognized upon rendering of the services. Sales and services are recorded inclusive of excise duty (wherever applicable) and net of sales tax, service tax and luxury tax. Revenue yet to be billed is recognised as unbilled revenue. Initial non-refundable membership fee is recognised as income over the period of validity of membership which reflects the expected utilization of membership benefits. Annual membership fees are recognised as income on time proportion basis. Contribution to customer loyalty programs calculated as per agreed percentages of qualifying revenues are accounted on accrual basis and the same is reduced from the revenue.

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.

Dividends

Dividends are recognised when the right to receive the payment is established.

3.14. Borrowing Costs

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.

3.15. Employee 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 Group contributes fixed contribution to a government administered fund and will have no legal or constructive obligation to pay further contribution. The Group's defined contribution plan comprises of Provident Fund, Labour Welfare Fund and Employee State Insurance Scheme. The Group'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 Group has defined benefit plans comprising of gratuity. Group'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 Group'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.

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

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 Group's employees have 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.

(iv) *Share-based payments*

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- Including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the

statement of profit & loss, with a corresponding adjustment to other equity.

3.16. 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 regulations are subject to interpretation and creates provisions where appropriate.

Deferred Tax:

Deferred Tax is provided, using the Balance sheet approach, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred 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 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 & 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.

3.17. 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

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

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.

3.18. 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. Use of significant accounting estimates, judgments and assumptions

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

(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 Group'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 Group 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) Recoverability of trade receivables

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. The Group 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.

(d) 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.

(e) Treatment of Security Deposit for Lease Rentals

In assessing the applicability of Ind AS 32-Financial Instruments to security deposits received, the management has considered the substance of the transactions, terms and conditions of agreement and historical experience to conclude whether such security deposits meet the criteria of a financial liability. These deposits are primarily intended to secure compliance of the licensees' obligations under the agreement and have no bearing on the license fees charged. Further, there is no contractual obligation to deliver cash or other financial asset to the licensees and can be adjusted against the dues, if any and therefore these have been treated as non-financial liability.

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

(f) 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.

(g) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Group'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 Group and that are believed to be reasonable under the circumstances. They are continuously evaluated.

(h) Fair Value measurement

The Group measures financial instrument e.g. 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 Group.

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 Group 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 Group 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.

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

Note 5

Property, plant and equipment

	(₹ in Lakhs)											
	Tangible Assets					Intangible Assets					Total	
	Free Hold Land	Leasehold Land	Buildings	Plant & Machinery	Motor Car, Lorries & Vehicles	Office Furniture & Equipments	Software	Goodwill (Acquired)	Licenses & Franchises	Capital Work In Progress		
Gross Block:												
As at 1st April 2015	57,306.20	697.61	300,058.16	63,913.04	736.67	40,446.56	469.28	17.05			463,644.57	
Opening Balance Acquired During the Year	1,790.65		8,907.84	3,393.10	28.85	8,504.24	122.62				22,747.30	
Addition	1,623.95		6,123.16	3,015.64	172.00	8,104.87	105.71		10.50		19,155.83	
Adjustments/Deletions	1,077.57		148.17	20.15	76.89	494.56	0.64				1,817.98	
As at 31st March 2016	59,643.23	697.61	314,940.99	70,301.63	860.63	56,561.11	696.97	17.05	10.50		503,729.72	
Addition	1,752.89		46,641.84	2,049.26	203.25	6034.29	32.28				56,713.82	
Adjustments/Deletions	6,742.56		36,487.44	12,025.97	44.72	3,381.71	38.32	17.05			58,737.77	
As at 31st March 2017	54,653.56	697.61	325,095.39	60,324.92	1,019.16	59,213.69	690.93	-	10.50		501,705.77	
Accumulated depreciation:												
As at 1st April 2015		49.03	25,529.77	11,612.64	392.24	12,796.66	229.43	3.41			50,613.19	
Acquired During the Year			0.97	34.78	5.76	103.65					145.17	
Depreciation charge for the year		0.42	6,263.75	5,098.26	91.78	6,155.39	114.32	3.41	0.88		17,728.21	
Deductions / Adjustments			3.13	6.19	63.98	171.73	0.19				245.22	
As at 31st March 2016	-	49.45	31,791.36	16,739.49	425.80	18,883.96	343.56	6.82	0.88		68,241.35	
Depreciation charge for the year			7,267.12	5,347.25	135.69	6,714.29	65.36	-	1.02		19,530.73	
Deductions / Adjustments			2,393.09	2,741.02	7.69	1,230.88	-	17.05			6,389.74	
As at 31st March 2017	-	49.45	36,665.39	19,345.72	553.80	24,367.38	410.46	-	1.90		81,394.12	
Net Book Value												
As at 1st April 2015	57,306.20	648.58	274,528.39	52,300.41	344.42	27,649.89	239.85	13.64			413,031.38	
As at 31st March 2016	59,643.23	648.16	283,149.62	53,562.14	434.83	37,677.14	353.41	10.23	9.62		435,488.37	
As at 31st March 2017	54,653.56	648.16	288,430.00	40,979.20	465.36	34,846.31	280.47	-	8.60		420,311.65	

Note:

- Certain property, plant and equipment are pledged as collateral against borrowings, the details related to which have been described in Note 19 (A) and Note 25
- Capital Work in Progress includes pre-operative expenses of ₹ 3,324.24 Lakhs (31st March 2016 ₹ 3,048.39 lakhs 1st April, 2015, ₹ 2,395.62 lakhs)
- Building includes 10 shares in Sukhsagar Premises Co-op. Society Ltd. of ₹ 10 each
- The Group has opted to continue the policy to capitalise foreign currency fluctuation on long term borrowings which was followed as per previous Indian GAAP as per optional election of Ind AS-101, on all long term foreign currency borrowings outstanding on transition date (i.e. 1st April 2015). Accordingly during the year exchange loss aggregating to ₹ 58.24 lakhs has been added to the cost of fixed assets by transferring from opening capital work in progress and in the previous year exchange loss aggregating to ₹ 1,100.95 lakhs (including transfer from opening Capital work in progress) has been added to the cost of fixed assets.

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

(₹ in Lakhs)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
NOTE 6			
NON CURRENT INVESTMENTS			
A. TRADE INVESTMENTS			
(i) Investment in Equity instruments (Measured at cost)			
a) Investment in Associates : Equity shares of ₹ 10/- each fully Paid up, unless otherwise stated.			
Unquoted			
5,208 (31st March 2016: 5,000; 1st April 2015: 5,000) Classic Housing Projects Pvt. Ltd.	1,392.58	1,013.19	777.88
Nil (31st March 2016: NIL; 1st April 2015: 2,070,800) Gangetic Hotels Pvt. Ltd. (subsidiary from 04th November, 2015)	-	-	1,041.70
2,500,626 (31st March 2016: 2,500,626; 1st April 2015: 2,500,626) Star Board Hotels Pvt. Ltd.	378.47	243.54	249.34
5,000 (31st March 2016: 5,000; 1st April 2015: 5,000) Mirabel Entertainment Pvt Ltd.	13.03	13.15	18.43
Nil (31st March 2016: 25,000; 1st April 2015: 25,000) Escort Developers Pvt. Ltd.	-	159.50	159.35
37,09,416 (31st March 2016: Nil; 1st April 2015: NIL) - Classic Mall Development Pvt. Ltd. (Subsidiary upto 31st March, 2017)	18,172.72	-	-
	19,956.80	1,429.38	2,246.69
(ii) Investment in Debentures (in associates)			
a) Compulsorily Fully Convertible Debentures (CCD)			
7,000 (31st March 2016: 7,000; 1st April 2015: 7,000) CCD's in Mirabel Entertainment Pvt Ltd. Face value ₹ 100 each.	7.00	7.00	7.00
351,564 (31st March 2016: 351,564; 1st April 2015: 351,564) CCD's in Star Board Hotels Pvt Ltd. - Face value ₹ 100 each.	351.56	351.56	351.56
NIL (31st March 2016: Nil; 1st April 2015: 224,000) 0.0001% - Savannah Phoenix Pvt Limited - Face value ₹ 100 each. (Susidiary w.e.f 7th April 2015)	-	-	224.00
1,383,999 (31st March 2016: 1,383,999; 1st April 2015: 1,383,999) 0.0001% - Star Board Hotels Pvt Ltd - Face value ₹ 100 each.	1,384.00	1,384.00	1,384.00
	1,742.56	1,742.56	1,966.56
b) Optionally Convertible Debentures (in associates)			
300,000 (31st March 2016: 300,000; 1st April 2015: 300,000), 0.001% Series B Optionally Convertible Debentures of ₹ 100 each fully paid in Classic Housing Projects Pvt. Ltd.	300.00	300.00	300.00
120,000 (31st March 2016: 120,000; 1st April 2015: 120,000) 0.001% Series C Optionally Convertible Debentures of ₹ 100 each Fully paid in Classic Housing Projects Pvt. Ltd.	120.00	120.00	120.00
	420.00	420.00	420.00
B) NON TRADE INVESTMENTS			
(i) Investment in Equity instruments			
(Measured At Fair Value through Other Comprehensive Income)			
Quoted			
36,86,484 (31st March 2016: 36,86,484; 1st April 2015: 36,86,484) Equity shares of ₹ 10/- each fully paid up of Galaxy Entertainment Corporation Ltd.	707.80	76.16	767.84
1,949,090 (31st March 2016: 1,949,090; 1st April 2015: 1,949,090) Graphite India Limited face value of ₹ 2 each	2,186.88	1,742.48	1,623.59
584,726 (31st March 2016: 584,726; 1st April 2015: 584,726) GKW Limited	2,575.10	3,408.08	2,985.90
	5,469.78	5,226.71	5,377.34

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

(₹ in Lakhs)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unquoted			
10 (31st March 2016: 10; 1st April 2015: 10) Equity shares of ₹ 10/- each fully paid up of Treasure World Developers Pvt. Ltd. (Refer Note No. 47)	0.09	0.09	0.09
25,356,940 (31st March 2016: 25,356,940; 1st April 2015: 25,356,940) Entertainment World Developers Ltd (Refer Note No. 47)	5,792.70	5,792.70	5,792.70
5,000 (31st March 2016: 5000 & 1st April 2015: 5000) Bartraya Mall Development Co. Pvt. Ltd **	0.50	0.50	0.50
2,500,000 (31st March 2016: 2,500,000; 1st April 2015: 2,500,000) Galaxy Entertainment India Pvt Ltd.	250.00	250.00	249.58
80 (31st March 2016: 80; 1st April 2015: 80) ordinary shares of ₹ 25/- each -fully paid of Rashtriya Mazdoor Madhyavarti Sahakari Grahak Sangh (Maryadit)	0.02	0.02	0.02
1,000 (31st March 2016: 1000; 1st April 2015:1000) The Cosmos Co-operative Bank Ltd Shares of ₹ 100 Each fully paid	1.00	1.00	-
5,000 (31st March 2016: 5000; 1st April 2015:5000) shares of ₹ 10/- each in The Saraswat Co-op Bank Ltd	0.50	0.50	0.50
	6,044.81	6,044.81	6,043.39
(ii) Investment in Equity instruments (Measured At Fair Value through Statement of Profit or Loss)			
Quoted			
36,325 (31st March 2016: 36,325; 1st April 2015: 7,265) - I.C.I.C.I. Bank Limited - face value of ₹ 2 each **	100.66	85.93	114.53
20 (31st March 2016: 20; 1st April 2015: 20) Clariant Chemicals (India) Ltd.	0.14	0.12	0.16
	100.80	86.05	114.70
(iii) Investment in Preference shares (Measured At Fair Value through Other Comprehensive Income)			
Unquoted			
1,000,000 (31st March 2016: 1,000,000; 1st April 2015: 1,000,000) 7% Cumulative Optionally Convertible Preference Shares fully paid up of Galaxy Entertainment India Pvt Ltd.	100.00	100.00	100.00
250,000 (31st March 2016: 250,000; 1st April 2015: 250,000) 7% Cumulative Optionally Convertible Preference Shares each Re. 0.50 paid up of Galaxy Entertainment India Pvt Ltd.	1.25	1.25	1.25
50,000 (31st March 2016: 50,000; 1st April 2015:50,000) 10.50% Perpetual Non-cumulative Preference shares of ₹ 10 each in The Saraswat Co-Operative Bank Limited	5.00	5.00	5.00
	106.25	106.25	106.25
(iv) Investment in Debentures			
a) Compulsorily Fully Convertible Debentures (Measured At fair value through Other Comprehensive Income)			
66,500 (31st March 2016: 66500; 1st April 2015:66500) 0.0001% - Phoenix Retail Pvt. Limited - Face value ₹ 100 each.	66.50	66.50	66.50
38,545 (31st March 2016: 38,545; 1st April 2015: 38,545) 0.0001% - Vigilant Developers Pvt. Limited - Face value ₹ 100 each.	38.55	38.55	38.55
NIL (31st March 2016: Nil; 1st April 2015: 7,25,0000) Padmashil Hospitality Face Value of 10 Each	-	-	725.00
4,000 (31st March 2016: 4000; 1st April 2015: 4,000) CCD's in ACME Hospitality Services Pvt Ltd. - Face value ₹ 100 each.	4.00	4.00	4.00
7,000 (31st March 2016: 7000; 1st April 2015:7,000) Insight Hotels & Leisure Pvt. LTD. - Face value ₹ 100 each.	7.00	7.00	7.00

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

(₹ in Lakhs)			
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
34,000 (31st March 2016: 34,000; 1st April 2015: 34,000) 0.0001% - Escort Developers Pvt Limited - Face value ₹ 100 each.	34.00	34.00	34.00
100,000,000 (31st March 2016: 100,000,000; 1st April 2015:100,000,000) Treasure World Developers Pvt. Ltd. - Face value ₹ 10 each. (refer note no. 47)	10,000.00	10,000.00	10,000.00
	10,150.05	10,150.05	10,875.05
b) Optionally Convertible Debentures (Measured At fair value through Other Comprehensive Income)			
61,000,000 (31st March 2016: Nil; 1st April 2015: Nil) 0.0001% Optionally Convertible Debentures of ₹10 each Fully paid in Insight Hotels Leisures Pvt Ltd	6,100.00	-	-
21,000,000 (31st March 2016: Nil 1st April 2015: Nil) 0.0001% Optionally Convertible Debentures of ₹10 each fully paid in Roomy Constrution Company Pvt Ltd.	2,100.00	-	-
	8,200.00	-	-
(v) Investment in Capital of Partnership Firm (At Cost)			
Phoenix Construction Company	190.65	192.50	194.24
vi) Others			
(i) Unquoted			
7 years - National Savings Certificates (Deposited with State Government and other authorities as security)	0.70	0.75	0.75
	52,382.40	25,399.06	27,344.96
Less: Aggregate provision for diminution in value of investments (Refer Note No. 47)	(11,425.00)	(11,425.00)	(9,125.00)
Total Non- Current Investments	40,957.40	13,974.06	18,219.96

(₹ in Lakhs)			
Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1. Aggregate value of Quoted Investments:			
Book Value	5,570.58	5,312.76	5,492.03
Market Value	5,570.58	5,312.76	5,492.03
2. Aggregate book value of other Unquoted Investments:	46,811.82	20,086.30	21,852.93

** Out of 36,325 shares, 9,975 shares are held by a Bank in their name as security

48.19% shares of Classic Mall Developments Private Limited are held subject to a non-disposal undertaking to the lender bank stating that it shall not dispose / transfer /pledge /encumber these shares owned/held in the company until the loans taken by these companies are fully repaid to the bank

Investments in Equity Shares of Classic Mall Development Company Pvt Ltd includes cost of ESOP granted to employees of ₹ 7.10 lakh (31st March 2016 Nil ; 1st April 2015 Nil)

(₹ in Lakhs)			
Category wise non current investments	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Financial Assets Measured at Cost	22310.71	3,785.19	4,828.23
Financial Assets Measured at Fair value through Other Comprehensive Income	29,970.89	21,527.82	22,402.03
Financial Assets Measured at Fair value through Profit & Loss account	100.80	86.05	114.70
Total	52,382.40	25,399.06	27,344.96

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

NOTE 7

Financial Assets- Loans

(₹ in Lakhs)

	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
(Unsecured Considered Good)						
Inter Corporate Deposits to						
Related Parties #	259.51	-	6,033.14	8.09	1,093.21	2,646.90
Others	630.25	3,397.81	881.12	1,883.24	400.00	1,600.73
	889.76	3,397.81	6,914.26	1,891.33	1,493.21	4,247.63

Refer Note no. 40

NOTE 8

Financial Assets - Other

(₹ in Lakhs)

	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
Fixed Deposit with Bank (Maturity more than 12 Months)*	11,410.42	-	7,057.55	-	6,182.23	1,286.59
Interest accrued but not due on Fixed Deposit	100.84	152.43	231.30	88.59	82.43	77.93
Interest accrued on Investments	-	1,432.51	-	1,432.50	-	1,432.51
Interest accrued on ICD's	-	437.67	-	0.00	-	5.65
Unbilled revenue	-	268.57	-	213.50	-	221.80
Others	130.00	-	-	-	-	10.04
	11,641.26	2,291.18	7,288.85	1,734.61	6,264.66	3,034.52

* Fixed Deposits of The Phoenix Mills Ltd of ₹ 3,817.63 Lakhs (31st March 2016: 3,146 Lakhs & 1st April 2015: 3,146 Lakhs) earmarked towards maintenance of DSRA as per loan agreement and Fixed deposits of ₹ 42.54 Lakhs (31st March 2016: 42.54 Lakhs & 1st April 2015: 42.54 Lakhs) is given as security for bank guarantee.

