

## INDEPENDENT AUDITOR'S REPORT

To the Members of Empire Mall Private Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Empire Mall Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the



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financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the financial statements.

### Other Matter

The financial statements of the Company for the year ended March 31, 2022, were audited by another auditor whose report dated May 28, 2022 expressed an unmodified opinion on those statements.

Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.



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- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 35 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.
  - iv.
    - (1) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (2) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (funding parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the funding parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - (3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
  - v. The Company has neither declared nor paid any dividend during the year.
  - vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, and accordingly reporting under this clause is not applicable for the financial year ended March 31, 2023.



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3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits prescribed under Section 197 of the Act and the rules thereunder.

For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W

Bhavik L. Shah  
Partner  
Membership No. 122071  
UDIN: 23122071BGXNRQ2098



Place: Mumbai  
Date: May 30, 2023

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## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF EMPIRE MALL PRIVATE LIMITED

### Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W



Bhavik L. Shah

Partner

Membership No. 122071

UDIN: 23122071BGXNRQ2098



Place: Mumbai

Date: May 30, 2023

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## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF EMPIRE MALL PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2023

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditors' Report of even date to the Members of Empire Mall Private Limited on the Financial Statements for the year ended March 31, 2023]

i.

(a)

A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

B. The Company has no intangible assets. Accordingly, the provisions stated in paragraph 3(i)(a)(B) of the Order are not applicable to the Company.

(b) Property, Plant and Equipment, Investment property have been physically verified by the management at reasonable intervals during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.

ii.

(a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage & procedure of such verification is reasonable and appropriate. having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.

(b) According to the information and explanations provided to us, the Company has not been sanctioned any working capital limits in excess of Rs.5 Crores in aggregate from Banks/ financial institutions on the basis of security of current assets during the year. Accordingly, the requirements under paragraph 3(ii)(b) of the Order is not applicable to the Company.

iii.

(a) According to the information and explanation provided to us, the Company has provided loans or provided advances in the nature of loans, or given guarantee, or provided security to any other entity.

(A) The Company does not have any subsidiaries, joint ventures and associates.



(B) The details of such loans or advances and guarantee or security to parties other than subsidiaries, joint ventures and associates are as follows:

Particulars	(Rs. In Lakhs)			
	Loans	Advances in the nature of loans	Guarantees	Security
Aggregate amount granted/provided during the year (including interest accrued)				
- Others	1,441.08	-	-	-
Balance Outstanding as at balance sheet date in respect of above cases				
- Others	15,991.27	-	-	-

- (b) According to the information and explanations given to us and based on the audit procedure conducted by us, in our opinion, the investments made and the terms and conditions of the grant of loans during the year are prima facie not prejudicial to the interest of the Company. The Company has not provided any guarantees, given security or granted any advances in the nature of loans during the year.
- (c) In case of the loans and advances in the nature of loan, schedule of repayment of principal and payment of interest have been stipulated and the borrowers have been regular in the payment of the principal and interest as demanded/stipulated by the Company during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no amounts overdue for more than ninety days in respect of the loan granted by the Company.
- (e) According to the information and explanation provided to us, the loan granted by the Company has not fallen due during the year. Hence, the requirements under paragraph 3(iii) (e) of the Order are not applicable to the Company.
- (f) According to the information and explanation provided to us, the Company has granted loans repayable on demand or without specifying any terms or period of repayment. The details of the same are as follows:

Particulars	(Rs. In Lakhs)		
	All Parties	Promoters*	Related Parties*
Aggregate amount of loans			
- Repayable on demand (A)	6,033.67	-	6,033.67
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (A+B)	6,033.67	-	6,033.67
Percentage of loans/ advances in nature of loans to the total loans	37.68%	-	37.68%



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\* as defined in clause (76) of section 2 of the Companies Act, 2013

- iv. According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees and security made, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. The provisions of sub-Section (1) of Section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for the business activities carried out by the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

vii.

- (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess, and other statutory dues have generally been regularly deposited by the Company with appropriate authorities though there has been a slight delay in a few cases. The Company's operations during the year did not give rise to any liability for value added tax, sales tax, service tax and excise duty.

There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess, and other statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us and the records of the Company examined by us, there are no statutory dues referred in sub clause (a) above which have not been deposited on account of any dispute.

- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix.

- (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.



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- (c) In our opinion and according to the information and explanation provided to us, no money was raised by way of term loans during the year. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate, or joint venture as defined under Companies Act, 2013. Hence reporting under paragraph 3 (ix)(e) and (f) of the Order are not applicable to the Company.

x.

- (a) In our opinion and according to the information and explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Hence, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.

xi.

- (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company nor on the Company has been noticed or reported during the course of our audit.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the financial statement for the year ended March 31, 2023, accordingly the provisions stated in paragraph 3 (xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv.

- (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.



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- (b) We have considered internal audit reports of the Company issued till date, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion, during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of Section 192 of the Act are not applicable to Company.
- xvi.
- (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi)(a) of the Order are not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph 3 (xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) The Group does not have more than one CIC as part of its group. Hence, the provisions stated in paragraph 3 (xvi)(d) of the Order are not applicable to the Company.
- xvii. Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph 3 (xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph 3 (xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Act are not applicable for the year to the Company. Hence, reporting under paragraph 3 (xx)(a) to (b) of the Order is not applicable to the Company.



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- xxi. According to the information and explanations given to us, the Company does not have any Subsidiary, Associate or Joint Venture as defined under Companies Act, 2013. Accordingly, reporting under paragraph 3(xxi) of the Order is not applicable.

For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W



Bhavik L. Shah  
Partner  
Membership No. 122071  
UDIN: 23122071BGXNRQ2098



Place: Mumbai  
Date: May 30, 2023

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### ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF EMPIRE MALL PRIVATE LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditors' Report of even date to the Members of Empire Mall Private Limited on the Financial Statements for the year ended March 31, 2023]

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

##### Opinion

We have audited the internal financial controls with reference to financial statements of Empire Mall Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

##### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

##### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with 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. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



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## Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W