* Deposit of Offbeat Developers Pvt Ltd of ₹ 2000 lacs (31st March 2016 - ₹ 2000 lacs; 1st April 2015 - ₹ 2039 lacs) earmarked toward maintenance of DSRA

* Deposit of Pallazio Hotel & Leisure Ltd of ₹ 2228.24 lakhs (31st March 2016 - ₹ 349.39 lakhs; 1st April 2015 - ₹ 300.78 lakhs) earmarked for EPCG license, liquor license and bank guarantee given to pollution control board & electricity distribution company.

NOTE 9

Deferred Tax Assets (Net)

(₹ in Lakhs)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Deferred Tax Assets			
Disallowance under the Income Tax Act, 1961	5,286.05	60.83	4,365.27
Carry Forward of Losses & Depreciation	7,243.25	14,344.34	8,601.23
Related to Fixed Assets	-	101.51	-
	12,529.30	14,506.68	12,966.50
Deferred Tax Liability			
Related to Fixed Assets	12.13	-	89.00
	12.13	-	89.00
	12,517.17	14,506.68	12,877.50

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

NOTE 10

Other Non Financial Assets

(Unsecured Considered Good)

(₹ in Lakhs)

	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
Capital Advances						
Others	639.56	-	-	-	5,896.80	-
With Related Party #	2,207.70	-	9,884.46	-	5,670.79	-
Deposits						
Deposits with related parties #	471.42	-	5,550.75	-	4,792.76	11.00
Security Deposits	1,005.27	229.69	1,383.28	117.54	1,177.61	14.09
Other Deposits	307.14	-	575.93	-	521.43	1.08
Other						
Advances recoverable in cash or kind	3,871.51	702.39	5,559.06	1,970.67	1,673.35	6,404.39
Prepaid Expenses	0.50	738.14	0.50	774.72	0.03	423.86
Advance to Vendors	471.83	1,265.41	909.90	2,419.57	111.59	897.35
Balance with statutory/government authorities	2,299.54	2,484.11	235.94	3,410.58	14.41	1,395.26
	11,274.47	5,419.74	24,099.82	8,693.08	19,858.77	9,147.03

Refer Note no. 40

NOTE 11

Inventories

(₹ in Lakhs)

	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
Realty Work- In- Progress	65,655.76		78,676.06		57,964.18	
Finished Realty Stock	28,361.22		53,058.99		59,310.21	
Food & Beverages	505.24		598.52		434.67	
Stores and spares	27.45	94,549.67	62.62	132,396.19	121.80	117,830.86
		94,549.67		132,396.19		117,830.86

NOTE 12

Current Investments (Quoted) (Measured at Fair Value Through Profit & loss)

(₹ in Lakhs)

	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
Investments in Mutual Funds units of ₹ 100/- each, Growth unless otherwise stated						
Nil (31st March 2016: Nil; 1st April 2015: 85,194) DSP Blackrock Liquidity Fund Int'n'l Plan- Growth- Regular plan units of 1000 each	-	-	-	-	1,700.00	-
Nil (31st March 2016:5187259.97 units; 1st April 2015 Nil) DHFL Pramerica Mutual Fund - Common Collection Account	-	-	676.29	-	-	-
Nil (31st March 2016: 18,340 units; 1st April 2015 Nil) Kotak Floater Short Term - Growth (Regular Plan)	-	-	455.27	-	-	-
Nil (31st March 2016: 27,236units; 1st April 2015 5,877) Reliance Liquid Fund - Treasury Plan (Growth), units of ₹ 1,000/- each	-	-	1,003.78	-	200.00	-
				2,135.34		1,900.00
				2,135.34		1,900.00

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

NOTE 13

Trade Receivables

	(₹ in Lakhs)					
	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
Unsecured, considered good #	-	14,701.15		27,858.46		21,251.37
Unsecured, considered doubtful	-	3,778.00		7,144.90		7,109.76
	-	18,479.15	-	35,003.35	-	28,361.13
Less : Provision for Doubtful Debts		(3,778.00)		(7,144.90)		(7,109.76)
	-	14,701.15	-	27,858.46	-	21,251.37

Trade Receivables include ₹ 11.74 Lakhs (31st March 2016: 11.74 Lakhs & 1st April 2015: 11.74 Lakhs) from private companies in which a director is a director / member

NOTE 14

Cash and Cash Equivalents

	(₹ in Lakhs)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Balances with banks			
In Current Accounts	5,825.25	10,180.29	5,482.37
In Fixed Deposits		-	-
Deposits with original maturity of less than three months	381.85	239.51	-
In unpaid dividend account	176.50	208.78	161.88
Cash on hand	29.23	51.37	52.41
Cheques on hand	-	2.65	-
	6,412.83	10,682.60	5,696.66
	6,412.83	10,682.60	5,696.66

NOTE 15

Bank Balance other than above

	(₹ in Lakhs)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
In Fixed Deposits			
Deposits with Bank (Maturity more than 3 months & less than 12 months) #	1,711.37	5,620.85	1,076.85
	1,711.37	5,620.85	1,076.85
	1,711.37	5,620.85	1,076.85

Fixed Deposit of Offbeat Developers Pvt Ltd. of ₹ 290.63 Lacs (31st March 2016 ₹ 290.63 Lacs ; 1st April 2015 ₹ NIL) earmarked toward maintaining of DSRA as per loan agreement with IndusInd Bank and Fixed Deposit of ₹ 150.00 Lacs (31st March 2016 - 150.00 Lacs; 1st April 2015 - NIL) given as security for Bank guarantee.

NOTE 16

Current Tax Assets (Net)

	(₹ in Lakhs)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advance income tax (net of provision)	9,921.98	8,456.66	5,805.04
Minimum Alternate Tax Credit Receivable	2,274.35	5,402.55	2,685.39
	12,196.33	13,859.21	8,490.43
	12,196.33	13,859.21	8,490.43

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

NOTE 17

Equity Share Capital

(₹ in Lakhs)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Authorised Share Capital			
225,000,000 Equity Shares (31st March 2016: 225,000,000 & 1st April 2015: 225,000,000) of ₹ 2 each	4,500.00	4,500.00	4,500.00
Issued, subscribed and paid up			
153,066,907 Equity Shares (31st March 2016: 152,988,852 & 1st April 2015: 144,956,695) of ₹ 2 each	3,061.34	3,059.78	2,899.13
	3,061.34	3,059.78	2,899.13
Note 17.1 Reconciliation of number of shares outstanding is set out below:-			
Equity Shares outstanding at the beginning the year	152,988,852	144,956,695	144,845,445
Add : Issued during the year on exercise of employee options	78,055	40,250	111,250
Add : Issued during the year under Qualified Institutional Placement	-	7,991,907	-
Shares outstanding at the end of the year	153,066,907	152,988,852	144,956,695

Note 17.2 Terms and Rights attached to equity shareholders:-

The company has only one class equity shares having face value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. Equity shareholders are also entitled to dividend as and when proposed by the Board of Directors and approved by Share holders in Annual General Meeting. In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts which shall be in proportion to the number of shares held by the Shareholders.

Note 17.3

	31st March, 2017		31st March, 2016		1st April, 2015	
	Number of shares	% of Holdings	Number of shares	% of Holdings	Number of shares	% of Holdings
Ruia International Holding Company Private Limited	49,347,248	32.24	49,347,248	32.26	49,207,037	33.95
Senior Holdings Private Limited.	15,490,049	10.12	15,490,049	10.12	15,142,550	10.45
Radhakrishna Ramnarain Private Limited.	11,667,800	7.63	11,667,800	7.63	11,617,930	8.01
Ashok Apparels Private Limited.	9,670,665	6.32	9,670,665	6.32	9,670,665	6.67

Note 17.4

During the Financial year 2015-16, the Company undertook Private Placement, as authorised by the Board of Directors, for issuance of 7,991,907 Equity Shares of face value of ₹ 2/- each to Qualified Institutional Buyers at a price of ₹ 353.60/- per Equity Share, including share premium of ₹ 351.60/- per Equity Share, aggregating to ₹ 282.59/- crores in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 (SEBI ICDR Regulations) and Section 42 of the Companies Act, 2013 and the Rules made there under. The Private Placement issue was closed on 14/07/2015 and consequently, the said Equity Shares were allotted on 17/07/2015.

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

NOTE 18

Other Equity

	(₹ in Lakhs)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Capital Reserves			
As per Last Balance Sheet	185.25	185.25	185.25
Securities Premium Account			
As per Last Balance Sheet	134,325.83	106,890.78	106,890.78
Add:- On Issue of Shares	214.13	28,207.42	-
Less:- Expense On Issue of Shares	-	(772.37)	-
	134,539.96	134,325.83	106,890.78
Share Based Payment Reserve			
As per last Balance Sheet	42.56	0.19	0.19
Add: ESOPs Cost for the year	295.56	42.37	-
	338.12	42.56	0.19
General Reserve			
As per Last Balance Sheet	22,918.36	22,918.36	22,918.36
Surplus/(defecit) in the Statement of profit and loss			
As per Last Balance Sheet	41,993.43	36,986.31	-
Net Profit for the year	16,792.13	12,892.96	-
Impact of Acquisition/Disposal/Change in Controlling Interest	(435.58)	(621.07)	-
Interim Dividend (P.Y. ₹ 1.75/- Per share)	-	(2,673.70)	-
Final Dividend (₹ 0.45/- Per share) (P.Y. ₹2.20/-)	(688.45)	(3,365.75)	-
Tax on Dividends	(140.15)	(1,225.31)	-
	57,521.38	41,993.43	36,986.31
Other Comprehensive Income			
As per Last Balance Sheet	205.25	148.33	-
Add/(less) :Movement in OCI (net)during the year	(57.11)	56.92	-
Impact of Disposal of Controlling Interest	6.27	-	-
	154.41	205.25	148.33
Total Other Equity	215,657.49	199,670.68	167,129.22

Description of nature and purpose of each reserve

Capital Reserve: Capital reserve represents reserve created pursuant to the business combinations upto year end.

Securities Premium Reserve: Securities premium reserve represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 for specified purposes.

Share Based Payment Reserve: Reserve relates to stock options granted by the Group to employees under an employee stock options plan.

General Reserve: General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc.

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

NOTE 19

Borrowings

(₹ in Lakhs)

	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
Secured						
Loans from Financial Institution	8,649.43	520.73	9,170.15	397.30	16,946.00	4,315.31
Loans from Banks						
Term Loans - Indian Rupees	293,571.60	26,611.55	281,298.05	26,190.68	248,592.04	29,463.01
Term Loans - Foreign Currency	-	-	-	-	12,048.73	1,643.01
Vehicle Loans	25.07	-	64.54	31.93	37.52	19.20
9.95% Non- Convertible Debentures of ₹ 10,00,000 each issued by subsidiary	-	-	45,000.00	-	-	-
Unsecured						
0.0001% Series A Optionally Convertible Debentures of ₹ 100 each	176.60	-	176.60	-	176.60	-
Zero Coupon Non Convertible Fully Redeemable Non Transferrable Debentures series "F"	2,300.00	-	2,300.00	-	2,300.00	-
Optionally Fully Convertible Unsecured Debentures (OFCD) "Series I"	5,934.85	-	-	-	-	-
Less: Amount disclosed under the head "Other Current Liabilities" (Note 21)	-	(27,132.28)	-	(26,619.91)	-	(35,440.53)
	310,657.55	-	338,009.34	-	280,100.89	-

- A) (i) Loans of ₹ 64,808.35 lakhs (31st March 2016; ₹ 57,655.4 Lakhs, 1st April 2015; ₹ 57,531 Lakhs of The Phoenix Mills Limited by Equitable Mortgage of deposit of Title deeds in respect of certain immovable properties situated at High Street Phoenix, Senapati Bapat Marg, Lower Parel, Mumbai and by hypothecation of rentals receivable from licencees.
- (ii) Loans of ₹ 62,573.29 Lakhs (31st March 2016; ₹ 53,351.29 Lakhs; 1st April 2015; ₹ 57,187.45 Lakhs) for Pallazzio Hotels & Leisure Limited, are secured by Equitable Mortgage of deposit of title deeds in respect of certain immovable properties goods, movable properties, including movable machinery, machinery spares, tools and accessories both present and future.
- (iii) Loan of ₹ 48,871.39 Lakhs (31st March 2016; ₹ 45,740 Lakhs; 1st April 2015; ₹ 35,760 Lakhs) of Vamona Developer Pvt Ltd, secured by future Lease Rent Receivables and a pari passu charge over the land and building of the Mall i.e. Phoenix Marketcity at Viman Nagar, Pune.
- (iv) Loans of ₹ Nil (31st March 2016; ₹ 1,198.7 Lakhs; 1st April 2015; ₹ 1,800 Lakhs) for Alliance Spaces Private Limited is secured by future receivables against sale consideration and property being an aggregate area admeasuring 3,28,106 sq. ft. saleable area which will comprise of two buildings constructed/to be constructed alongwith un-demarcated and undivided pieces or parcels of non-agricultural freehold land admeasuring 10,322.27 square meter
- (v) Loans of ₹ 69,725.82 Lakhs (31st March 2016; ₹ 72,065.54 Lakhs; 1st April 2015; ₹ 66,937.67 Lakhs) for Offbeat Developer Private Limited are secured by pari passu charge over specified area of land and building of Retail mall and first pari passu charge on escrow of lease rental from mall, Loans of ₹ 12,500 Lakhs (31st March 2016; ₹ 12,500 Lakhs; 1st April 2015; ₹ 5,455 Lakhs) is secured by exclusive charge by way of registered mortgage on entire land of phase II (Art Guild House) along with the super structures built thereon (present and future) and on all moveable fixed assets and current assets including receivables/future receipts and escrow receipts pertaining to Art Guild House project.
- (vi) Loans of ₹ 16,681.04 Lakhs (31st March 2016; ₹ 16,605.26 Lakhs; 1st April 2015; ₹ 18,598.39 Lakhs) of Upal Developer Private Limited and Blackwood Developer Private Limited are secured by Equitable mortgage of Shopping Mall and Multiplex Complex known as Phoenix United Mall, and assignment of future rental.
- (vii) Loans of ₹ 11,371.91 Lakhs (31st March 2016; ₹ 13,257.1 Lakhs; 1st April 2015; ₹ Nil) for Gangetic Hotels Private Limited is Secured by first charge by way of mortgage of land building, structures thereon and other immovable properties, present and

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

future of the company and hypothecation of all movable assets on parri passu basis with other term lender and first parri-passu charge on all bank accounts of the project and peronal guarantee of two director of the company.