Bhavik L. Shah

Partner

Membership No. 122071

UDIN: 23122071BGXNRQ2098



Place: Mumbai

Date: May 30, 2023

# Empire Mall Private Limited

## Balance Sheet


as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

	Note	As at 31 March 2023	As at 31 March 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	41.31	30.18
Investment properties	4	16,680.67	17,508.00
Financial assets			
Loans	5	9,957.60	-
Other financial assets	6	923.80	956.00
Deferred tax asset (net)	7	1,591.14	1,597.93
Non-current tax assets	8	270.18	196.01
Other non-current assets	9	492.85	536.56
<b>Total non-current assets</b>		<b>29,957.55</b>	<b>20,824.68</b>
<b>Current assets</b>			
Inventories	10	708.05	1,319.05
Financial assets			
Investments	11	171.56	80.24
Trade receivables	12	739.58	1,043.34
Cash and cash equivalents	13	1,077.68	1,551.69
Bank balances other than cash and cash equivalents	14	673.03	162.02
Loans	5	6,056.84	14,571.73
Other financial assets	15	6.34	4.50
Other current assets	16	146.77	133.97
<b>Total current assets</b>		<b>9,579.85</b>	<b>18,866.54</b>
<b>Total assets</b>		<b>39,537.40</b>	<b>39,691.22</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	17	13,602.25	13,602.25
Other equity	17.1	8,138.26	6,293.44
<b>Total equity</b>		<b>21,740.51</b>	<b>19,895.69</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	18	14,448.84	17,211.55
Other financial liabilities	19	1,027.78	851.72
Other non-current liabilities	20	30.30	22.61
Provisions	21	19.16	16.46
<b>Total non-current liabilities</b>		<b>15,526.08</b>	<b>18,102.34</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	22	881.00	-
Trade payables	23		
Total outstanding dues of micro enterprise and small enterprises	23	19.31	2.22
Total outstanding dues of creditors other than micro enterprise and small enterprises	23	357.18	374.66
Other financial liabilities	24	32.52	59.15
Other current liabilities	25	969.27	1,246.58
Provisions	26	11.53	10.58
<b>Total current liabilities</b>		<b>2,270.81</b>	<b>1,693.19</b>
<b>Total equity and liabilities</b>		<b>39,537.40</b>	<b>39,691.22</b>
Significant accounting policies	2.2		
Notes to the financial statements	3 - 51		


The accompanying notes form an integral part of these financial statements.  
As per our report of even date attached

For M S K A & Associates  
Chartered Accountants  
Firm's Registration No: 105047W

  
**Bhavik L. Shah**  
Partner  
Membership No: 122071



For and on behalf of the Board of Directors of  
Empire Mall Private Limited  
CIN : U52110MH2006PTC159594

  
**Sudhanshu Chaturvedi**  
Director  
DIN 05151360

  
**Dipa Hakani**  
Director  
DIN 07155347

  
**Prasad Sapre**  
Chief Financial Officer

Place : Mumbai  
Date : May 30, 2023

Place : Mumbai  
Date : May 30, 2023

# Empire Mall Private Limited

## Statement of Profit and Loss


for the year ended 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

	Note	Year Ended 31 March 2023	Year Ended 31 March 2022
<b>Income</b>			
Revenue from operations	27	5,803.18	3,425.10
Other income	28	1,667.14	1,523.91
<b>Total Income</b>		<b>7,470.32</b>	<b>4,949.01</b>
<b>Expenses</b>			
Cost of material consumed	29	16.01	52.78
Change in inventory of finished goods and work in progress	29	611.00	100.00
Employee benefits expense	30	188.74	168.09
Finance costs	31	1,977.34	1,884.63
Depreciation expense	32	1,004.76	1,077.20
Other expenses	33	1,821.20	1,433.22
<b>Total expenses</b>		<b>5,619.06</b>	<b>4,715.93</b>
<b>Profit before income tax</b>		<b>1,851.26</b>	<b>233.08</b>
<b>Less : Income Tax expense:</b>	8		
Current tax		-	-
Deferred tax (credit) / charge		6.71	(146.41)
<b>Total tax expenses</b>		<b>6.71</b>	<b>(146.41)</b>
<b>Profit for the year (A)</b>		<b>1,844.55</b>	<b>379.49</b>
<b>Other Comprehensive Income ( OCI )</b>			
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
- Remeasurement of post employment benefit obligation	36	0.33	(7.04)
- Income tax effect on above		(0.08)	1.77
<b>Other comprehensive income/(expense) for the year, net of tax (B)</b>		<b>0.25</b>	<b>(5.27)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>1,844.80</b>	<b>374.22</b>
<b>Earnings per equity share</b>	34		
(per equity share of nominal value Rs. 10 each)			
Basic and diluted (in Rs.)		<b>1.36</b>	<b>0.28</b>
Significant accounting policies	2.2		
Notes to the financial statements	3 - 51		

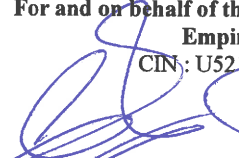
The accompanying notes form an integral part of these financial statements.  
As per our report of even date attached

**For M S K A & Associates**  
Chartered Accountants  
Firm's Registration No: 105047W

  
**Bhavik L. Shah**  
Partner  
Membership No: 122071



**For and on behalf of the Board of Directors of**  
**Empire Mall Private Limited**  
CIN: U52110MH2006PTC159594

  
**Sudhanshu Chaturvedi**  
Director  
DIN 05151360

  
**Dipa Hakani**  
Director  
DIN 07155347

  
**Prasad Sapre**  
Chief Financial Officer

Place : Mumbai  
Date : May 30, 2023

Place : Mumbai  
Date : May 30, 2023

# Empire Mall Private Limited

## Statement of cash flows

for the year ended 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

	Year Ended 31 March 2023	Year Ended 31 March 2022
<b>A. Cash flows from operating activities:</b>		
Profit before tax	1,851.26	233.08
Adjustments for:		
Depreciation expense	1,004.76	1,077.20
(Gain) on sale of investments	(1.91)	(4.17)
Provision for expected credit loss	4.60	71.93
Interest income	(1,614.57)	(1,493.94)
Notional corporate guarantee expense	42.50	42.50
Unwinding of security deposits	20.04	11.02
Finance costs	1,914.80	1,831.11
<b>Operating cash flows before working capital changes</b>	<b>3,221.48</b>	<b>1,768.73</b>
<b>Adjustments for changes in working capital:</b>		
Decrease in inventories	611.00	100.00
(Increase)/Decrease in other financial assets	(1.84)	37.84
(Increase)/Decrease in other assets	(11.59)	29.74
Decrease/(increase) in trade receivables	299.16	(31.57)
Increase/(Decrease) in other financial liabilities	129.39	(53.28)
(Decrease) /Increase in trade payables	(0.39)	148.64
(Decrease) /Increase in other liabilities	(269.62)	252.06
Increase in provisions	3.99	2.88
<b>Cash flows generated from operations</b>	<b>3,981.58</b>	<b>2,255.04</b>
Direct taxes paid (net of refunds received)	(74.17)	(79.38)
<b>Net cash flows generated from operating activities (A)</b>	<b>3,907.41</b>	<b>2,175.66</b>
<b>B. Cash flows from investing activities:</b>		
Payments for property, plant and equipment and Investment property	(188.56)	(63.94)
(Purchase)/ Sale of Investments	(89.41)	14.42
Redemption / maturity of bank deposits	(511.01)	(1.57)
(Increase) in loans	(1,410.51)	(1,355.28)
Interest received	1,614.57	1,493.94
<b>Net cash flows generated from/(used in) investing activities (B)</b>	<b>(584.92)</b>	<b>87.59</b>
<b>C. Cash flows from financing activities:</b>		
Repayment of long-term borrowings	(1,881.71)	-
Interest paid	(1,914.80)	(1,156.33)
<b>Net cash flows generated from/(used in) financing activities (C)</b>	<b>(3,796.51)</b>	<b>(1,156.33)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(474.02)</b>	<b>1,106.91</b>
Cash and cash equivalents at the beginning of the year	1,551.69	444.77
<b>Cash and cash equivalents at the end of the year</b>	<b>1,077.68</b>	<b>1,551.69</b>
<b>Components of cash and cash equivalents considered only for the purpose of cash flow statement</b>		
Cash in hand	0.05	0.53
In bank current accounts	1,077.63	1,551.16
	<b>1,077.68</b>	<b>1,551.69</b>



# Empire Mall Private Limited

## Statement of cash flows

for the year ended 31 March 2023

The Cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard - 7 ('Ind AS 7') on Cash Flow Statement prescribed in Companies (Indian Accounting Standard) Rules, 2015, notified under section 133 of the Companies Act, 2013.

Particulars	31 March 2022	Cash flows	Non-cash changes		31 March 2023
			Fair value changes	Current / Non - current classification	
Long-term borrowings	17,211.55	(1,881.71)	-	(881.00)	14,448.84
<b>Total liabilities from financing activities</b>	<b>17,211.55</b>	<b>(1,881.71)</b>	<b>-</b>	<b>(881.00)</b>	<b>14,448.84</b>

Particulars	31 March 2021	Cash flows	Non-cash changes		31 March 2022
			Fair value changes	Current / Non - current classification	
Long-term borrowings	16,536.77	674.78	-	-	17,211.55
<b>Total liabilities from financing activities</b>	<b>16,536.77</b>	<b>674.78</b>	<b>-</b>	<b>-</b>	<b>17,211.55</b>

As per our report of even date attached

For M S K A & Associates  
Chartered Accountants  
Firm's Registration No: 105047W



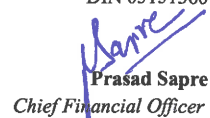
**Bhavik L. Shah**  
Partner  
Membership No: 122071



For and on behalf of the Board of Directors of  
**Empire Mall Private Limited**  
CIN : U52110MH2006PTC159594



**Sudhanshu Chaturvedi**  
Director  
DIN 05151360

  
**Prasad Sapre**  
Chief Financial Officer



**Dipa Hakani**  
Director  
DIN 07155347

Place : Mumbai  
Date : May 30, 2023

Place : Mumbai  
Date : May 30, 2023

# Empire Mall Private Limited

## Statement of changes in equity for the year ended 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

### A) Equity share capital

Particulars	Note	Number of Shares	(Rs in lakhs)
Equity shares of Rs.10 each issued, subscribed and paid			
Balance as at the 1 April 2021	17	13,60,23,000	13,602.25
Changes in equity share capital during the previous year			
Balance as at the 31 March 2022			-
Changes in equity share capital during the current year		13,60,23,000	13,602.25
Balance as at the 31 March 2023		13,60,23,000	13,602.25

### B) Other Equity

Note	Reserves and Surplus		Other Comprehensive Income		Equity Component of Corporate		Total
	Securities premium reserve	Retained Earnings	Gain / (loss) on fair value of defined benefit plans	Guarantee given by Parent Company			
Balance as at the 1 April 2021							
Remeasurement of defined benefit plans (net of tax) (Refer note 36)	16,929.36	(11,837.31)	(4.55)	831.71			5,919.21
Profit for the year	-	379.49	(5.27)	-			(5.27)
Balance as at the 31 March 2022	16,929.36	(11,457.82)	-	831.71			379.49
Remeasurement of defined benefit plans (net of tax) (Refer note 36)	-	-	(9.82)	-			6,293.44
Profit for the year	-	1,844.55	0.25	-			0.25
Balance as at the 31 March 2023	16,929.36	(9,613.27)	-	831.71			1,844.55
Refer note 17.1 for nature and purpose of each reserve			(9.57)				8,138.26

The accompanying notes form an integral part of these consolidated financial statements.  
As per our report of even date attached

For M S K A & Associates  
Chartered Accountants  
Firm's Registration No: 105047W

Bhavik L. Shah  
Partner  
Membership No: 122071

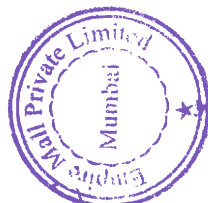


Place : Mumbai  
Date : May 30, 2023

For and on behalf of the Board of Directors of  
Empire Mall Private Limited  
CIN : U52110MH2006PTC159594

Sudhanshu Chaturvedi  
Director  
DIN 05151360

Prasad Sapre  
Chief Financial Officer  
Place : Mumbai  
Date : May 30, 2023



# Empire Mall Private Limited

## Notes to the Financial statements

for the year ended 31 March 2023

(Currency: Indian Rupees in Lakhs)

### 1 Corporate information

Empire Mall Private Limited (the Company) is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the business of developing, owning and operating of shopping malls and commercial premises.

### 2.1 Basis of preparation

#### (a) Statement of compliance

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act and amendments, as applicable.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These financial statements for the year ended 31 March 2023 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on May 30, 2023.

Details of accounting policies are included in Note 2.2 to the financial statements.

#### (b) Basis of measurement

These Financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value (refer note 2.2 (A))
Net defined benefit (asset) / liability	Fair value of plan assets less present value of defined obligations

#### (c) Functional and presentation currency

These Financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All the financial information have been presented in Indian Rupees (INR) and all amounts have been rounded-off to the nearest lakhs, unless otherwise stated.



# Empire Mall Private Limited

## Notes to the Financial statements (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### (d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

#### *Assumptions and estimation uncertainties*

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2023 is included in the following notes:

- Note 8 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 36 - measurement of defined benefit obligations: key actuarial assumptions;
- Notes 21, 26 and 35 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 39 - impairment of financial assets;
- Note 2.2 (B) and 2.2 (C) - estimation of useful life of property, plant and equipment and investment properties;
- Note 2.2 (C) – estimation of fair value of investment property; and
- Note 2.2 (G) and 43- Evaluation of satisfaction of performance obligation for the purpose of revenue recognition.

### (e) Measurement of fair values

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quotes prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.



# Empire Mall Private Limited

## Notes to the Financial statements (Continued)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 39 – financial instruments; and
- Note 4 – investment property

### (f) Current and non-current classification

All assets and liabilities are classified into current and non-current.

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within twelve months after the balance sheet date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the balance sheet date; or
- (d) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

All other liabilities are classified as non-current.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the Schedule III to the Act.