- (viii) Loans of ₹ 44,427.19 lakhs (31st March 2016 ₹ 46,682.87 lakhs, 1st April 2015 ₹ 32,998.25 Lakhs) for Island Starmall Developer Private Limited, is secured by equitable mortgage of immovable properties namely 'Mall Building' and 'Multiplex Building', admeasuring approximately 1,28,711 sq. mts. in aggregate and Oberhaus - 1, alongwith an undivided interest to the extent of approximately 27,946.63 Sq. Mts. in the land appurtenant to the said structures forming an undivided part of the plot area of approximately 59,930.15 sq. mts., situated at Whitefield, Bengaluru and hypothecation of lease rental/ sales receivable from retailer, sales receivable of Oberhaus - 1.
- (ix) Loans of ₹ 9,000 Lakhs (31st March 2016, ₹ 10,500 Lakhs; 1st April 2015; ₹ 12,200 Lakhs) for Graceworks Realty & Leisure Private Limited, is secured by first and exclusive registered mortgage of immovable property situated at Kurla (Mumbai), and hypothecation of lease rental, lease deposit and sales proceeds.

B Vehicle Loans are secured by the hypothecation of respective vehicles.

c Maturity Profile of Long Term Borrowings are as under:

1) Repayment of Loans from Financials Institutions will be as under:

Island Starmall Developer Private Limited will repay the loans of ₹9,170.15 Lakhs as follows FY 2017-2018 ₹520.72, FY 2018-2019 ₹661.10, FY 2019-2020 ₹801.48, FY 2020-2021 ₹952.98, FY 2021-2022 ₹1,123.73, FY 2022-2023 ₹1,316.73, FY 2023-2024 ₹1,534.27, FY 2024-2025 ₹1,778.83, FY 2025-2026 ₹480.28.

2) Repayment of Loans from Banks will be as under:

Phoenix Mills Limited will repay the loans of ₹64,808.35 Lakhs as follows FY 2017-2018 ₹7,301.3 Lakhs, FY 2018-2019 ₹8,191.45 Lakhs, FY 2019-2020 ₹9,184.5 Lakhs, FY 2020-2021 ₹10,312.35 Lakhs, FY 2021-2024 ₹29,818.75 Lakhs

Blackwood Developer Private Limited will repay loans of ₹8,351.68 Lakhs as follows FY 2017-2018 ₹ 1,160.89 Lakhs, FY 2018-2019 ₹1,600.29 Lakhs, FY 2019-2020 ₹1,805.97 Lakhs, FY 2020-2021 ₹2,024.16 Lakhs, FY 2021-2022 ₹1,760.37 Lakhs

Vamona Developer Private Limited will repay loans of ₹48,871.39 Lakhs repayable in ten year starting from Financial Year 2016-17 in the ratio of 1.93%, 6.16%, 6.78%, 8.27%, 10.80%, 11.87%, 13.99%, 17.36%, 19.08% & 3.76% respectively.

Offbeat Developer Private Limited will repay loans of ₹69,725.82 Lakhs as follows, FY 2017-2018 ₹9,404.53 Lakhs, FY 2018-2019 ₹10,593.8 Lakhs, FY 2019-2020 ₹6,355.82 Lakhs, FY 2020-2021 ₹6,981.03 Lakhs, FY 2021-2022 ₹8,772.27 Lakhs, FY 2022-2023 ₹10,399.7 Lakhs, FY 2023-2024 ₹10,884.67 Lakhs, FY 2024-2025 ₹6,334 Lakhs

Upal Developer Private Limited will repay loans of ₹8,329.36 Lakhs as follows, FY 2017-18 ₹382.38 Lakhs, FY 2018-19 ₹597.65 Lakhs, FY 2019-20 ₹661.87 Lakhs, FY 2020-21 ₹737.15 Lakhs, FY 2021-22 ₹818.79 Lakhs, FY 2022-23 ₹909.48 Lakhs, FY 2023-24 ₹1,009.23 Lakhs, FY 2024-25 ₹1,121.98 Lakhs, FY 2025-26 ₹1,246.24 Lakhs, FY 2026-27 ₹927.47 Lakhs

Pallazzio Leisure & Hotels Limited will repay loans of ₹62,573.29 Lakhs as follows FY 2018-2019 ₹1,249.97 Lakhs, FY 2019-2020 ₹1,875 Lakhs, FY 2020-2021 ₹2,500 Lakhs, FY 2021-2022 ₹ 3,125 Lakhs, FY 2022-2023 ₹3,750 Lakhs, FY 2023-2024 ₹4,374.99 Lakhs, FY 2024-2025 ₹5,624.99 Lakhs, FY 2025-2026 ₹5,624.99 Lakhs, FY 2026-2027 ₹6,874.99 Lakhs, FY 2027-2028 ₹ 8,124.99 Lakhs, FY 2028-2029 ₹9,374.99 Lakhs, FY 2029-2030 ₹9,999.99 Lakhs

Graceworks Realty & Leisure Private Limited will repay loans of ₹8,856.24 Lakhs as follows FY 2017-18 ₹14.36 Lakhs, FY 2018-19 ₹106.39 Lakhs, FY 2019-20 ₹235.2 Lakhs, FY 2020 onwards ₹8,500.28 Lakhs

Gangetic Hotels Private Limited will repay loans of ₹12,317.42 Lakhs as follows FY 2017-18 ₹1,116.4 Lakhs, FY 2018-19 ₹1,258 Lakhs, FY 2019-20 ₹1,258 Lakhs, FY 2020-21 ₹1,258 Lakhs, FY 2021-24 ₹7,427.02 Lakhs

Island Starmall Developer Private Limited will repay the loans of ₹35,257.04 Lakhs as follows FY 2017-2018 ₹2,428.27, FY 2018-2019 ₹3,082.89, FY 2019-2020 ₹3,737.51, FY 2020-2021 ₹4,444.01, FY 2021-2022 ₹5,240.26, FY 2022-2023 ₹6,140.26, FY 2023-2024 ₹7,154.72, FY 2024-2025 ₹789.36, FY 2025-2026 ₹2,239.71

3) Vehicle Loans are repayable within 3 to 5 years.

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

C Terms & Conditions of Debentures are as under :

I) Secured

Classic Mall Developers Private Limited has issued 45,000, 9.95% Non convertible Debentures of series 1 are redeemable at par after 84 months from the date of allotment i.e. 19.08.2015. The company has an option to redeem these debentures earlier by giving 10 days notice; however, no redemption will take place before the end of 15th day of the 12th month from the date of allotment. The Company has exercised early partial repayment option and repaid ₹ 262,500,000 during the year. The debentures are secured by registered first ranking equitable pari-passu mortgage on the undivided share of 34,136.72 sq. mtr. out of larger extent of land admeasuring 66,915.90 sq. mtr. situated at 142, Velachery Road, Chennai. Further the loan is secured by exclusive and first ranking charge on the Charged Accounts, all Permitted Investments and the Receivables. The debentures are further secured by pledge of shares held by Phoenix Mills Ltd. and Crest Ventures Ltd. in the company. Classic Housing Projects Private Limited, a group company has given debenture holders/ Debenture trustees as a put option in terms of which they can call upon the option provider to buy an amount remaining outstanding in respect of debentures at expiry of 50th month from deemed date of allotment. The put option is also secured by mortgage on properties and shares stated in above.

II) Unsecured

Pallazzio Leisure & Hotels Limited has issued zero coupon fully redeemable non convertible unsecured debentures "Series F" to body corporate of ₹ 230,000,000 each with an underlying right to occupy the certain portion of Company's premises. The Company has an option but not an obligation to redeem the series F debentures, only collectively during the option window period of three months from (a) the expiry of 7 years from the date of which Company receives all the statutory approvals to commence business and the debenture holders are allowed to take possession upon payment of the face value of the debentures along with the premium which will be computed as per the terms mentioned in the debenture certificate [for each 12 month period commencing from the date of issue of debentures till redemption] by the Company at an annualized rate equivalent to the average interest rate by the lenders for that year plus 2.5%, quarterly compounded (b) the expiry of 14 years from the date of which Company receives all the statutory approvals to commence business and the debenture holders are allowed to take possession upon payment of the face value of the debentures along with the premium which will be computed as per the terms mentioned in the debenture certificate [for each 12 month period commencing from the date of issue of debentures till redemption] by the Company at an annualized rate equivalent to the average interest rate by the lenders for that year plus 2%, quarterly compounded.

Pallazzio Leisure & Hotels Limited has issued 5,934,846 Optionally Fully Convertible "Series I" Unsecured Debentures (OFCD) of ₹ 100 each. The Company has an option to convert OFCD into Equity shares of the Company at any time after 30th March 2017. In case of conversion, 1 OFCD of ₹ 100 each will be converted into such number of Equity shares of ₹ 100 each at a premium of ₹ 575 per share. Further at the option of the Company, OFCD may be redeemed within 10 years from the date of allotment in one or more tranches at a premium not exceeding ₹ 10 per OFCD. The OFCDs carries coupon rate @4% which will accrue only at the time of redemption & it will be payable at the time of redemption of the instrument by the Company. OFCD are convertible into fixed number of equity shares at fixed price and at the option of the Company and hence meet the definition of equity based on the management intention / judgement that it would exercise the option of conversion.

Graceworks Realty & Leisure Private Limited has issued 176,600, 0.0001% Series A Optionally Convertible Debentures, Debenture holders have an option to convert the debentures into equity shares on or after February, 2015. Each debenture is convertible into equity shares of ₹ 10 each fully paid at price not less than fair market value as 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 ₹ 10/- per Optionally Convertible Debenture.

NOTE 20

Trade Payables

	(₹ in Lakhs)					
	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
Micro and Small Enterprises*		14.18	-	25.25	-	15.87
Others	388.78	10,756.71	567.58	12,075.54	812.01	10,492.08
	388.78	10,770.89	567.58	12,100.79	812.01	10,507.95

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

(₹ in Lakhs)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
*The disclosure pursuant to the said Act under:			
a) Principal amount due to supplier under MSMED Act, 2006	14.18	25.25	15.87
b) Interest accrued and due on the above amount, unpaid	-	-	-
c) Payment made beyond the appointed day during the year	-	-	-
d) Interest paid	-	-	-
e) Interest due and payable for the period of delay	-	-	-
f) Interest remaining due and payable in succeeding year	-	-	-

NOTE 21

Other financial liabilities

(₹ in Lakhs)

	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
Current maturities of long-term borrowings		27,132.28		26,619.91		35,440.53
Retention Payable to Contractors	949.12	-	35.05	28.67	53.45	-
Interest accrued but not due on borrowings		977.10		1,165.91		1,269.23
Interest accrued and due on borrowings		425.64		1,141.27		1,478.93
Creditors for Capital Expenditure	17.34	1,769.97	255.51	4,057.96	73.54	3,861.62
	966.46	30,304.99	290.56	33,013.72	126.99	42,050.32

NOTE 22

Provisions:

(₹ in Lakhs)

	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
Provision for Employee Benefits						
Gratuity	170.21	37.52	77.23	34.43	172.31	77.57
Leave Encashment	314.95	226.87	255.61	226.20	207.49	207.34
Other Provisions						
Property Tax #		2,874.00		1,897.00		920.00
Others	165.38	313.64		218.00		
Provision for premium on redemption of zero coupon non convertible debentures series "F" **	3,775.61		2,787.46		1,843.47	
	4,426.15	3,452.03	3,120.30	2,375.63	2,223.27	1,204.91

**The Subsidiary company Pallazzo Hotels & Leisure has an option but not an obligation to redeem the NCD collectively only during the specified window period along with redemption premium. Considering the long term nature of the instrument, other uncertainties as regards exercising of the option, the company is of the view that the event is contingent in nature. However in order to comply with the requirements of the generally accepted accounting principles, the company has made a provision for redemption premium payable (if any) and the same is being adjusted against the securities premium account in accordance with section 52 of the Companies Act, 2013 till 31st March 2015 and after 1st April 2015 the said premium has been debited to statement of profit and loss."

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

Provision for Property Tax

Particulars	(₹ in Lakhs)	
	For the year ended 31st March 2017	For the year ended 31st March 2016
Opening Balance	1897.00	920.00
Add: Provision during the year	977.00	977.00
Less: Paid / Utilized		
Less: Written back		
Closing Balance	2874.00	1,897.00

NOTE 23

Deferred Tax Liability

	(₹ in Lakhs)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Related to Fixed Assets	-	4,236.25	3,290.18
Deferred Tax Assets			
Disallowance under the Income Tax Act. 1961	-	317.65	285.47
Carry Forward of Losses & Depreciation	-	370.47	691.69
	-	688.12	977.16
	-	3,548.13	2,313.02

NOTE 24

Other Non Financial Liabilities

	(₹ in Lakhs)					
	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
Statutory Dues		3,659.77		4,267.91		2,773.52
Other Payables #		15,271.01		14,493.95		5,303.68
Security Deposits/Advance From Occupants/ Licensees or Customers	28,579.07	23,332.58	27,660.20	30,620.77	27,196.44	31,738.28
Other Deposit	1.00		140.26		1,387.17	
Income Received in Advance	384.30	150.57	356.71	209.85	159.10	122.83
Unpaid Dividends*		176.50		208.78		161.88
	28,964.37	42,590.44	28,157.17	49,801.26	28,742.71	40,100.19

* These figures do not include any amounts, due and outstanding to be credited to Investor Education & Protection Fund

Others include Advance Received against the sale/redemption of Investments of ₹ 191.88 Lakhs (31st March 2016: ₹ 191.88 Lakhs , 1st April 2015: ₹ 191.88 Lakhs)

NOTE 25

Short Term Borrowings:

	(₹ in Lakhs)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured			
Loans from Bank	24,170.37	21,966.01	12,266.26
Unsecured			
Commercial Papers	-	-	5,500.00
Loans and Advances from related parties	170.90	2,260.79	330.37
Loan from Others	422.61	92.24	4,615.66
	24,763.88	24,319.04	22,712.29

Bank Overdraft/Cash credit facility of ₹ 21,689.49 Lakhs are secured against assets stated in Note 19 (A) (i) to (ix) above.