Based on the nature of services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

### (g) Going concern

The Company is engaged in the business of mixed used development at Aurangabad. Based on the future business plans and cash flows of the Company, the management believes that the Company, as at 31 March 2023, will continue to operate as a going concern for the foreseeable future, realize its assets and discharge its liabilities as they fall due for payment, in the normal course of business.



# Empire Mall Private Limited

## Notes to the Financial statements (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### (h) Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements - The amendment require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.

Ind AS 12 – Income Taxes - The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors - The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

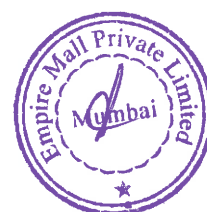
The Company does not expect these amendments to have any significant impact in its financial statements.

### 2.2 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### A. Financial instruments

Financial assets and/or financial liabilities are recognised when the Company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction price and where such price is different from fair value, at fair value. However, for trade receivables that do not contain a significant financing component are initially measured at transaction price. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from, as the case may be, the fair value of such financial assets or liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.



# Empire Mall Private Limited

## Notes to the Financial statements (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### (i) *Non derivative financial assets*

#### a. Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are represented by trade receivables, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

#### b. Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

#### c. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

### (ii) *Non derivative financial liabilities*

Financial liabilities are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within 1 year from balance sheet date, the carrying amount approximate fair value due to short maturity of these instruments.

### (iii) *Derecognition*

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

### (iv) *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.



# Empire Mall Private Limited

## Notes to the Financial statements (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### A. Property, plant and equipment

#### (i) *Recognition and measurement*

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

#### (ii) *Subsequent expenditure*

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

#### (iii) *Depreciation*

Depreciation on Property, Plant and Equipment of the company has been provided as per written down value method as per the estimated useful lives of the respective item of Property, Plant and Equipment indicated in Part 'C' of Schedule II of the Act.

The details are set out as below:

Asset	Useful life as per Schedule II of the act
Furniture and fixtures	10 years
Vehicles	8 years
Computers	3 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

#### (iv) *Capital work-in progress and capital advances*

Capital work-in progress comprises of the cost of property, plant and equipment that are not yet ready for their intended use as at the balance sheet date. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as 'Other non-current assets'.



# Empire Mall Private Limited

## Notes to the Financial statements (Continued)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### B. Investment Property

#### (i) Recognition and measurement

Investment properties are held to earn rentals or for capital appreciation, or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

#### (ii) Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit and loss as incurred. Any gain or loss on disposal of investment property calculated as the difference between the net proceeds from disposal and the carrying amount of the item is recognized in Statement of Profit and Loss.

#### (iii) Depreciation

Depreciation on Investment Property has been provided as per written down value method as per the useful lives indicated in Part 'C' of Schedule II of the Act.

The details are set out as below:

Asset	Useful life estimated by the management	Useful life as per Schedule II of the act
Leasehold Land	Amortised over the primary period of the lease	Amortised over the primary period of the lease
Plant and equipment	15 years	15 years
Buildings	60 years	60 years
Buildings (Tenant Capex)	Over the period of lease term	60 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

### D. Impairment

#### (i) Impairment of financial instruments

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective



# Empire Mall Private Limited

## Notes to the Financial statements (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

### ***Trade receivable:***

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

### ***Other financial assets:***

The Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

### ***(ii) Impairment of non-financial assets***

Property, plant and equipment and intangible assets (other than goodwill) are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.



# Empire Mall Private Limited

## Notes to the Financial statements (Continued)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### **D. Employee benefits**

#### **(i) Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

#### **(ii) Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts.

The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

#### **(iii) Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plan are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company



# Empire Mall Private Limited

## Notes to the Financial statements (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

### (iv) *Other long-term employee benefits*

The Company net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurement gains or losses are recognised in profit or loss in the period in which they arise.

### *E. Provisions and contingent liabilities*

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflows of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Contingent liabilities are disclosed in the notes. Contingent liabilities are disclosed for,

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the standalone financial statements. However, the same are disclosed in the standalone financial statements where an inflow of economic benefit is probable.

### *F. Revenue recognition*

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those services. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract.

The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group's contracts may



# Empire Mall Private Limited

## Notes to the Financial statements (Continued)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

include variable consideration including rebates, volume discounts and penalties. The Group includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

The Company allocates the transaction price to each distinct performance obligation based on the relative standalone selling price.

### (i) *Revenue from real estate projects*

The Company derives revenues primarily from sale of properties comprising of commercial units.

The Company recognises revenue when it determines the satisfaction of performance obligations at a point in time. Revenue is recognised upon transfer of control of promised products to customer in an amount that reflects the consideration which the Company expects to receive in exchange for those products.

In arrangements for sale of units the Company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering sale of units as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative

standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer.

For sale of units, the Company recognises revenue when its performance obligations are satisfied and customer obtains control of the asset.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liabilities are recognised when there is billing in excess of revenue and advance received from customers.

### (ii) *License fees and rental income*

License and rental income is recognised in the Statement of Profit and Loss on straight line basis over the lease term. Rental income earned from letting of space at the properties is recognised in the period in which the performance obligation is satisfied.



# Empire Mall Private Limited

## Notes to the Financial statements (Continued)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

(iii) **Service charges**

Service charges include common area maintenance, HVAC charges and parking charges in respect of which revenue is recognised in the period in which the services are being rendered.

(iv) **Other operating revenue**

Other operating revenue includes space on hire and kiosk income in respect of which revenue is recognised in the period in which the services are being rendered.

All revenue is stated exclusive of goods and service tax.

### F. Leases

At the inception of a contract, the Company assesses whether a contract is or contains, a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration. To assess whether a contract conveys the right to control the use of an asset the Company assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capability of a physical distinct asset. If the supplier has a substantive substitution right, then the asset is not identified
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has this right when it has the decision making rights that are most relevant to changing how and for what purpose the asset is used.

#### As a Lessee

##### Right of use Asset

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. At the commencement date, a lessee shall measure the right-of-use asset at cost which comprises initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee; and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

##### Lease Liability

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.



# Empire Mall Private Limited

## Notes to the Financial statements (Continued)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### G. Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

#### (i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### (ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.



# Empire Mall Private Limited

## Notes to the Financial statements (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax assets and liabilities will be realised simultaneously.

### **Note on Section 115BAA**

A new section 115BAA was inserted in the Income Tax Act, 1961, by The Government of India on 20 September 2019 vide the Taxation Laws (Amendment) Ordinance 2019 which provides an option to companies for paying income tax at reduced rates in accordance with the provisions/conditions defined in the said section. The Company has decided to exercise the said option in preceding financial year.

### **G. Borrowing cost**

Borrowing costs that are directly attributable to real estate project development activities are inventorised / capitalized as part of project cost.

Borrowing costs are inventorised / capitalised as part of project cost when the activities that are necessary to prepare the inventory / asset for its intended use or sale are in progress. Borrowing costs are suspended from inventorisation / capitalisation when development work on the project is interrupted for extended periods and there is no imminent certainty of recommencement of work.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds..

### **H. Foreign exchange translation and accounting of foreign exchange transaction**

#### **(i) Initial Recognition**

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses a monthly average rate if the average rate approximates the actual rate at the date of the transactions.

#### **(ii) Conversion**

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions



# Empire Mall Private Limited

## Notes to the Financial statements (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### **(iii) Treatment of Exchange Difference**

Exchange differences arising on settlement/ restatement of foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the Statement of Profit and Loss.

### **I. Earnings per share**

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

### **J. Cash and cash equivalents**

Cash and cash equivalent comprise of cash on hand and at banks and cheques on hand, which are subject to an insignificant risk of changes in value.

### **K. Other income**

Interest income is accrued on a time proportion basis by reference to the principal outstanding and the effective interest rate.

Other items of income are accounted as and when the right to receive arises and it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Dividend income is recognized in the statement of profit and loss on the date the entity's right to receive the payments is established

### **L. Exceptional items**

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the notes to accounts.

### **M. Statements of cash flow**

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities.

Cash flow from operating activities is reported using indirect method adjusting the profit before tax excluding exceptional items for the effects of:

- i. changes during the period in operating receivables and payables, transactions of a non-cash nature;
- ii. non-cash items such as depreciation, provisions, unrealised foreign currency gains and losses; and
- iii. all other items for which the cash effects are investing or financing cash flows.



# Empire Mall Private Limited

## Notes to the Financial statements (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### ***N. Commitments***

Commitments are future liability for contractual expenditure. Commitment are classified and disclosed as follows:

- i) Estimated amounts of contracts remaining to be executed on capital account and not provided for; and
- ii) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

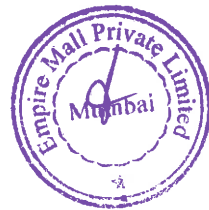
Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

### ***O. Inventories***

Cost of land, borrowing costs, construction / development cost and other overheads incidental to the projects undertaken are taken as the cost of project work-in-progress.

These inventories are valued at lower of cost or net realizable value; cost is determined on the weighted average method.

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



# Empire Mall Private Limited

## Notes to the financial statements (Continued) as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

### Note 3: Property, plant and equipment

Particulars	Furniture and Fittings	Computers	Vehicle	Total
<b>Gross Block:</b>				
Balance as at 1 April 2021	35.56	6.29	0.09	41.94
Additions	-	2.81	21.55	24.36
Disposals	-	-	-	-
Balance as at 31 March 2022	35.56	9.10	21.64	66.30
Additions	19.96	2.66	-	22.62
Disposals	-	-	-	-
Balance as at 31 March 2023	55.52	11.76	21.64	88.92
<b>Accumulated depreciation</b>				
Balance as at 1 April 2021	25.67	4.40	-	30.07
Depreciation for the year	2.56	1.87	1.62	6.05
Disposals	-	-	-	-
Balance as at 31 March 2022	28.23	6.27	1.62	36.12
Depreciation for the year	3.19	2.08	6.22	11.49
Disposals	-	-	-	-
Balance as at 31 March 2023	31.42	8.35	7.84	47.61
<b>Net Block:</b>				
At 31 March 2022	7.33	2.83	20.02	30.18
At 31 March 2023	24.10	3.41	13.80	41.31



# Empire Mall Private Limited

## Notes to the financial statements (Continued) as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

### Note 4: Investment properties

#### A. Reconciliation of carrying amount

Particulars	Leasehold land *	Building *	Plant and Machinery	Total
<b>Gross carrying amount:</b>				
Carrying amount as at 1 April 2021	3,205.65	19,177.04	2,569.16	24,951.85
Additions *	-	5.34	34.24	39.58
Deletions	-	-	-	-
Balance as at 31 March 2022	3,205.65	19,182.38	2,603.40	24,991.43
Additions	-	100.74	65.20	165.94
Deletions	-	-	-	-
Balance as at 31 March 2023	3,205.65	19,283.12	2,668.60	25,157.37
<b>Accumulated depreciation</b>				
Balance as at 1 April 2021	320.28	4,347.97	1,744.03	6,412.28
Depreciation for the year	64.08	836.08	170.99	1,071.15
Balance as at 31 March 2022	384.36	5,184.05	1,915.02	7,483.43
Depreciation for the year	64.08	793.53	135.66	993.27
Balance as at 31 March 2023	448.44	5,977.58	2,050.68	8,476.70
<b>Carrying amounts (net)</b>				
At 31 March 2022	2,821.29	13,998.33	688.38	17,508.00
At 31 March 2023	2,757.21	13,305.54	617.92	16,680.67
<b>Fair Value</b>				
At 31 March 2022				39,624.89
At 31 March 2023				44,474.17

#### Notes:

\* Land and building are mortgaged/hypothecated against the lease rental discounting loan taken from Financial Institution. (refer note 18).

#### B. Measurement of fair values

##### i. Fair value hierarchy

The fair value of investment property has been determined by external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

##### ii. Valuation technique

The companies investment properties consist of Retail Mall and Land Aurangabad. Description of valuation techniques used and key inputs to valuation on investment properties are as follows:

Type	Valuation technique	Significant unobservable inputs (March 2023)	Inter-relationship between significant unobservable inputs and
Investment property	DCF method (refer below)	1). Discount Rate; 2). Market capitalisation rate	16.5% to 18%; 9.5% to 11%
Type	Valuation technique	Significant unobservable inputs (March 2022)	Inter-relationship between significant unobservable inputs and
Investment property	DCF method (refer below)	1). Discount Rate; 2). Market capitalisation rate	16.5% to 18%; 11%



# Empire Mall Private Limited

## Notes to the financial statements (Continued)

as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

### Note 4: Investment properties

The Company follows discounted cash flow (DCF) method. The DCF method is a financial modelling technique based on explicit assumptions regarding the prospective income arising out of the development to be carried out on the subject land parcel. In case of a valuation of a large land parcel like the subject property, where the development potential is realised over a period of time (i.e. time value of money comes into the picture) and also where there are no or few immediate similar properties (i.e. comparable) available for comparison, the DCF method considering relevant potential developments of the project is used.