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

NOTE 26

Current Tax Liabilities

	(₹ in Lakhs)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Tax Provision (net of taxes paid)	553.34	10.38	181.66
	553.34	10.38	181.66

NOTE 27

REVENUE FROM OPERATIONS

	(₹ in Lakhs)	
	2016-17	2015-16
Realty Sales	32,050.13	41,733.60
License Fees and Rental Income	78,459.06	71,279.83
Service Charges	33,812.43	32,381.88
Room Rent Income	12,296.62	9,438.04
Food, Beverages and Banquet Income	15,388.63	12,507.50
Other Operating Income	10,453.83	10,610.61
	182,460.70	177,951.46

NOTE 28

OTHER INCOME

	(₹ in Lakhs)	
	2016-17	2015-16
Interest	3,212.82	1,878.06
Dividend Income	41.29	53.74
Net gain arising on financial assets measured at FVTPL	96.62	(52.53)
Others non operating Income		
Profit on assignment of rights / transfer of property under development	24.69	-
Profit on sale of Assets	0.44	7.83
Profit on sale of Investments	368.46	709.29
Miscellaneous Receipts	531.62	119.33
Sundry Balances/(Provision) written back	440.97	307.86
	4,716.91	3,023.58

NOTE 29

COST OF MATERIALS/CONSTRUCTION

	(₹ in Lakhs)	
	2016-17	2015-16
Food and Beverages		
Purchases	4,358.68	3,594.22
Realty		
Construction & Other related costs	23,914.20	39,718.64
	28,272.88	43,312.86

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

NOTE 30

CHANGE IN INVENTORY

	(₹ in Lakhs)	
	2016-17	2015-16
Food and Beverage Consumed		
Stocks at Begning of the year	603.05	387.84
Stocks at closing of the year	506.08	578.21
Net (Increase)/Decrease	96.97	(190.37)
Realty		
Opening Work In Progress	106,834.01	88,360.44
Closing work in progress	96,671.59	106,121.80
Less: Inventory capitalised/Transfer to CWIP	13,927.37	-
Net (Increase)/Decrease	(3,764.89)	(17,761.35)
Opening Finish Goods	25,243.78	28,360.26
Closing Finish Goods	128.15	25,243.78
Less: Inventory capitalised/Transfer to CWIP	25,056.42	-
Net (Increase)/Decrease	59.21	3,116.48
	(3,608.71)	(14,835.24)

NOTE 31

EMPLOYEE BENEFITS EXPENSE

	(₹ in Lakhs)	
	2016-17	2015-16
Salaries, Wages & Bonus	12,813.09	11,465.43
Contribution to Provident Fund & Other Funds	451.40	361.77
Gratuity and Leave encashment	211.65	216.74
Staff Welfare Expenses	389.12	398.35
Share based payments cost	160.79	-
	14,026.05	12,442.29

NOTE 32

FINANCE COSTS

	(₹ in Lakhs)	
	2016-17	2015-16
Interest Expenses	40,737.36	41,703.75
Premium on Non Convertible Debentures	988.15	943.99
Other Borrowing Costs	577.01	1,598.71
	42,302.52	44,246.45

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

NOTE 33

OTHER EXPENSES

	(₹ in Lakhs)	
	2016-17	2015-16
Electricity	19,372.57	18,769.65
Repairs and Maintenance:-		
Buildings	1,724.77	1,755.60
Machinery & Vehicles	2,866.55	3,014.30
Others	890.56	780.10
	5,481.88	-
Foreign Exchange (Gain)/Loss	(7.41)	0.11
Insurance	464.31	412.18
Stores and Operating Supplies	1,547.48	1,557.40
Rent, Rates & Taxes	628.37	1,329.84
Property Tax	4,398.20	2,891.83
Water Charges	900.24	1,055.15
Communication expenses	410.59	349.43
Postage & Courier	6.04	24.63
Printing & stationery expenses	129.61	90.08
Legal and Professional charges	2,337.83	2,478.93
Travelling Expenses	614.55	821.64
Auditors' Remuneration	173.70	154.16
Car Hire charges	321.08	270.80
Directors' sitting fees & Commission	23.65	24.80
Compensation	433.86	151.18
Donation	122.22	69.49
Loss on Assets Sold/Discarded	779.40	279.06
Advertisement & Sales Promotion	8,357.64	7,474.47
Bank charges	87.05	77.81
Brokerage	209.18	600.47
Rebate & Settlement	780.03	1,074.44
Bad debts & Sundry balances written off	92.55	214.59
Provision for Doubtful Debts & Advances	1,120.35	3,341.64
Parking Expenses	390.20	240.16
Office Expenses	44.50	77.20
Management Fee	782.39	671.63
Security Charges	3,324.60	2,554.76
Housekeeping Expenses	3,170.78	3,052.24
General Expenses	970.07	1,006.14
Other Miscellaneous Expenses	1,607.62	1,303.25
Miscellaneous/Preliminary Expenditure written off	-	370.63
Share of Loss from a Partnership Firm	1.85	1.74
	59,076.98	58,341.53

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

34. Details of the Exceptional Items

Particulars	(₹ in Lakhs)	
	2016-17	2015-16
Provision for the diminution in the value of investment (Refer Note No. 48)	-	2,300.00
Project Development Expenditure transferred to profit & loss account for change of business of subsidiary Gangetic Developers Pvt Ltd	-	77.57
Provision for loan given to related concern	-	700.00
Provision for Settlement between Pallazzio Hotels and Leisure Limited ("Pallazzio") and Shangri-La International Hotel Management Pte Ltd	-	737.65
Write off of loans in respect of Upal Developers Pvt Ltd	-	37.52
Provision for Loans & advance in respect of Blackwood Developers Pvt Ltd	-	20.00
Net Exceptional Expenses	-	3,872.74

35. Taxation

Income tax related to items charged or credited to profit or loss during the year:

A Statement of Profit or Loss

	(₹ in Lakhs)	
	2016-17	2015-16
1. Current Income Tax	7,925.16	10,696.82
	7,925.16	10,696.82
2. Deferred Tax expenses/ (benefits):		
Relating to origination and reversal of temporary differences	1,994.30	(309.47)
	1,994.30	(309.47)
3. Adjustments in respect of Income Tax of previous year		
Current Income Tax	(93.64)	(1.20)
Deferred Tax	-	-
	(93.64)	(1.20)
4. Minimum Alternate Tax credit entitlement	(1,250.06)	(2,717.16)
	(1,250.06)	(2,717.16)
Total Income tax Expenses (1 to 4)	8,575.76	7,668.99

B Reconciliation of Current Tax expenses:

Profit/(Loss) from Continuing operations	27,577.16	15,866.20
Applicable Tax Rate	34.608%	34.608%
Computed tax expenses	9,543.90	5,490.97
Additional allowances As per Income Tax Act	(9,578.73)	(9,945.32)
Income not allowed/exempt for tax purposes	(1,061.95)	(102.56)
Expenses not allowed for tax purposes	1,806.78	1,876.60
Carry Forward Loss utilised	2,457.91	4,217.99
Other temporary allowances	268.60	109.02
Additional Tax payable due to MAT provisions	1,434.61	1,535.82
Non Taxable Subsidiarie and Effect of Differential Tax Rate	3,704.63	4,486.46
	8,575.76	7,668.99
Effective Tax Rate	31.10%	48.34%

C Deferred Tax Recognised in statement of profit and Loss relates to the following:

Accelerated depreciation for tax purpose	3,118.47	3,482.87
Expenses allowable on payment basis	(511.53)	(1,926.77)
Provision for loss allowance	2,802.21	2,482.90
Other temporary differences	(2,328.28)	(3,659.44)
Unused Carry Forward losses	(1,086.57)	(689.03)
Deferred Tax Liabilities/ (Asset)	1,994.30	(309.47)

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

	(₹ in Lakhs)	
	2016-17	2015-16
D Reconciliation of deferred tax liabilities/(asset) net:		
Opening balance as on 1st April	(10,958.55)	(10,564.48)
Tax expenses/ (income) for the year	1,994.30	(309.47)
Add/(Less): On Account of Acquisition/Disposal of Subsidiary	(3,552.92)	(84.60)
Closing balance as on 31st March	(12,517.17)	(10,958.55)

E. The Group has not recognised any deferred tax liabilities for taxes that would be payable on the Group's share in unremitted earnings of certain of its subsidiaries because the Group controls when the liability will be incurred and it is probable that the liability will not be incurred in the foreseeable future.

F. In case of certain Subsidiaries Deferred Tax Assets has not been recognised on Carry Forward Losses

36. Fair Value of Financial Assets and Liabilities:

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

Particulars	(₹ in Lakhs)					
	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets designated at fair value through Profit and Loss						
Investments						
- in Equity shares	100.80	100.80	86.05	86.05	114.70	114.70
Financial assets designated at fair value through Other Comprehensive Income						
Investments						
- in Equity shares	11,515.29	11,515.29	11,272.27	11,272.27	11,421.48	11,421.48
- Preference Shares	106.25	106.25	106.25	106.25	106.25	106.25
- Compulsorily Convertible Debentures	10,150.05	10,150.05	10,150.05	10,150.05	10,875.05	10,875.05
- Optionally Compulsorily Convertible Debentures	8,200.00	8,200.00	-	-	-	-
- Capital Investment in Partnership Firm	190.65	190.65	192.50	192.50	194.24	194.24
Trade Receivables	14,701.15	14,701.15	27,858.46	27,858.46	21,251.37	21,251.37
Cash and Cash Equivalents	6,412.83	6,412.83	10,682.60	10,682.60	5,696.66	5,696.66
Loans and Advances	4,287.58	4,287.58	8,805.59	8,805.59	5,740.85	5,740.85
Deposits with Banks	1,711.37	1,711.37	5,620.85	5,620.85	1,076.85	1,076.85
Other financial assets	13,932.43	13,932.43	9,023.45	9,023.45	9,299.19	9,299.19
Total	71,308.40	71,308.40	83,798.06	83,798.06	65,776.62	65,776.62
Financial liabilities designated at amortised cost						
Borrowings	362,553.71	362,553.71	388,948.29	388,948.29	338,253.72	338,253.72
Trade payables and others	11,159.67	11,159.67	12,668.38	12,668.38	11,319.95	11,319.95
Other financial liabilities	4,139.18	4,139.18	6,684.37	6,684.37	6,736.77	6,736.77
Total	377,852.56	377,852.56	408,301.04	408,301.04	356,310.44	356,310.44

*In respect of Investment in equity shares of EWDL having carrying value of ₹ 5792.70 Lakhs and in CCD's of TWDPL having carrying value of ₹ 10,000 Lakhs, the financial information on the assets and liabilities position of these companies for determining the fair value for the current period is not available, same has been carried at cost.

Fair valuation techniques:

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

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

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

- 1 Fair value of the Equity Shares are based on price quoted on stock exchange.
- 2 Fair value of unquoted equity shares and CCD's is taken at intrinsic value.
- 3 Fair value of Long term Borrowings is calculated based on discounted cash flow.
- 4 Fair value of Financial Assets & Financial Liability(except Long term Borrowings) are carried at amortised cost and is not materially different from it's carrying cost.

Fair Value hierarchy:

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

Level 1: Quoted prices / published NAV (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). Fair value of the financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(₹ in Lakhs)

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets /Liabilities measured at fair value									
Financial Asset:									
Investments									
- in Equity shares	5,571.28	-	5,313.51	-	5,492.78	-	-	-	-
- Compulsorily Convertible Debentures			10,150.05		10,150.05				10,875.05
- Optionally Compulsorily Convertible Debentures			8,200.00						-
- Preference Shares			106.25		106.25				106.25

Reconciliation of fair value measurement categorised within level 3 of the fair value hierarchy

Particulars	(₹ in Lakhs)
Fair value as at 1st April, 2015	10,981.30
Purchase / Sale of financial instruments	(725.00)
Amount transferred to / from Level 3	-
Fair value as at 31st March, 2016	10,256.30
Purchase / Sale of financial instruments	8,200.00
Amount transferred to / from Level 3	-
Fair value as at 31st March, 2017	18,456.30

37. Financial risk Management:

The Company's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risks which the entity is exposed to and how it mitigates that risk.

● 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.

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

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.

Interest rate risk

Fluctuation in fair value or future cash flows of a financial instrument because of changes in market interest rates gives rise to interest rate risk. Almost 100% of the company's borrowings are linked to BR + 1.75% p.a. floating at Monthly rest including TP. With all other variables held constant, the following table demonstrates the impact of change in interest rate on borrowing cost on floating rate portion of loans.

Increase/ (decrease) in Interest cost of Long term borrowings for the year:

(₹ in Lakhs)

Change in Rate of Interest	Effect on Profit/(Loss) before tax		
	2016-17	2015-16	2014-15
+1%/-1%	3,377.90	3,646.29	3,155.41

• 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, mutual funds, financial institutions and other financial instruments.

Trade and other receivables:

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 to make an assessment of recoverability. Receivables are provided as doubtful / written off, when there is no reasonable expectation of recovery. Where receivables have been provided / written off, the Company continues regular followup, engage with the customers, legal options / any other remedies available with the objective of recovering these outstandings.

The Company is not exposed to concentration of credit risk to any one single customer since services are provided to vast spectrum and hence, the concentration of risk with respect to trade receivables is low. The Company also takes security deposits, advances, post dated cheques etc 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, 2017; March 31, 2016 and April 1 2015 is as follows:

(₹ in Lakhs)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Other Investments			
Cash and cash equivalents	6,412.83	10,682.60	5,696.66
Bank Deposits	1,711.37	5,620.85	1,076.85
Loans	4,287.58	8,805.59	5,740.85
Other financial assets	13,932.43	9,023.45	9,299.19
Financial assets for which loss allowances is measured using Life time Expected Credit Losses (ECL):			
Trade receivables	14,701.15	27,858.46	21,251.37

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

Life time Expected credit loss for Trade receivables under simplified approach

(₹ In Lakh)

Ageing of Trade Receivables	Past Due				Total
	0-90 days	90-180 days	180 - 360 days	over 360 days	
As at 31st March, 2017					
Gross Carrying Amount	10,217.92	2,163.28	1,390.35	4,707.60	18,479.15
Expected credit losses (Loss allowance provision)	20.84	25.77	150.57	3,580.82	3,778.00
Net Carrying Amount	10,197.08	2,137.51	1,239.78	1,126.78	14,701.15
As at 31st March, 2016					
Gross Carrying Amount	18,046.63	3,463.88	2,807.21	10,685.64	35,003.36
Expected credit losses (Loss allowance provision)	26.16	28.27	130.77	6,959.70	7,144.90
Net Carrying Amount	18,020.47	3,435.61	2,676.44	3,725.94	27,858.46
As at 1st April, 2015					
Gross Carrying Amount	12,034.24	2,654.88	2,616.35	11,055.66	28,361.13
Expected credit losses (Loss allowance provision)	20.20	13.37	110.05	6,966.14	7,109.76
Net Carrying Amount	12,014.04	2,641.51	2,506.30	4,089.52	21,251.37

(₹ in Lakhs)

Reconciliation of Changes in the life time expected credit loss allowance:

	2016-17	2015-16
Loss allowance on 1 April,	7,144.90	7,109.76
Provided during the year	1,120.35	3,341.65
Amount written off during the year/Adjusted against provision	(4,356.39)	(3,306.51)
On Account of Disposal of Subsidiary	(130.86)	-
Loss allowance on 31st March,	3,778.00	7,144.90

- 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.

The Company is required to maintain ratios (such as debt service coverage ratio and secured coverage ratio) as mentioned in the loan agreements at specified levels and also cash deposits with banks to mitigate the risk of default in repayments. In the event of any failure to meet these covenants, these loans become callable to the extent of failure at the option of lenders, except where exemption is provided by lender.

(₹ in Lakhs)

Particulars	As at March 31, 2017					Total
	Carrying Amount	On Demand	Less than 12 months	2- 5 years	>5 years	
Borrowings	362,553.71	21,362.59	32,351.19	107,205.02	201,634.91	362,553.71
Other Financial Liabilities	4,139.18	3,665.48	473.70	-	-	4,139.18
Trade and other payables	11,159.67	4,653.08	6,249.22	257.37	-	11,159.67

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

(₹ in Lakhs)

Particulars	As at March 31, 2016					Total
	Carrying Amount	On Demand	Less than 12 months	2- 5 years	>5 years	
Borrowings	388,948.29	24,319.09	26,619.91	107,797.14	230,212.20	388,948.29
Other Financial Liabilities	6,684.37	4,068.39	2,556.99	58.99	-	6,684.37
Trade and other payables	12,668.38	4,109.52	7,711.68	847.18	-	12,668.38

(₹ in Lakhs)

Particulars	As at April 1, 2015					Total
	Carrying Amount	On Demand	Less than 12 months	2- 5 years	>5 years	
Borrowings	338,253.72	22,712.29	35,440.53	159,122.34	120,978.55	338,253.72
Other Financial Liabilities	6,736.77	5,114.72	1,622.05	-	-	6,736.77
Trade and other payables	11,319.95	2,594.65	7,928.56	796.74	-	11,319.95

38. Capital management

The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended March 31, 2017 and March 31, 2016.

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 less cash and short term deposits.

(₹ in Lakhs)

Particulars	As At	As At
	31-03-2017	31-03-2016
Loans and Borrowings	362,553.71	388,948.29
Less: Cash and cash equivalents + Bank Deposits	8,124.20	16,303.45
Net Debt	354,429.51	372,644.84
Total Capital	218,718.78	202,730.46
Capital+Net Debt	573,148.29	575,375.30
Gearing Ratio	61.84%	64.77%

39. Segment Reporting

The Group's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system as per Ind AS 108. The Group has two reportable segments as under:

Reportable Segment	Nature of operations
Property and related services	Providing mall /office areas on licence basis and development of commercial / residential properties
Hospitality	Operation of hotels and restaurants

Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker. The measurement principles of segments are consistent with those used in Significant Accounting Policies with following additional policies for segment reporting.

- Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

- b) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

(₹ in Lakhs)

Sr no.	Particulars	Property & Related Services		Hospitality Services		Unallocated		Total	
		2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016
A	Revenue								
	Revenue From Operations	151,928.70	156,005.92	30,532.00	21,945.54			182,460.70	177,951.46
	Other Income					4,716.91	3,023.58	4,716.91	3,023.58
	Total	151,928.70	156,005.92	30,532.00	21,945.54	4,716.91	3,023.58	187,177.61	180,975.04
B	Results								
1	Profit Before Tax & Interest	60,932.32	62,783.95	4,230.45	(1,822.14)	4,716.91	3,023.58	69,879.68	63,985.39
2	Less: Interest					(42,302.52)	(44,246.45)	(42,302.52)	(44,246.45)
	Profit Before Tax & Exceptional Item	60,932.32	62,783.95	4,230.45	(1,822.14)	(37,585.61)	(41,222.87)	27,577.16	19,738.94
	Add/(less) Exceptional Item					-	(3,872.74)	-	(3,872.74)
	Less: Provision for Tax					(8,575.76)	(7,668.99)	(8,575.76)	(7,668.99)
	Net Profit after Tax	60,932.31	62,783.93	4,230.45	(1,822.14)	(46,161.38)	(52,764.59)	19,001.40	8,197.21
	Add/(less) Share of Profit/(loss) from Associates							95.07	167.98
	Profit After Tax	60,932.31	62,783.93	4,230.45	(1,822.14)	(46,161.38)	(52,764.59)	19,096.47	8,365.18
C	Other Information								
	Segment Assets	475,139.20	532,398.34	131,988.48	137,613.39	97,395.32	75,926.72	704,522.99	745,938.45
	Segment Liabilities	359,790.03	386,126.24	98,049.53	105,639.53	-	3,548.13	457,839.56	495,313.90
D	Other Disclosures								
	Capital Expenditure	53,017.66	8,170.93	3,078.13	11,702.52	-	-	56,095.79	19,873.45
	Investment in Associates	-	-	-	-	-	-	19,956.80	1,429.38
	Depreciation	12,069.61	11,640.56	7,461.12	6087.65	-	-	19,530.73	17728.21

All the activities of the Group and its subsidiaries are located in India. There are no secondary reportable segments. The revenue from transactions with single customer does not exceed 10% or more of the groups revenue.

40. Related Party Disclosure

In view of the Ind As 24 "Related Parties Disclosures", the disclosure in respect of related party transactions for the year ended on 31st March, 2017 is as under:

- a) RELATIONSHIPS

Category I: Associates

Classic Housing Projects Private Limited
 Mirabel Entertainment Private Limited
 Starboard Hotels Private Limited
 Classic Mall Development Pvt Ltd (Associate from 31/03/2017)

Category II: Key Managerial Personnel

Key Person	Designation
Ashokkumar R Ruia	Chairman & Managing Director
Atul Ruia	Jt. Managing Director
Shishir Shrivastava	Jt. Managing Director

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

Category III: Other Related Parties where common control exists

R.R.Hosiery Private Limited
 R.R. Hosiery
 Phoenix Retail Private Limited
 Ruia International Holdings Company Private Limited
 Phoenix Construction Company
 Winston Hotel Private Limited
 Ashok Apparels Private Limited
 Vigilant Developers Private Limited
 Padmshil Hospitality & Lesiure Private Limited

Category IV : Relatives of Key Managerial Personnel

Gayatri A Ruia
 B. R. International.

b) Transactions During the year

(₹ in Lakhs)

Sr. No.	TRANSACTIONS	Category I	Category II	Category III	Category IV	Total
1	Rent, Compensation & Other recoveries	226.50 (311.44)	-	-	19.19 (20.73)	245.69 (332.17)
2	Interest Received	770.27 (359.93)	-	-	-	770.27 (359.93)
3	Remuneration/Salaries/Other Expense	-	201.38 (135.26)	-	5.03	206.40 (135.26)
4	Administrative & Other Charges paid (Excluding Service Tax)	2.60 (2.70)	11.91	56.00 (125.26)	-	70.51 (127.96)
5	ICD Given	15,139.18 (7,565.00)	-	-	-	15,139.18 (7,565.00)
6	ICD returned by Parties	21,473.21 (2,848.21)	-	-	-	21,473.21 (2,848.21)
7	Share of Loss from partnership firm	-	-	(1.85) (1.74)	-	(1.85) (1.74)
8	Advances Given	61.83 (155.00)	-	-	-	61.83 (155.00)
9	Redemption/Transfer of OCD/CCD	-	-	(725.00)	-	- (725.00)
10	Advances Refunded by party	- (155.00)	-	-	-	- (155.00)

c) The following balances were due from / to the related parties as on 31-03-2017

(₹ in Lakhs)

Sr. No.	Balances	Category I	Category II	Category III	Category IV	Total
1	Investment in Equity Shares / pref shares	19,956.80 (2,178.65)	-	-	-	19,956.80 (2,178.65)
2	Investment in OCD/CCD	2,162.56 (2,196.56)	-	105.05 (105.05)	-	2267.61 (2,301.61)
3	Investment in Capital of Partnership Firm	-	-	190.65 (192.50)	-	190.65 (192.50)
4	Loans Taken	170.89 (2,260.79)	-	92.24 (92.24)	-	263.13 (2,353.03)

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

Sr. No.	Balances	Category I	Category II	Category III	Category IV	Total
5	Inter Corporate Deposits Given	259.51 (9,495.98)	- -	- -	- -	259.51 (9,495.98)
6	Advances Received	- -	- -	1.50 (1.50)	- -	1.50 (1.50)
7	Trade receivables	453.14 (351.54)	- -	11.74 (11.74)	- -	464.88 (363.28)
8	Trade Payables	3.66 (1.32)	- -	234.92 (235.38)	- -	238.57 (236.70)
9	Deposits Given/Capital Advance	- -	- -	2,679.13 (5,550.75)	- -	2,679.13 (5,550.75)

* Figures in bracket are of previous year.

Compensation of Key management personnel

The remuneration of director and other member of key management personnel during the year was as follows:

Particulars	2016-17	2015-16
Short-term benefits	201.38	135.26
Other long term benefits	53.50	51.72

(₹ in Lakhs)

Note: Figures in brackets indicates previous year figure.

- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- Review of outstanding balances is undertaken each financial year through examining the financial position of the related party and the market in which related party operates. These balances are unsecured and their settlement occurs through banking channel.

41. Earnings Per Share

Basic as well as Diluted EPS	2016-17	2015-16
Net Profit after Tax	16,792.13	12,892.96
Weighted Average No. of Equity Shares for Basic EPS	15,30,49,774	15,05,58,554
Dilution due to ESOPs Granted	2,86,219	106,028
Weighted Average No. of Equity Shares for Diluted EPS	153,335,993	150,664,582
Nominal Value of Equity Shares	2	2
Basic Earning Per Share	10.97	8.56
Diluted Earning Per Share	10.97	8.56

(₹ in Lakhs)

42. Contingent liabilities not provided for in respect of:-

- Estimated amount of contracts remaining to be executed on capital account and not provided for in the accounts is ₹ 5814.10 lakhs (P.Y. ₹ 13,341.21 lakhs) net of advance paid.
- Disputed Statutory demands on account of :

Sr. No.	Particulars	31st March 2017	31st March 2016
1	Income Tax	2,863.32	3,815.79
2	Service Tax	1,081.75	3,165.91
3	VAT	1,523.96	104.69
4	Property tax	6,023.23	1,085.90

(₹ in Lakhs)

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

- iii) Demand notices received on account of arrears of Provident Fund dues ₹ 82.12 lakhs (P.Y. ₹ 24.72 lakhs) are disputed by the Company. The Company has paid ₹ 10 Lakhs and has also furnished a Bank Guarantee for ₹ 14.71 Lakhs against P.F. demands to the P.F. authorities.
- iv) Other Claims against the company not acknowledged of ₹ 105.41 lakhs (P.Y. ₹ 83.96 lakhs)
- v) Outstanding guarantees given by Banks ₹ 437.97 lakhs (P.Y. ₹ 264.76 lakhs).
- vi) Guarantees given by the company for EPCG Licence ₹ 1614.09 Lakhs (P.Y. ₹ 2612.11 lakhs).
- vii) The above litigations are not expected to have any material adverse effect on the financial position of the company.

43. Expenditure incurred during construction period :

The Group's various projects relating to construction of commercial, retail, hotel and entertainment complexes are in progress. The expenditure incurred during the construction period is treated as "Project Development Expenditure" pending capitalisation. The same has been included under Capital Work In Progress and will be apportioned to fixed assets on the completion of the project.

The details of Project Development Expenditure as on the date of Balance sheet are as under:

Particulars	₹ in Lakhs)	
	2016-17	2015-16
Opening Balance Expenditure	3,048.38	2,395.62
Interest & Finance Charges	229.96	706.33
Property Taxes Provision/ net of Reversal	45.90	(53.56)
Closing Balance	3,324.24	3048.39

44. The Subsidiary companies considered in these consolidated financial statements are:

Sr. No.	Name of the Company	Country of incorporation	Proportion of Ownership 2016-2017	Proportion of Ownership 2015-2016
1	Alliance Spaces Private Limited (Subsidiary of PHCPL)	India	33.01%	33.01%
2	Blackwood Developers Private Limited (Subsidiary of BARE)	India	100.00%	100.00%
3	Bellona Hospitality Services Limited	India	100.00%	100.00%
4	Big Apple Real Estate Private Limited (BARE)	India	100.00%	100.00%
5	Butala Farm Lands Private Limited	India	100.00%	100.00%
6	Classic Mall Development Company Private Limited (Subsidiary upto 31/03/2017)	India	-	50.01%
7	Enhance Holdings Private Limited	India	100.00%	100.00%
8	Gangetic Developers Private Limited (Subsidiary of BARE)	India	58.61%	58.61%
9	Grace Works Realty & Leisure Private Limited (Subsidiary of PHCPL)	India	44.02%	44.02%
10	Island Star Mall Developers Private Limited (ISML)	India	100.00%	100.00%
11	Market City Resources Private Limited	India	100.00%	100.00%
12	Market City Management Private Limited	India	100.00%	100.00%
13	Mugwort Land Holding Private Limited	India	94.86%	94.86%
14	Offbeat Developers Private Limited	India	83.60%	65.37%
15	Palladium Constructions Private Limited	India	79.52%	79.52%
16	Pallazzo Hotels & Leisure Limited	India	58.51%	58.51%
17	Phoenix Hospitality Company Private Limited (PHCPL)	India	56.92%	56.92%
18	Pinnacle Real Estate Development Private Limited	India	100.00%	100.00%
19	Plutocrat Assets And Capital Management Private Limited	India	100.00%	100.00%
20	Sangam Infrabuild Corporation Private Limited (Subsidiary of BARE)	India	100.00%	100.00%
21	Upal Developers Private Limited (Subsidiary of BARE)	India	100.00%	100.00%
22	Vamona Developers Private Limited	India	86.55%	86.55%
23	Gangetic Hotels Private Limited (Associate upto 03/11/2015)	India	74.11%	42.98%
24	Savannah Phoenix Pvt Ltd (Associate upto 06/04/2015)	India	100.00%	100.00%
25	Alysum Developers Pvt Ltd (Subsidiary of ISML from 17/03/2017)	India	100.00%	-

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

45. The associate companies considered in the consolidated financial statements are:

Sr no.	Name of the Company	Country of incorporation	Proportion of Ownership	Proportion of Ownership
			2016-2017	2015-2016
1	Classing Housing Projects Pvt Ltd	India	50.00%	50.00%
2	Starboard Hotels Private Limited	India	28.47%	28.47%
3	Mirabel Entertainment Private Limited (Associate through PHCPL)	India	28.46%	28.46%
4	Classic Mall Development Company Private Limited (Subsidiary upto 31/03/2017)	India	48.19%	-
5	Galaxy Entertainment Corporation Ltd (upto 31/03/2016)	India	-	23.56%
6	Galaxy Entertainment (India) Private Ltd (upto 31/03/2016)	India	-	49.02%
7	Escort Developers Pvt Ltd (upto 31/03/2017)	India	-	50.00%

46. Capital work in progress includes ₹ 10,465.39 Lakhs (P.Y. ₹ 10,417.49 Lakhs) comprising mainly the cost incurred on acquiring long term tenancies on the plot of land admeasuring 7,617.51 sq mtrs at High Street Phoenix. The Company is exploring various alternatives for the development of the said plot of land.

47. The Group carries, as at the year end, investments of ₹ 5,792.70 lakhs (including through wholly owned subsidiary) in the equity shares of Entertainment World Developers Limited (EWDL), ₹ 10,000 lakhs in FCDs of Treasure world Developers Pvt. Ltd. (TWDPL), subsidiary of EWDL and interest accrued thereon, upto 31-03-2012, of ₹ 1,432.51 lakhs (net of TDS). The company had exercised the put option available as per the Share and Debenture Subscription Deed for the said FCDs in earlier year against which EWDL has paid a part amount of ₹ 1,918.80 Lakhs in November 2013. Pending receipt of the balance consideration, the amount received has not been adjusted against the investments/ accrued Interest and has been shown under other liability. The Networth of EWDL/ TWDPL has been eroded as per latest available unaudited accounts as at 31-03-2015. The Company's Board has, out of abundant caution and as a prudent practice in line with the standard accounting practices, made an impairment provision of ₹ 2,300.00 Lakh in the year ended 31st March 2016 and ₹ 9,125.00 Lakh for the year ended 31st March 2015. While the Company would continue its efforts for the recovery of the dues against the put option exercised by it on the FCDs, in the opinion of the Board, considering the realisable value of assets of EWDL & its subsidiaries, the impairment provisions against these investments are adequate.

Group had also made provision for loan given to one of the related concern of ₹ 700 lakhs for 31st March 2016 which is consider adequate.

48. The balances in respect of Trade Receivables & Payables and loans and advances, as appearing in the books of accounts are subject to confirmations from the respective parties and are pending reconciliations/adjustments arising there from, if any.