### C. Amount recognised in profit and loss for investment properties

Particulars	31 March 2023	31 March 2022
Rental Income	4,888.19	3,038.08
Less: Direct Operating expenses from property that generated rental income	1,196.90	890.85
<b>Profit from Investment Properties before Depreciation</b>	<b>3,691.29</b>	<b>2,147.23</b>
Depreciation	993.27	1,071.15
Finance Cost	1,887.28	1,781.61
<b>Profit from Investment Properties</b>	<b>810.74</b>	<b>(705.53)</b>

D. The Company has no restriction on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.



# Empire Mall Private Limited

## Notes to the financial statements (Continued) as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

31 March 2023 31 March 2022

### Note 5 : Loans

(Unsecured, considered good, unless otherwise stated)

#### Non-Current

To Others

- Festival Valley Developers Co Private Limited

9,957.60

-

#### Total Non-Current loans

9,957.60

-

#### Current

To related parties

Fellow subsidiary companies

- Alliance Mall Developers Co Private Limited

2,305.62

2,194.61

- Hagwood Commercial Developer Private Limited

3,728.05

3,387.41

To Others

- Festival Valley Developers Co Private Limited

-

8,968.17

To employees

23.17

21.54

#### Total Current loans

6,056.84

14,571.73

#### Total loans

16,014.44

14,571.73

#### Loans and Advance to specified person

Type of Borrower	Amount of loan or advance in the nature of loan outstanding		Percentage to the total Loans and Advances in the nature of loans	
Related Parties	6,033.67	5,582.02	37.68%	38.31%

### Note 6 : Other financial assets

(Unsecured, considered good)

To parties other than related parties

Security deposits

352.43

352.83

Fixed deposits with financial institution\*

571.37

603.17

#### Total other financial assets

923.80

956.00

\* held against lease rental discounting loan from Financial Institution as Debt Service Reserve Account

### Note 7 : Deferred tax asset (net)

Tax effect of items constituting deferred tax assets:

Unabsorbed depreciation

916.71

850.88

Indexation of freehold land

1,487.78

1,388.12

Provision for expected credit loss

48.80

47.65

Ind AS 115 Adjustment

179.46

295.40

Provision for expenses disallowed under Section 43B of Income-tax Act, 1961

9.72

8.32

Tax effect of items constituting deferred tax (liabilities):

Difference in depreciation in block of fixed assets as per Income-tax Act, 1961 and depreciation allowable under book:

(926.44)

(859.19)

Financial liabilities carried at amortised cost

(124.89)

(133.25)

#### Total deferred tax assets (net)

1,591.14

1,597.93



# Empire Mall Private Limited

## Notes to the financial statements (Continued)

as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

### Note 8 : Non-current tax assets

#### (a) Amount recognised in the statement of profit and loss

	31 March 2023	31 March 2022
<b>Current tax expense (A)</b>		
Current year	-	-
<b>Deferred tax expense (B)</b>		
Origination and reversal of temporary differences	6.71	(146.41)
<b>Tax expense (A+B)</b>	<b>6.71</b>	<b>(146.41)</b>

A new section 115BAA was inserted in the Income Tax Act, 1961, by The Government of India on 20 September 2019 vide the Taxation Laws (Amendment) Ordinance 2019 which provides an option to companies for paying income tax at reduced rates in accordance with the provisions/conditions defined in the said section. The Company has decided to exercise said option in preceding financial year.

#### (b) Amounts recognised in other comprehensive income

Particulars	31 March 2023			31 March 2022		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurement of post employment benefit obligation	0.33	(0.08)	0.25	(7.04)	1.77	(5.27)
	<b>0.33</b>	<b>(0.08)</b>	<b>0.25</b>	<b>(7.04)</b>	<b>1.77</b>	<b>(5.27)</b>

#### (c) Reconciliation of effective tax rate

Particulars	31 March 2023	31 March 2022
<b>Profit / (loss) before tax</b>	<b>1,851.26</b>	<b>233.08</b>
Tax using the Company's domestic tax rate (Current year 25.168% and Previous Year 25.168%)	465.92	58.66
<b>Tax effect of :</b>		
Effect of indexation benefit on land	(99.66)	(113.90)
Effect of current year / brought forward losses for which no deferred tax is recognised	(465.92)	(58.66)
Other Adjustments	106.36	(32.51)
<b>Tax expense as per statement of profit and loss</b>	<b>6.70</b>	<b>(146.40)</b>

Particulars	31 March 2023	31 March 2022
Tax deducted at source	270.18	196.01
<b>Total Non-current tax assets</b>	<b>270.18</b>	<b>196.01</b>

#### (d) Movement in deferred tax balances

	Net balances at 1 April 2022	Recognised in the statement of profit and loss	Adjustment on opening reserves	Recognised in OCI	Balance at 31 March 2023	Deferred tax asset	Deferred tax liabilities
					Net		
Investment Property	1,388.12	(99.66)	-	-	1,487.78	1,487.78	-
Trade Receivables	47.65	(1.15)	-	-	48.80	48.80	-
Ind AS 115 Adjustment	295.40	115.94	-	-	179.46	179.46	-
Other financial liabilities	(133.24)	(8.43)	-	-	(124.89)	-	124.89
Provisions	-	-	-	0.08	-	-	-
Tax assets (liabilities) before set-off	1,597.94	6.70	-	0.08	1,591.15	1,716.04	124.89
Set-off of deferred tax liabilities						(124.89)	
<b>Net deferred tax assets/ (liabilities)</b>						<b>1,591.15</b>	



# Empire Mall Private Limited

## Notes to the financial statements (Continued) as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

	Balance at 31 March 2022						
	Net balances at 1 April 2021	Recognised in the statement of profit and loss	Adjustment on opening reserves	Recognised in OCI	Net	Deferred tax asset	Deferred tax liabilities
Investment Property	1,274.23	(113.90)	-	-	1,388.12	1,388.12	-
Trade Receivables	29.54	(18.10)	-	-	47.65	47.65	-
Ind AS 115 Adjustment	295.40	-	-	-	295.40	295.40	-
Other financial liabilities	(149.43)	(14.42)	-	-	(133.24)	-	133.24
Provisions	-	-	-	(1.77)	-	-	-
Tax assets (liabilities) before set-off	1,449.73	(146.41)	-	(1.77)	1,597.94	1,731.17	133.24
Set-off of deferred tax liabilities	-	-	-	-	-	(133.24)	-
Net deferred tax assets/ (liabilities)	-	-	-	-	-	1,597.94	-

### (e) Unrecognised deferred tax assets

Deferred tax have not been recognised in respect of the following items :

Particulars	Expiry	31 March 2023	31 March 2022
Unabsorbed depreciation	Never Expire	12,132.34	13,025.62
Tax effect of unrecognised tax depreciation carried forward		2,136.75	2,427.41
	AY 2023-24	-	586.77
Tax effect of unrecognised tax losses carried forward		-	147.68
		2,136.75	2,575.09



# Empire Mall Private Limited

## Notes to the financial statements (Continued) as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

31 March 2023 31 March 2022

### Note 9 : Other non-current assets (Unsecured, considered good)

#### To related parties

Deferred guarantee expense on corporate guarantee given by ultimate holding company (Prozone Realty Limited Formerly known as Prozone Intu Properties Limited)

463.46 505.96

#### To parties other than related parties

Capex deferred assets

29.39 30.60

### Total other non-current assets

492.85 536.56

### Note 10 : Inventories

(valued at cost or net realisable value, whichever is lower)

Finished Goods - commercial project (refer note 29)