49. The Group provides units at its mall on License basis for which it charges license fee. The license agreements are generally for the period of 1 year to 5 years. The terms also provide for escalation of License fees and other charges on a periodical basis. Generally, the company has a right to terminate the license agreement by giving 6 months' notice.

50. The Company is a partner in a partnership firm M/s. Phoenix Construction Company. The accounts of the partnership firm have been finalised upto the financial year 2015-16. The details of the Capital Accounts of the Partners as per the latest Financial Statements of the firm are as under:-

Sr. No.	Name of the Partners	Profit Sharing Ratio	Total Capital on		
			31-03-2016	31-03-2015	31-03-2014
1	The Phoenix Mills Ltd	50%	161.64	163.49	165.23
2	Gold Seal Holding Pvt. Ltd.	50%	113.08	114.93	116.67

(₹ in Lakhs)

The Company has accounted for its share of loss amounting to ₹ 1.85 Lakhs (P.Y. ₹ 1.74 Lakhs) pertaining to the financial year 2015-16 in the year. The share of profit/loss for the current financial year will be accounted in the books of the Company on the finalisation of the accounts of the firm.

51. Event after Reporting date :

The Board of Directors have recommended dividend of ₹ 2.40 per fully paid up equity share of ₹ 2/- each, aggregating ₹ 4,421.18 lakhs, including ₹ 747.58 lakhs dividend distribution tax for the financial year 2016-17, which is based on relevant share capital as on March 31, 2017. The actual dividend amount will be dependent on the relevant share capital outstanding as on the record date / book closure.

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

52. Additional information as required under Section 186 (4) of the Companies Act, 2013 :

Investment made in Body Corporate are mentioned in Note 6.

No Guarantee is given by the Company.

Loans given by the company to Body Corporate or Person are as under:

(₹ in Lakhs)

Particulars	As at 31s March, 2017	Purpose
Accuraform Pvt Ltd	72.60	General Corporate Purpose
Alpha Stich-Art Pvt.Ltd.	163.55	General Corporate Purpose
Anushikha Investments Pvt. Ltd.	278.90	General Corporate Purpose
Bartraya Mall Development Co. Pvt. Ltd	300.00	General Corporate Purpose
CGS Apparel Pvt Ltd	49.86	General Corporate Purpose
GTN Textiles Limited	50.00	General Corporate Purpose
Kalani Industries Pvt Ltd	941.98	General Corporate Purpose
Mukand Limited	0.32	General Corporate Purpose
Supreet Vyapaar Pvt.Ltd.	59.13	General Corporate Purpose
Swaran Financial Pvt Ltd	166.47	General Corporate Purpose
Treasure World Developers Pvt.Ltd.	57.25	General Corporate Purpose
York Financial Services Pvt. Ltd.	93.83	General Corporate Purpose
Shailaja Finance Limited	1302.82	General Corporate Purpose
Ganjam Trading Company Pvt Ltd	265.87	General Corporate Purpose
Sona Promoters Pvt Ltd	52.90	General Corporate Purpose
Sunflag Commercial Enterprises Ltd	204.42	General Corporate Purpose
Dharani Developers Pvt Ltd	16.95	General Corporate Purpose
Sharyans Resources Ltd	2.56	General Corporate Purpose

53. Corporate Social Responsibility:

a. CSR amount required to be spent by the company as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof during the year is ₹ 353.24 Lakhs (P.Y. ₹ 332.03 Lakhs).

b. Expenditure related to Corporate Social Responsibility is ₹ 90.35/- Lakhs (Previous Year ₹ 36.27 Lakhs).
Details of Amount spent towards CSR given below:

(₹ In Lakhs)

Particulars	2016-17	2015-16
Construction of check dams	75.00	26.24
Promoting Employment enhancing vocation skills amongst differently – abled children	15.35	10.03
Total	90.35	36.27

54. Investment In Associates

The Group has a 48.19% interest in Classic Mall Development Company Private Limited. Classic Mall Development Company Private Limited is a private entity incorporated in India and that is not listed on any public exchange. The Company's interest in Classic Mall Development Company Private Limited is accounted for using the equity method in the consolidated financial statements. The summarized financial information of the Company's investment in Classic Mall Development Company Private Limited is as follows:

(₹ in Lakhs)

Summarised balance sheet	As at 31st March, 2017
Current assets	25,997.92
Current Liabilities	2,621.62
Net current assets	23,376.30
Non-current assets	66,423.08
Non-current liabilities	52,088.81
Net non-current assets	14,334.27
Net assets	37,710.57

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

(₹ in Lakhs)

Reconciliation to carrying amounts	For the year ended 31st March, 2017
Opening net assets	30,166.62
Profit for the year	7,547.06
Other comprehensive income	(3.12)
Closing net assets	37,710.57
Company's share in %	48.19%
Carrying amount	18,172.72

55. Acquisition Details

A) Acquisition during the year ended 31st March, 2017
There are no Acquisition during the year ended 31st March, 2017

B) Acquisition during the year ended 31st March, 2016:

On 03rd November 2015, the Group acquired 60.85% of voting shares of Gangetic Hotels Private Limited ("GHPL"), a non-listed company based in India. This acquisition will enable the Group to enlarge Hospitality segment of the Group.

Purchase Consideration

Total purchase consideration of ₹ 1671.90 lakhs for acquisition of Gangetic Hotels Private Limited is paid in cash

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Gangetic Hotels Private Limited as at the date of acquisition were:

(₹ In lakhs)

Particulars	Fair Value Recognized
Assets	
Property, plant and equipment	21,176.89
Inventories	23.74
Trade receivable	221.02
Cash and cash equivalents	1,133.76
Other assets	164.93
	22,720.34
Liabilities	
Borrowings	19,280.32
Trade payable	116.62
Provisions	7.20
Other financial liabilities	1,904.66
Other liabilities	69.44
	21,378.24
Net Identifiable Assets	1,342.10

Calculation of Goodwill

(₹ In Lakhs)

Purchase Consideration	1671.90
Less: Net Identifiable Assets	1342.10
Goodwill	329.80

Non-controlling Interest

For non-controlling interest in Gangetic Hotels Private Limited, the Group elected to recognize the non-controlling interest at its proportionate share of the acquired net identifiable assets.

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

Revenue and Profit Contribution

Gangetic Hotels Private Limited has contributed revenue of ₹ 1,987.40 lakhs and loss of ₹ (1,741.24) lakhs for the period from 03rd November, 2015 to 31st March, 2016.

56. Non-Controlling Interest:

a. Details of non-wholly owned subsidiaries that have material non-controlling interests (NCI):

(₹ In lakhs)

Particulars	Place of incorporation and principal place of business	Proportion of ownership interests by NCI	Proportion of voting interest held by NCI	Total comprehensive income allocated to NCI	Accumulated NCI
Pallazio Hotels & Leisure Limited	Mumbai - India	Nil	41.49%	(977.47)	2,253.50
Gangetic Hotels Private Limited#	Agra - India	Nil	25.89%	(1,421.93)	-
Offbeat Developers Private Limited	Mumbai - India	16.40%	16.40%	574.74	4,830.90
Vamona Developers Private Limited	Pune - India	13.45%	13.45%	301.87	2,512.51

Subsidiary from 03/11/2015

b. Information relating to Non-Controlling Interest:

Summarised financial information before intragroup eliminations in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below.

(₹ In lakhs)

Particulars	Pallazio Hotels & Leisure Limited			Gangetic Hotels Private Limited		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current Assets	4,945.42	6,319.87	2,430.12	864.87	901.03	-
Non Current Assets	110,452.40	113,344.39	112,696.81	20,262.07	21,610.45	-
Total Assets	115,397.82	119,664.26	115,126.93	21,126.95	22,511.48	-
Current Liabilities	17,498.73	52,470.45	25,627.92	1,766.51	9,423.40	-
Non Current Liabilities	70,815.81	59,737.63	78,404.38	11,391.90	12,754.80	-
Total Liabilities	88,314.54	112,208.08	104,032.31	13,158.41	22,178.20	-
Equity attributable to owners of the Company	24,829.78	4,362.77	6,189.44	7,968.54	333.28	-
Non-controlling interests	2,253.50	3,093.41	4,905.19	-	-	-

(₹ In lakhs)

Particulars	Offbeat Developers Private Limited			Vamona Developers Private Limited		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current Assets	33,847.01	44,466.71	37,556.54	6,121.10	6,564.88	5,855.98
Non Current Assets	99,209.58	98,931.54	99,203.16	77,780.84	69,793.69	68,288.68
Total Assets	133,056.59	143,398.25	136,759.70	83,901.94	76,358.57	74,144.66
Current Liabilities	33,997.76	40,338.94	33,154.37	14,452.19	14,897.04	23,433.08
Non Current Liabilities	68,229.65	75,469.97	72,315.73	50,756.15	45,021.50	35,478.11
Total Liabilities	102,227.41	115,808.91	105,470.10	65,208.35	59,918.54	58,911.18
Equity attributable to owners of the Company	25,998.28	18,433.71	17,831.87	16,181.08	14,229.38	9,529.04
Non-controlling interests	4,830.90	9,155.63	13,457.73	2,512.51	2,210.64	5,704.44

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

(₹ In lakhs)

Particulars	Pallazio Hotels & Leisure Limited		Gangetic Hotels Private Limited	
	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2017	Year ended 31st March, 2016
Revenue	25,586.12	22,213.38	3,304.08	2,881.85
Expenses (including tax)	27,942.16	37,230.47	5,798.33	6,823.93
Profit for the year	(2,356.04)	(15,017.09)	(2,494.24)	(3,942.08)
Other Comprehensive Income	(1.37)	78.64	-	-
Total Comprehensive Income	(2,357.41)	(14,938.44)	(2,494.24)	(3,942.08)
Total Comprehensive Income attributable to NCI	(977.47)	(6,197.64)	(1,421.93)	(992.85)
Net cash (outflow) from operating activities	8,593.55	9,384.82	574.26	448.44
Net cash (outflow) / inflow from investing activities	473.37	(7,748.22)	(191.30)	(107.89)
Net cash inflow from financing activities	(6,697.92)	(2,391.86)	(553.51)	(526.44)
Net cash (outflow) / inflow	2,369.00	(755.26)		

(₹ In lakhs)

Particulars	Offbeat Developers Private Limited		Vamona Developers Private Limited	
	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2017	Year ended 31st March, 2016
Revenue	24,423.68	23,441.18	19,897.47	18,518.07
Expenses (including tax)	21,195.49	27,143.12	17,640.39	17,311.45
Profit for the year	3,228.19	(3,701.94)	2,257.08	1,206.62
Other Comprehensive Income	(4.80)	1.68	(12.72)	(0.08)
Total Comprehensive Income	3,223.39	(3,700.26)	2,244.35	1,206.54
Total Comprehensive Income attributable to NCI	574.74	(1,506.92)	301.87	268.57
Net cash (outflow) from operating activities	17,813.58	2,544.97	10,209.63	5,840.37
Net cash (outflow) / inflow from investing activities	(4,531.76)	(842.49)	(8,309.25)	(3,401.37)
Net cash inflow from financing activities	(12,340.63)	(1,714.50)	(1,820.46)	(2,459.35)
Net cash (outflow) / inflow	941.18	(12.03)	79.92	(20.35)

57. Disclosure as per Ind As – 19 “Employee Benefits”.

i) Change in Defined Benefit Obligation during the year

(₹ In lakhs)

Particulars	2016-17 Gratuity (Funded)	2015-16 Gratuity (Funded)
Present value of the obligation at the beginning of the year	489.17	474.35
Current Service Cost	108.93	147.07
Interest Cost	43.00	46.48
Actuarial (Gain) / Loss on Obligation	7.30	(95.64)
Acquisition/Business Combination/Divestiture	(33.86)	(53.39)
Benefits Paid	(35.65)	(29.70)
Present value of the obligation at the end of the year	578.89	489.17

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

ii) Change in Fair Value of Assets and Obligations

(₹ In lakhs)

Particulars	2016-17 Gratuity (Funded)	2015-16 Gratuity (Funded)
Fair value of Plan Assets at the beginning of the year	400.35	289.75
Expected Return on plan assets	32.55	51.87
Contribution	92.72	104.13
Benefits paid during the year	(35.64)	(18.45)
Actuarial (gain)/loss on Plan Asset	(12.24)	0.00
Fair value of Plan Assets at the end of the year	477.74	427.29

iii) Amount to be recognized in Balance sheet (Net)

(₹ In lakhs)

Particulars	2016-17 Gratuity	2015-16 Gratuity
Present Value of Defined Benefit Obligation	578.89	489.17
Fair value of Plan Assets at the end of the year	477.75	427.29
Amount to be recognized in Balance sheet	101.14	61.87

iv) Current/Non-Current bifurcation (net of fund value/assets)

(₹ In lakhs)

Particulars	2016-17 Gratuity	2015-16 Gratuity
Current Benefit Obligation	18.60	11.25
Non - Current Benefit Obligation	82.54	50.62

v) Expense recognized in the statement of financial position for the year

(₹ In lakhs)

Particulars	2016-17 Gratuity (Funded)	2015-16 Gratuity (Funded)
Current Service Cost	144.41	182.57
Interest cost on Obligation	31.84	38.92
Expected Return on plan assets	(10.86)	(14.85)
Net Actuarial (Gain) / Loss recognised in the year	11.54	(7.17)
Net Cost Included in Personnel Expenses	176.94	199.46

vi) Recognised in Other Comprehensive (Income)/Loss at Period-End

(₹ In lakhs)

Particulars	2016-17 Gratuity (Funded)	2015-16 Gratuity (Funded)
Amount recognized in OCI, Beginning of Period	(146.91)	0.69
Remeasurement due to :		
Effect of Change in financial assumptions	55.81	7.62
Effect of Change in demographic assumptions	(21.24)	39.87
Effect of experience adjustments	(9.51)	(192.92)
Actuarial (Gains)/Losses	(30.75)	(153.05)
Return on plan assets (excluding interest)	12.73	0.07
Total remeasurements recognized in OCI	(18.02)	(152.98)
Amount recognized in OCI, End of Period	(164.93)	(152.29)

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

58. Details of Specified Bank Notes (SBN) held and transacted during the period 8/11/2016 to 30/12/2016:

(₹ In lakhs)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	39.44	96.89	136.32
(+) Permitted receipts	-	309.88	309.88
(-) Permitted payments	0.04	233.63	233.67
(-) Amount deposited in Banks	39.40	147.26	186.66
Closing balance 30.12.2016	-	25.88	25.88

59. Details required as per Schedule III of the Companies Act 2013 as below:-

i) Details of Net Assets & share in profit or loss

(₹ In lakhs)

Sr. No.	Name of the entity in the	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share In other Comprehensive Income		Share In Total Comprehensive Income	
		As % of consolidated net assets	Amount	As % of consolidated Profit	Amount	As % of consolidated Profit	Amount	As % of consolidated Profit	Amount
	1. Parent	98.59%	243,208.42	69.93%	13,354.78	144.78%	-89.05	69.69%	13,265.73
	Subsidiaries								
	A) Indian								
1	Alliance Spaces Private Limited	5.90%	14,550.70	0.36%	68.41	0.00%	-	0.36%	68.41
2	Blackwood Developers Private Limited	1.76%	4,342.24	0.53%	101.71	0.28%	-0.17	0.53%	101.54
3	Bellona Hospitality Services Limited	0.93%	2,292.11	-6.96%	-1,328.87	-59.39%	36.53	-6.79%	-1,292.34
4	Big Apple Real Estate Private Limited	4.88%	12,036.61	-0.03%	-5.95	0.00%	-	-0.03%	-5.95
5	Butala Farm Lands Private Limited	0.20%	498.02	0.00%	-0.25	0.00%	-	0.00%	-0.25
6	Classic Mall Development Company Private Limited #	0.00%	-	39.50%	7,547.06	5.07%	-3.12	39.62%	7,543.94
7	Enhance Holdings Private Limited	-0.37%	-902.08	0.00%	-0.24	0.00%	-	0.00%	-0.24
8	Gangetic Developers Private Limited	1.28%	3,153.57	-0.01%	-1.90	0.00%	-	-0.01%	-1.90
9	Gangetic Hotels Private Limited	3.23%	7,969.04	-13.06%	-2,493.74	0.00%	-	-13.10%	-2,493.74
10	Grace Works Realty & Leisure Private Limited	3.03%	7,479.19	-8.87%	-1,693.20	-1.49%	0.92	-8.89%	-1,692.28
11	Island Star Mall Developers Private Limited	9.48%	23,384.27	-24.80%	-4,736.38	-40.70%	25.03	-24.75%	-4,711.35
12	Market City Resources Private Limited	0.37%	923.36	-0.46%	-87.03	21.06%	-12.95	-0.53%	-99.98
13	Market City Management Private Limited	0.00%	10.10	0.00%	0.10	0.00%	-	0.00%	0.10
14	Mugwort Land Holding Private Limited	0.00%	8.88	0.00%	-0.51	0.00%	-	0.00%	-0.51
15	Offbeat Developers Private Limited	12.50%	30,829.18	16.90%	3,228.19	7.81%	-4.80	16.93%	3,223.39
16	Palladium Constructions Private Limited	22.39%	55,232.61	26.23%	5,009.16	0.00%	-	26.32%	5,009.16
17	Pallazzo Hotels & Leisure Limited	10.98%	27,083.27	-12.34%	-2,356.04	2.22%	-1.37	-12.38%	-2,357.41
18	Phoenix Hospitality Company Private Limited	7.28%	17,966.73	-0.87%	-165.92	0.00%	-	-0.87%	-165.92
19	Pinnacle Real Estate Development Private Limited	0.00%	-1.22	0.00%	0.06	0.00%	-	0.00%	0.06

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

Sr. No.	Name of the entity in the	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share In other Comprehensive Income		Share In Total Comprehensive Income	
		As % of consolidated net assets	Amount	As % of consolidated Profit	Amount	As % of consolidated Profit	Amount	As % of consolidated Profit	Amount
20	Plutocrat Assets And Capital Management Private Limited	0.00%	-0.34	0.00%	-0.24	0.00%	-	0.00%	-0.24
21	Sangam Infrabuild Corporation Private Limited	0.13%	318.84	0.00%	-0.27	0.00%	-	0.00%	-0.27
22	Savannah Phoenix Pvt. Ltd.	0.02%	46.37	-1.09%	-208.77	0.00%	-	-1.10%	-208.77
23	Upal Developers Private Limited	0.72%	1,779.47	2.97%	567.79	-0.33%	0.20	2.98%	568.00
24	Vamona Developers Private Limited	7.58%	18,693.59	11.82%	2,257.08	20.69%	-12.72	11.79%	2,244.35
25	Alysum Developers Pvt Ltd	0.00%	1.00	-	-	-	-	-	-
	Minority Interest in all subsidiaries	11.34%	27,969.68	12.07%	2,304.33	7.16%	-4.40	12.08%	2,299.94
Associates (investment as per Equity Method)									
1	Classic Housing Projects Private Limited	2.03%	5,003.50	0.54%	104.06	0.00%	-	0.54%	104.06
2	Mirabel Entertainment Private Limited	0.02%	43.91	-0.02%	-3.50	0.00%	-	-0.02%	-3.50
3	Starboard Hotels Private Limited	5.62%	13,862.66	-0.03%	-5.49	0.00%	-	-0.03%	-5.49

Due to dilution in shareholding the status of the company is changed from subsidiary to associate w.e.f. 31st March, 2017.

60. Goodwill Impairment

Goodwill is tested for impairment on annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGU) is less than its carrying amount based on a number of factors including business plan, operating results, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value in use and fair value less cost to sell. For the purpose of impairment testing, goodwill is allocated to a CGU representing the lowest level within the Group at which Goodwill is monitored for internal management purposes, and which is not higher than the Group's operating segment.

Goodwill (excluding Capital Reserve) is allocated to the following CGU for impairment testing purpose.

(₹ In lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Goodwill relating to Property & Related Services	1,259.91	554.04
Goodwill relating to Hospitality Services	33,968.97	27,723.50
Total	35,228.88	28,277.54

The Group uses discounted cash flow based methods to determine the recoverable amount. These discounted cash flow calculations use five year projections that are based on financial forecasts. Cash flow projections take into account past experience and represent management's best estimate about future developments.

Management estimates discount rates using pre-tax rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC).

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

61. Share-based payment arrangements:

A. Description of share-based payment arrangements

- i. Share option programmes (equity-settled)

"The Company has granted stock options under the following employee stock option scheme:

ESOP 2007					
Date of grant	Number of options (Gross)	Exercise Price	Date of vesting	Vesting period	Fair Value of Option
10-Jun-08	650,000	270.00	9-Jun-16	12	153.26
26-Mar-15	10,556	316.80	25-Mar-16	12	118.69
26-Mar-15	15,833	316.80	25-Mar-17	24	138.36
26-Mar-15	21,111	316.80	25-Mar-18	36	154.97
26-Mar-15	26,389	316.80	25-Mar-19	48	169.26
26-Mar-15	31,667	316.80	25-Mar-20	60	181.67
9-Jun-16	124,000	333.90	23-Oct-17	12	112.84
9-Jun-16	186,000	333.90	23-Oct-18	24	128.32
9-Jun-16	248,000	333.90	23-Oct-19	36	144.12
9-Jun-16	310,000	333.90	23-Oct-20	48	158.33
9-Jun-16	372,000	333.90	23-Oct-21	60	171.52

B. Measurement of fair value

- i. Equity-settled share-based payment arrangements

The fair value of the employee share options has been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value. The requirement that the employee has to save in order to purchase shares under the share purchase plan has been incorporated into the fair value at grant date by applying a discount to the valuation obtained. The discount has been determined by estimating the probability that the employee will stop saving based on historical behavior.

Grant Date	ESOP 2007		
	9-Jun-16	26-Mar-15	10-Jun-08
Vesting Period/ Expected Life	From grant date - 12 months to 60 months	From grant date - 12 months to 60 months	1 to 8 years
Fair value of option at grant date	112.84 - 171.52	118.69 - 181.67	153.26
Share price at grant date	371.00	353.05	274.07
Exercise price	333.90	316.80	270.00
Historical volatility	31.1% - 29.6%	35%	45%
Time to Maturity (Years)	2.50 years to 6.50 years	2.50 years to 6.50 years	1 years to 8 years
Dividend Yield	0.66%	0.80%	0.63%
Risk-free Rate	6.85%	8.23%	8.07%

Weighted average remaining contractual life of the options as at 31-Mar-17 - 2.34 (31-Mar-16 - 2.10) years

VALUATION METHODOLOGY, APPROACH & ANALYSIS:

Particulars	Description of the inputs used
Market Price of the optioned Stock	For ESOP weighted average market price as available from the website of BSE as on the date of grant. This price holds good for our Black Scholes Fair Valuation analysis for the grants made by the company on 21st October, 2016.
Exercise price	The exercise price as per the Employees Stock Option Scheme 2007 formulated by the Company per equity share is ₹ 333.90/-
Time to Maturity/ Expected Life of the Option	It is the period for which the Company expects the options to be alive. The minimum life of stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the option cannot be exercised. As per the' scheme, options are vested to the employees over a period of five years as under:

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

Vesting Date	Maximum % of Option that shall vest
12 Months from Grant Date	10%
24 Months from Grant Date	15%
36 Months from Grant Date	20%
48 Months from Grant Date	25%
60 Months from Grant Date	30%

The following table lists the average inputs to the models used for the plans for the year ended 31 March 2017

Particulars	Description of the inputs used
Expected volatility (weighted-average)	Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of the Company's publicly traded equity shares.
Expected dividends	Dividend yield of the options is based on recent dividend activity.
Risk-free interest rate (based on government bonds)	Risk-free interest rates are based on the government securities yield in effect at the time of the grant.
Option Exercise Period	Option can be Exercise anytime in three year from the Vesting date.

C. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option programmes were as follows.

	ESOP 2007			
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March, 2017	31 March, 2017	31 March, 2016	31 March, 2016
Options outstanding as at the beginning of the year	179,056	302.54	219,306	292.53
Add: Options granted during the year	1,240,000	333.90	-	-
Less: Options lapsed during the year	6,000	270.00	-	-
Less: Options exercised during the year	78,055	276.33	40,250	270.00
Options outstanding as at the year end	1,335,001	332.68	179,056	302.54

62.

Disclosure as required by Ind AS 101 - First time adoption of Indian Accounting Standards

Transition to Ind AS

Basis of preparation:

For all period up to and including the year ended March 31, 2016, the Group has prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements for the year ended March 31, 2017 are the Group's first annual Ind AS financial statements and have been prepared in accordance with Ind AS.

Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for periods beginning on or after April 1, 2015 as described in the accounting policies. In preparing these financial statements, the Group's opening Balance Sheet was prepared as at April 1, 2015 the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP Balance Sheet as at April 1, 2015 and its previously published Indian GAAP financial statements for the year ended March 31, 2016.

Exemptions Applied:

Ind AS 101 "First-time Adoption of Indian Accounting Standards" allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

Property, plant and equipment and intangible assets :-

The Group has elected to apply Indian GAAP carrying amount as deemed cost on the date of transition to Ind AS for its property, plant and equipment and intangible assets.

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

Investments in associates :-

The Group has elected to apply Indian GAAP carrying amount of its investments in associates as deemed cost on the date of transition to Ind AS.

Business combinations:-

Ind AS 101 provides the option to apply Ind AS 103 "Business Combinations" prospectively from the date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Group elected to apply Ind AS 103 prospectively to business combination
Mandatory exceptions applied

The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements.

Non-controlling interests:-

"Ind AS 110 "Consolidated Financial Statements"" requires entities to attribute the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests. This requirement needs to be followed even if this results in the non-controlling interests having a deficit balance. Ind AS 101 requires the above requirement to be followed prospectively from the date of transition. Consequently, the group has applied the above requirement prospectively.

Classification and measurement of financial assets:-

The Group has classified the financial assets in accordance with Ind AS 109 " Financial Instruments" on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Estimates:-

The Group's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1st April, 2015 are consistent with the estimates as at the same date made in conformity with Indian GAAP except where Ind AS required a different basis for estimates as compared to the Indian GAAP.

Impact of transition to Ind AS

The following is a summary of the effects of the differences between Ind AS and Indian GAAP on the Group's total equity shareholders' funds and profit and loss for the financial periods previously reported under Indian GAAP following the date of transition to Ind AS. There is no material impacts of Ind AS transactions on the Cash flow statement.

Reconciliation of Balance sheet as on 1st April 2015 (i.e. date of transition to Ind AS)

				₹ in Lakhs
Particulars	Note no.	As Per IGAAP	Adjustment	As per IND AS
ASSETS				
Non-current assets				
Property, plant and equipment		412,777.89	-	412,777.89
Capital work-in-progress		21,377.73	-	21,377.73
Goodwill	VII	-	2,071.29	2,071.29
Other Intangible assets		253.49	-	253.49
Financial assets		-	-	-
- Investments	II	18,071.64	148.32	18,219.96
- Loan		1,493.21	-	1,493.21
- Other		6,264.66	-	6,264.66
Deferred tax assets (Net)	VIII	10,473.27	2,404.23	12,877.50
Other non-current assets	VI	20,022.98	(164.21)	19,858.77
(A)		490,734.87	4,459.63	495,194.50

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

₹ in Lakhs				
Particulars	Note no.	As Per IGAAP	Adjustment	As per IND As
Current assets				
Inventories		117,830.86	-	117,830.86
Financial assets				
- Investments		1,900.00	-	1,900.00
- Trade and other receivables	I	21,920.53	(669.16)	21,251.37
- Cash and cash equivalents		5,696.66	-	5,696.66
- Bank Balance other than above		1,076.85	-	1,076.85
- Loans		4,247.63	-	4,247.63
- Other		3,034.52	-	3,034.52
Current Tax Assets (net)		8,490.43	-	8,490.43
Other current assets	VI	9,196.19	(49.16)	9,147.03
(B)		173,393.67	(718.32)	172,675.35
TOTAL (A + B)		664,128.54	3,741.31	667,869.85
Equity				
Equity Share capital		2,899.13	-	2,899.13
Other equity		164,469.92	2,659.30	167,129.22
Equity attributable to the owners		167,369.05	2,659.30	170,028.365
Non-controlling interest	VII	62,121.60	4,643.69	66,765.29
(A)		229,490.65	7,302.99	236,793.64
Liabilities				
Non-current liabilities				
Financial liabilities				
- Borrowings	VII	281,903.21	(1,802.32)	280,100.89
- Trade Payables		812.01	-	812.01
- Other financial liabilities		126.99	-	126.99
Provisions		2,223.27	-	2,223.27
Deferred tax liabilities (Net)	VIII	-	2,313.02	2,313.02
Other non-current liabilities	V	28,982.95	(240.24)	28,742.71
(B)		314,048.43	270.46	314,318.89
Current liabilities				
Financial liabilities				
- Borrowings		22,712.29	-	22,712.29
- Trade Payables	V	10,501.83	6.12	10,507.95
- Other financial liabilities		42,050.32	-	42,050.32
Other current liabilities		40,100.19	-	40,100.19
Provisions	X	5,043.17	(3,838.26)	1,204.91
Current tax Liabilities (net)		181.66	-	181.66
(C)		120,589.46	(3,832.14)	116,757.32
TOTAL (A+B+C)		664,128.54	3,741.31	667,869.85

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

Reconciliation of Other Equity as at April 1, 2015

₹ in Lakhs

Other Equity	Note No.	Total impact on other equity
Balances at April 1, 2015 -IGAAP (A)		164,469.92
Adjustments:-		
Fair Value for Financial Assets	II	8.88
Fair Value Change in Investment through OCI	II	139.45
Preliminary Expenses w/off	VI	(205.14)
Deferred Tax Liability Recognised	VIII	71.42
Transfer to Non Controlling due to change in shareholding	VII	(830.94)
Proposed dividend (Including Tax Thereon)	X	3,838.26
Expected Credit Loss (ECL) on receivables	I	(362.63)
Total IndAS Adjustments (B)		(2,659.30)
Balances at April 1, 2015 -IndAS (A+B)		167,129.22

Reconciliation of Balance sheet as on 31st March 2016

₹ in Lakhs

Particulars	Note no.	As Per IGAAP	Adjustment	As per IND AS
ASSETS				
Non-current assets				
Property, plant and equipment	XII	434,785.33	329.80	435,115.13
Capital work-in-progress		19,486.12	-	19,486.12
Goodwill	XII & VII	2,604.20	16,704.43	19,308.63
Other Intangible assets		383.48	(10.23)	373.25
Financial assets				
- Investments	II	13,900.76	73.30	13,974.06
- Loan		6,914.26	-	6,914.26
- Other		7,288.85	-	7,288.85
Deferred tax assets (Net)	VIII	11,084.10	3,422.58	14,506.68
Other non-current assets	V & VI	24,423.81	(323.99)	24,099.82
(A)		520,870.91	20,195.89	541,066.80
Current assets				
Inventories		132,396.19	-	132,396.19
Financial assets				
- Investments	II & IX	2,096.88	38.46	2,135.34
- Trade receivables	I & V	32,006.67	(4,148.21)	27,858.46
- Cash and cash equivalents		10,682.60	-	10,682.60
- Bank Balance other than above		5,620.85	-	5,620.85
- Loans		1,891.33	-	1,891.33
- Other		1,734.61	-	1,734.61
Current Tax Assets (net)	VIII	13,996.24	(137.03)	13,859.21
Other current assets	V	8,818.17	(125.09)	8,693.08
(B)		209,243.54	(4,371.87)	204,871.67
TOTAL (A + B)		730,114.45	15,824.02	745,938.47