708.05 1,319.05

### Total Inventories

708.05 1,319.05

### Note 12 : Trade receivables

(Unsecured, considered good)

#### To parties other than related parties

Trade Receivables considered good - Secured

- -

Trade Receivables considered good - Unsecured

739.58 1,043.34

Trade Receivables which have significant increase in credit risk

193.91 189.31

Trade Receivables - credit impaired

- -

933.49 1,232.65

Less: Transfer to current financial assets

- (39.84)

Add : Interest income on present value of Trade receivable

- 39.84

Less : Provision for expected credit loss

(193.91) (189.31)

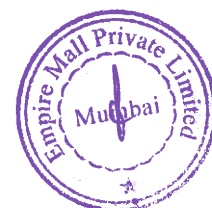
### Total Trade receivables

739.58 1,043.34

### Disclosure of trade receivable ageing

FY 2022-23	Outstanding for the following periods from due date of payments					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	607.59	70.40	60.85	0.74	-	739.58
(ii) Undisputed Trade receivables - which have significant increase in credit risk	13.80	7.82	40.57	2.95	128.77	193.91
Less:- Allowance for Bad and doubtful debts (Disputed +Undisputed)						(193.91)
Total						739.58

FY 2021-22	Outstanding for the following periods from due date of payments					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	648.56	15.18	323.62	20.36	35.61	1,043.34
(ii) Undisputed Trade receivables - which have significant increase in credit risk	4.34	0.31	25.02	15.73	143.91	189.31
Less:- Allowance for Bad and doubtful debts (Disputed +Undisputed)						(189.31)
Total						1,043.34



# Empire Mall Private Limited

## Notes to the financial statements (Continued) as at 31 March 2023

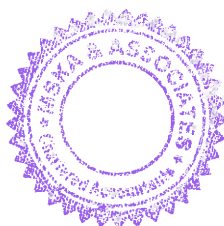
(Currency : Indian Rupees in Lakhs unless otherwise stated)

### Note 11 : Investments

#### Current investments

Particulars	31 March 2023		31 March 2022	
	Nos	Rs in lakhs	Nos	Rs in lakhs
<b>Unquoted</b>				
Investments valued at fair value through profit and loss (FVTPL), fully paid up, unquoted, unless otherwise stated				
<b>Investment in mutual funds</b>				
Kotak Savings Fund	-	-	86,110.54	30.04
Aditya Birla Sun Life Savings Fund Collection A/c	36,962.32	171.56	11,397.77	50.19
<b>Total current investments</b>	<b>36962.32</b>	<b>171.56</b>	<b>97508.31</b>	<b>80.24</b>

Particulars	31 March 2023	31 March 2022
<b>Details:</b>		
Aggregate of current investments:		
Aggregate amount of unquoted investments	171.56	80.24



# Empire Mall Private Limited

## Notes to the financial statements (Continued) as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

31 March 2023 31 March 2022

### Note 13 : Cash and cash equivalents

Balances with Banks:		
- in current accounts*	1,077.63	1,551.16
Cash on hand	0.05	0.53
<b>Total Cash and cash equivalents</b>	<b>1,077.68</b>	<b>1,551.69</b>

\* includes Rs. 978.72 lakhs (PY 1176.63 lakhs) in escrow accounts maintained with lenders.

### Note 14 : Bank balances other than cash and cash equivalents

Balance with banks to the extent held as security deposit *	673.03	162.02
<b>Total Bank Balances other than cash and cash equivalents</b>	<b>673.03</b>	<b>162.02</b>

\* includes Rs. 166.08 lakhs (PY 162.02 lakhs) against bank guarantee given by the company to Maharashtra electricity board, Municipal corporation etc.

### Note 15 : Other financial assets

(Unsecured, considered good, unless otherwise stated)

#### To related party

Rental income receivable from Alliance Mall Developers Co Private Limited, fellow subsidiary (refer note 37 and note below)	-	2.06
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#### To parties other than related parties

Deferred assets - Present value of trade receivable	-	39.84
Less: Amortisation of expenses	-	(39.84)

Lease rental adjustments - unbilled revenue	6.34	2.44
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<b>Total Others financial assets</b>	<b>6.34</b>	<b>4.50</b>
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Other financial assets includes amount due from companies in which there is common directors

Fellow subsidiary company

- Alliance Mall Developers Co Private Limited	-	2.06
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### Note 16 : Other current assets

(Unsecured, considered good)

#### To related parties

Current portion of deferred guarantee expense on corporate guarantee given by ultimate holding company (Prozone Realty Limited)	42.50	42.50
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#### To parties other than related parties

Advance to vendors	18.73	24.50
Prepaid expenses	85.54	66.97

<b>Total Other current assets</b>	<b>146.77</b>	<b>133.97</b>
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# Empire Mall Private Limited

## Notes to the financial statements (Continued) as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

### Note 17 : Equity share capital

Particulars	31 March 2023	31 March 2022
<b>Authorised share capital</b>		
1,400 lakhs (31 March 2022: 1,400 lakhs) equity shares of Rs 10 each	14,000.00	14,000.00
<b>Issued, subscribed and fully paid up</b>		
1360.23 lakhs (31 March 2022: 1360.23 lakhs) equity shares of Rs 10 each, fully paid up	13,602.25	13,602.25
	13,602.25	13,602.25

#### a) Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	31 March 2023		31 March 2022	
	No. In Lakhs	Rs in lakhs	No. In Lakhs	Rs in lakhs
<b>Equity Shares</b>				
At the beginning of the year	1,360.23	13,602.25	1,360.23	13,602.25
Issued during the year	-	-	-	-
<b>Outstanding at the end of the period</b>	1,360.23	13,602.25	1,360.23	13,602.25

#### b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### c) Shares held by holding company

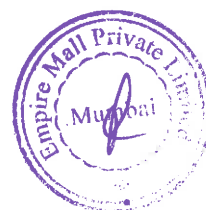
Particulars	31 March 2023		31 March 2022	
	No. in lakhs	(Rs in lakhs)	No. in lakhs	(Rs in lakhs)
Prozone Liberty International Limited, Singapore, Holding company	472.09	4,720.90	472.09	4,720.90

#### d) Details of Shareholders holding more than 5% shares in the company:

Particulars	31 March 2023		31 March 2022	
	No. In Lakhs	% holding	No. In Lakhs	% holding
Prozone Liberty International Limited, Singapore, Holding company	472.09	34.71	472.09	34.71
Triangle Real Estate India Projects Limited	476.08	35.00	476.08	35.00
Nailsfield Limited, Mauritius	364.44	26.79	364.44	26.79

#### (f) Promoters' shareholdings during the year

Shares held by promoters at the end of the year			% Change during the year
Promoter's Name	No. of shares	% of Total shares	
(i) Prozone Liberty International Limited, Singapore, Holding company	4,72,09,000	34.71%	Nil