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

₹ in Lakhs				
Particulars	Note no.	As Per IGAAP	Adjustment	As per IND AS
Equity				
Equity Share capital		3,059.78	-	3,059.78
Other equity		183,802.95	15,867.73	199,670.68
Equity attributable to the owners		186,862.73	15,867.73	202,730.46
Non-controlling interest	VII	45,107.06	2,787.05	47,894.11
(A)		231,969.79	18,654.78	250,624.57
Liabilities				
Non-current liabilities				
Financial liabilities				
- Borrowings	VII	340,039.45	(2,030.11)	338,009.34
- Trade Payables		567.58	-	567.58
- Other financial liabilities		290.56	-	290.56
Provisions		3,120.30	-	3,120.30
Deferred tax liabilities (Net)	VIII	-	3,548.13	3,548.13
Other non-current liabilities	V	31,609.57	(3,452.37)	28,157.17
(B)		375,627.46	(1,934.38)	373,693.08
Current liabilities				
Financial liabilities				
- Borrowings		24,319.04	-	24,319.04
- Trade Payables	V	12,168.57	(67.78)	12,100.79
- Other financial liabilities		33,013.72	-	33,013.72
Other current liabilities		49,801.26	-	49,801.26
Provisions	X	3,204.23	(828.60)	2,375.63
Current tax Liabilities (net)		10.38	-	10.38
(C)		122,517.20	(896.38)	121,620.81
TOTAL (A+B+C)		730,114.45	15,824.02	745,938.47

Reconciliation of Other Equity as at April 1, 2015

(₹ In lakhs)		
Other Equity	Note No.	Total impact on other equity
Balances at March 31, 2016 -IGAAP (A)		183,802.95
Adjustments:-		
Premium on redemption of Non-convertible debentures (NCD)	III	(552.33)
Fair Value for Financial Assets	II	306.92
Fair Value Change in Investment through OCI	II	(270.63)
Remeasurments gains defined benefit plan	IV	26.70
Preliminary Expenses w/off	VI	(195.58)
Deferred Tax Liability Recognised	VIII	40.45
Transfer to Non Controlling due to change in shareholding	VII	16,355.70
Expected Credit Loss (ECL) on receivables	I	(672.10)
Proposed dividend (Including Tax Thereon)	X	828.60
Total (B)		15,867.73
Balances at March 31, 2016 -IndAS (A+B)		199,670.68

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

Reconciliation of Statement of profit or loss for the year ended 31st March 2016

				₹ in Lakhs
	Note No.	Indian GAAP	Adjustments	Ind AS
Revenue from operations	III & XI	177,855.51	95.95	177,951.46
Other income	II	3,120.30	(96.72)	3,023.58
Total revenue		180,975.81	(0.77)	180,975.04
Expenses				
Cost of materials consumed	XI	43,303.42	9.44	43,312.86
Changes in inventories of finished goods, work in progress and stock-in-trade		(14,835.24)	-	(14,835.24)
Employee benefit expense	IV	12,327.30	114.99	12,442.29
Depreciation and amortisation expense		17,728.21	-	17,728.21
Finance cost	III	43,051.12	1,195.33	44,246.45
Other expense	VI	58,056.55	284.98	58,341.53
		159,631.36	1,604.74	161,236.10
Profit / (Loss) before finance costs, depreciation, prior period items, exceptional items and tax		21,344.45	(1,605.51)	19,738.94
Add / (Less):- Exceptional Items		(3,872.74)	-	(3,872.74)
		-	-	-
Profit/ (loss) before tax		17,471.71	(1,605.51)	15,866.20
Tax expense:				
Current Income Tax		10,695.81	1.01	10,696.82
Deferred Tax	VIII	(529.84)	220.37	(309.47)
Minimum Alternate Tax		(2,707.25)	(9.91)	(2,717.16)
Tax Adjustments of earlier years		(1.20)	-	(1.20)
Profit/(Loss) for the year		10,014.19	(1,816.98)	8,197.21
Add : Share of Profit/(Loss) in Associates		167.98	-	167.98
Other comprehensive income				
A) Items that will not be reclassified To Profit or Loss				
a) Re-measurment gain of the net defined benefit plans	IV	-	152.98	152.98
b) Gain/(Loss) on Equity instruments at fair value through Other Comprehensive Income	II	-	(51.34)	(51.34)
B) Income tax relating to items that will not be reclassified to Profit or Loss				
	IV & VIII	-	8.05	(8.05)
Total comprehensive loss for the period		10,182.17	(1,723.39)	8,458.78

Footnotes to the reconciliation of equity as at 1st April 2015 and 31st March 2016 and Statement of profit and loss for the year ended 31st March 2016:

- I) Expected Credit Loss (ECL) Provision: The Group has made provision on trade receivables as per IndAS 109. Impact of ECL as on date of transition is recognised in opening reserves and changes thereafter are recognised in Statement of Profit and Loss.
- II) Fair Valuation for Financial Asset: The Group has valued financial assets (other than investment in subsidiaries, associate which are accounted at cost), at fair value. Impact of fair value changes on the date of transition, is recognised in opening reserve and changes thereafter are recognised in statement of Profit and Loss or Other Comprehensive Income, as the case may be.
- III) Premium on redemption of Non-convertible debentures (NCD) : Under Indian GAAP, premium on redemption of NCD was adjusted against securities premium account and under Ind AS, it is debited to statement of profit and loss from date of transition.
- IV) Remeasurement gain/(loss) on defined benefit plans: Under IndAS, such obligation is accounted in Other Comprehensive Income, whereas under previous Indian GAAP, same was charged to Profit and Loss account.
- V) Offsetting of financial asset & Liability: Financial asset & Liability that can be legally offset & which Company intends to settle on net basis are offsetted as per IndAS 39

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

- VI) Derecognition of Miscellaneous Expenditure: Miscellaneous Expenses incurred as not been recognised as asset as per IndAS 101. Impact on the date of transition is recognised in opening reserve and for the period thereafter in Statement of Profit and Loss.
- VII) Changes in amount allocated to Non Controlling Interest: The Group's interest in a wholly owned subsidiary has been reworked considering the potential equity shares to be issued to non controlling interest and their share in net reserves of subsidiary on the transition date has been adjusted in opening reserves and their share in profit/loss for the year in the Statement of Profit and Loss.
- VIII) Deferred Tax/Current Tax: The above Ind AS adjustments have resulted into changes in deferred tax/current tax for the respective periods .
- IX) Fair Value of Employee Stock Option : Employee Stock Option has been accounted at fair value under IndAS, which were earlier accounted at intrinsic value under previous Indian GAAP.
- X) Dividend and dividend distribution tax:-
Under Indian GAAP, proposed dividends were recognised as an adjusting event occurring after the balance sheet date however under the Ind AS proposed dividend are non adjusting events after the balance sheet date and hence recognised as and when approved by the Shareholders In the case of the Company, the declaration of dividend occurs after period end. Therefore, the liability for dividend for the year ended on 31st March, 2015 has been derecognised with corresponding impact in the retained earnings on 1st April, 2015
- XI) Excise duty: Under previous GAAP , total revenue from sale of product was presented exclusive of excise duty. This change has resulted in an increase in total revenue of Food & Beverages consumption for the year ended 31 March 2016.
- XII) Asset acquired on acquisition of one subsidiary are stated at fair value as per Ind AS 103.

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

Significant Accounting Policies and Notes on Financials Statements 1 to 63

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

As per our report of even date

For A.M.Ghelani & Company

Chartered Accountants
FRN : 103173W

Chintan A. Ghelani

Partner
M. No.:104391

For Chaturvedi & Shah

Chartered Accountants
FRN : 101720W

Jignesh Mehta

Partner
M. No.:102749

For and on behalf of the Board of Directors

Ashokkumar Ruia

(Chairman & Managing Director)
DIN - 00086762

Atul Ruia

(Jt. Managing Director)
DIN - 00087396

Puja Tandon

(Company Secretary)
M.No.A21937

Shishir Shrivastava

(Jt. Managing Director)
DIN - 01266095

Pradumna Kanodia

(Director - Finance)
DIN - 01602690

Place : Mumbai
Date: 10th May, 2017

ANNEXURE - I - FORM AOC - I

The Phoenix Mills Limited
Form AOC - I
(Pursuant to first proviso to sub-section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial subsidiaries/ associate company/joint ventures
Part "A":Subsidiaries
(Information in respect of each subsidiary to be presented with amount in Lakhs)

Sr No.	Name of Subsidiary Co	Reporting Currency	Share Capital	Reserve & Surplus	Total Asset	Total Liabilities	Total Investment	Turnover/ Total Income	Profit Before Tax	Provision for Tax	Profit After Tax	Proposed Dividend	% Shareholding
Subsidiary													
1	Alliance Spaces Private Limited	INR	199.87	14,350.83	15,146.30	595.60	-	413.34	107.53	39.12	68.41	-	33.00%
2	Blackwood Developers Private Limited	INR	1,873.17	2,469.07	15,497.83	11,155.59	-	3,246.74	113.38	11.67	101.71	-	100.00%
3	Bellona Hospitality Services Limited	INR	438.71	1,853.39	8,359.58	6,067.48	-	2,057.55	-1,365.40	-	-1,365.40	-	100.00%
4	Big Apple Real Estate Private Limited	INR	2,558.59	9,478.02	14,864.59	2,827.98	10,755.26	154.53	-5.15	0.80	-5.95	-	100.00%
5	Butala Farm Lands Private Limited	INR	1.25	496.77	501.45	3.43	500.00	-	-0.25	-	-0.25	-	100.00%
6	Enhance Holdings Private Limited	INR	1.00	-903.08	391.55	1,293.63	391.46	-	-0.24	-	-0.24	-	100.00%
7	Gangetic Developers Private Limited	INR	898.60	2,254.97	3,153.76	0.19	-	0.02	-1.90	-	-1.90	-	58.61%
8	Gangetic Hotels Private Limited	INR	499.20	7,469.84	21,126.95	13,157.91	-	3,304.08	-2,810.74	-317.00	-2,493.74	-	74.11%
9	Grace Works Realty & Leisure Private Limited	INR	6.76	7,472.43	27,275.85	19,796.66	-	1,809.70	-1,772.98	-79.79	-1,693.20	-	44.02%
10	Island Star Mall Developers Private Limited	INR	11,225.86	12,158.42	78,527.74	55,143.46	1.00	17,181.91	-4,308.35	428.03	-4,736.38	-	100.00%
11	Market City Resources Private Limited	INR	1.00	922.36	1,461.76	538.40	-	2,103.11	-93.93	-6.90	-87.03	-	100.00%
12	Market City Management Private Limited	INR	10.00	0.10	10.25	0.15	0.01	0.29	0.15	0.05	0.10	-	100.00%
13	Mugwort Land Holding Private Limited	INR	1.00	7.88	101.27	92.39	-	0.14	-0.02	0.49	-0.51	-	94.86%
14	Offbeat Developers Private Limited	INR	3,157.98	27,671.20	133,056.59	102,227.41	1.25	24,423.68	4,770.36	1,542.17	3,228.19	-	83.60%

ANNEXURE - I - FORM AOC - I

Sr No.	Name of Subsidiary Co	Reporting Currency	Share Capital	Reserve & Surplus	Total Asset	Total Liabilities	Investment	Turnover/ Total Income	Profit Before Tax	Provision for Tax	Profit After Tax	Proposed Dividend	% Shareholding
15	Palladium Constructions Private Limited	INR	3,277.86	51,954.75	73,456.21	18,223.60	1,929.55	23,139.89	7,107.39	2,098.23	5,009.16	-	79.52%
16	Pallazio Hotels & Leisure Limited	INR	1,200.00	25,883.27	115,397.82	88,314.54	5.95	25,586.12	-2,356.04	-	-2,356.04	-	58.51%
17	Phoenix Hospitality Company Private Limited	INR	232.14	17,734.59	18,486.06	519.33	18,435.55	5.41	-165.92	-	-165.92	-	56.92%
18	Pinnacle Real Estate Development Private Limited	INR	1.00	-2.22	2.06	3.29	0.01	0.20	0.06	-	0.06	-	100.00%
19	Plutocrat Assets And Capital Management Private Limited	INR	1.00	-1.34	0.53	0.87	-	-	-0.24	-	-0.24	-	100.00%
20	Sangam Infrabuild Corporation Private Limited	INR	334.60	-15.76	452.47	133.64	-	-	-0.27	-	-0.27	-	100.00%
21	Savannah Phoenix Pvt. Ltd.	INR	83.40	-37.03	178.00	131.63	-	87.58	-105.35	103.41	-208.77	-	100.00%
22	Upal Developers Private Limited	INR	1,960.00	-180.53	13,957.87	12,178.41	-	3,966.71	567.79	-	567.79	-	100.00%
23	Vamona Developers Private Limited	INR	2,500.00	16,193.59	83,901.94	65,208.35	4,005.00	19,897.47	2,634.10	377.02	2,257.08	-	86.55%
24	Alysum Developers Pvt. Ltd.	INR	1.00	-	1.00	-	-	-	-	-	-	-	100%

Notes:

- Names of subsidiaries which are yet to commence operations:
 - Butala Farm Lands Private Limited
 - Enhance Holdings Private Limited
 - Mugwort Land Holding Private Limited
 - Pinnacle Real Estate Development Private Limited
 - Plutocrat Assets And Capital Management Private Limited
 - Sangam Infrabuild Corporation Private Limited

ANNEXURE - I - FORM AOC - I

Part "B": Associates and Joint Ventures: "Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures"

Sl. No.	1	2	3	4	5
Name of Associates / Joint Ventures	Classic Housing Projects Private Limited	Mirabel Entertainment Private Limited	Classic Mall Development Company Private Limited	Starboard Hotels Private Limited	Escort Developers Private Limited
Latest Audited Balancesheet Date	31.3.2017	31.3.2017	31.3.2017	31.3.2017	31.3.2017
Shares of Associates/Joint Ventures held by the Company/ Subsidiary Companies on the year end					
(i) No.	5,208	5,000	3,709,416	2,500,626	
(ii) Amount of Investment in Associates / Joint Venture	1,392.58	13.03	18,173	378.47	
(iii) Extend of Holding	48.00%	28.46%	48.19%	28.45%	50.00%
Description of how there is significant influence	Refer Note 2	Refer Note 2	Refer Note 3&5	Refer Note 2	Refer Note 1
Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Refer Note 1
Networth attributable to Shareholding as per latest audited Balancesheet	5,003.50	43.91	37,798.68	13,862.66	NA
Profit/Loss for the Year	221.54	-12.34	N.A	-19.28	
(i) Considered in Consolidation	104.06	-3.50		-5.49	
(ii) Not Considered in Consolidation	-	-	-	-	-

Notes:

- Name of associates or joint venture which have been liquidated or sold during the year
- There is a significant influence due to percentage (%) of shareholding.
- Companies are subsidiary in current year
- Figures consider are unaudited
- Classic Mall Development Company Private Limited was a subsidiary upto 31-March-17. Hence share of profit has not been considered for the purpose of this note.

a) Escort Developers Private Limited