# Empire Mall Private Limited

## Notes to the financial statements (Continued) as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

### Note 17.1 : Other equity

Particulars	31 March 2023	31 Mar 2022
<b>Securities premium</b>		
Opening balance	16,929.36	16,929.36
Add: Addition during the year	-	-
Closing balance (refer sub-note 1)	16,929.36	16,929.36
<b>Retained earnings</b>		
Opening balance	(11,457.82)	(11,837.31)
Add: (loss)/profit for the year	1,844.55	379.49
Closing balance (refer sub-note 2)	(9,613.27)	(11,457.82)
<b>Other Comprehensive Income</b>		
Opening balance	(9.82)	(4.55)
Add: profit (loss) on fair value of defined benefit plans (net of taxes	0.25	(5.27)
Closing balance (refer sub-note 2)	(9.57)	(9.82)
<b>Equity Component on fair value of Corporate Guarantee given by Parent</b>		
Opening balance	831.71	831.71
Add: addition for the year	-	-
Closing balance	831.71	831.71
<b>Total Other equity</b>	<b>8,138.26</b>	<b>6,293.44</b>

#### Sub-note:

- 1 Securities premium is received pursuant to the further issue of shares/ debentures at a premium net of the share / debenture issue expenses. This is a non-distributable reserve except for the following instances where the the share premium account may be applied;

- towards the issue of unissued shares of the Company to the members of the Company as fully paid bonus shares;
- for the purchase of its own shares or other securities;
- in writing off the preliminary expenses of the Company;
- in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; and
- in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

- 2 Retained earnings represents the accumulated profits of the Company.



# Empire Mall Private Limited

## Notes to the financial statements (Continued) as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

### Note 18 : Borrowings (Secured)

31 March 2023 31 March 2022

Lease rental discounting loan from Financial Institution (refer note (a) and (b) below)	15,329.84	17,211.55
Less: Current maturities of long term debt (refer note 22)	881.00	-
<b>Total Borrowings</b>	<b>14,448.84</b>	<b>17,211.55</b>

#### Notes:

- a) Rs. 8,601.24 Lakhs (31 March 2022 : Rs. 8,946.43 Lakhs) term loan from Financial Institution carrying interest @ 12.35 % p.a. (previous year 10.60 % p.a.) (floating rate). The loan is repayable in 180 monthly installments inclusive of interest starting from May, 2017. The loan is secured by way of equitable mortgage of land and buildings thereon in Aurangabad, rent receivables from both present and future income from Prozone Mall, against sold and unsold units of Inventories. The above loans are further secured by corporate guarantee of the Ultimate Holding Company Prozone Realty Limited . One time restructuring of loan as prescribed by RBI due to covid was implemented by financial institution during the financial year 2021-22.
- b) Rs. 6942.58 Lakhs (31 March 2022 : Rs. 8501.52 lakhs) term loan from Financial Institution carrying interest @ 12.25 % p.a. (previous year 10.50% p.a.) (floating rate). The loan is repayable in 175 monthly structured installments inclusive of interest starting from October 2019. The loan is secured by way of equitable mortgage of land and buildings thereon in Aurangabad, rent receivables from both present and future income from Prozone Mall. The above loans are further secured by corporate guarantee of the Ultimate Holding Company Prozone Realty Limited. One time restructuring of loan as prescribed by RBI due to covid was implemented by financial institution during the financial year 2021-22.

The Company's exposure to interest rate and liquidity risks are disclosed in note 39 to the financial statements.

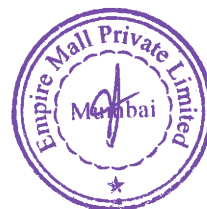
- c) As per RBI's Policy, the company had availed the relief provided by its lender by way of moratorium on principal and interest repayments on the loans taken from financial institutions during the financial year 2021-22. and thus the repayment schedule has been modified accordingly.

### Note 19 : Other financial liabilities

Lease deposit from tenants (non-interest bearing)	1,101.55	863.49
Less : Deferred liability	(191.63)	(186.40)
Add : Interest accrued on lease deposits on unwinding of finance costs	117.86	174.63
<b>Total Other financial liabilities</b>	<b>1,027.78</b>	<b>851.72</b>

### Note 20 : Other non-current liabilities

Advance rent income - IND AS	191.63	186.40
Less : Amortisation of Above	(135.03)	(155.62)
Less: Current Portion	(26.30)	(8.17)
Deferred liabilities on financial liabilities carried at amortised cost	30.30	22.61
<b>Total Other non-current liabilities</b>	<b>30.30</b>	<b>22.61</b>



# Empire Mall Private Limited

## Notes to the financial statements (Continued)

as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

### Note 21 : Provisions

#### Particulars

Provision for Gratuity (refer note 36)

31 March 2023 31 March 2022

19.16 16.46

#### Total Provisions

19.16 16.46

### Note 22 : Borrowings

(Secured)

Current maturities of long-term debt (refer note 18)

881.00 -

#### Total Borrowings

881.00 -

### Note 23 : Trade payables

- Total outstanding dues of micro enterprises and small enterprises (refer note below)

19.31 2.22

- Total outstanding dues of creditors other than micro enterprises and small enterprises.

357.18 374.66

#### Total Trade payables

376.49 376.88

#### Note:

Micro and small enterprises under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company:

Particulars	31 March 2023	31 March 2022
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	18.48	2.22
Interest	0.83	-
Total	19.31	2.22
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.83	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-



# Empire Mall Private Limited

## Notes to the financial statements (Continued)

as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

31 March 2023 31 March 2022

### Disclosure of trade payable ageing schedule

FY 2022-23	Outstanding for followings periods from due date of payments				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Unbilled	83.67	-	-	-	83.67
Billed					
(i) MSME	17.31	2.00	-	-	19.31
(ii) Others	269.64	0.61	-	3.26	273.51
<b>Total</b>					<b>376.49</b>

FY 2021-22	Outstanding for followings periods from due date of payments				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Unbilled	30.44	-	-	-	30.44
Billed					
(i) MSME	1.38	-	-	0.84	2.22
(ii) Others	338.28	1.75	1.88	2.31	344.22
<b>Total</b>					<b>376.88</b>

### Note 24 : Other financial liabilities

Retention money payable	12.33	18.15
Employee benefits payable	20.19	16.92
Payables in respect of capital assets	-	24.08

### Total Other financial liabilities

**32.52 59.15**

### Note 25 : Other current liabilities

Advance from customers	503.81	796.30
Statutory dues payable	84.89	83.66
Other liabilities	354.28	354.28
Deferred liabilities of financial liabilities carried at amortised cost	26.29	8.17
Capital expenditure deposit with tenants	-	4.17

### Total Other current liabilities

**969.27 1,246.58**

### Note 26 : Provisions

#### Provision for employee benefits (refer note 36)

- provision for compensated absences	8.39	7.59
- provision for gratuity	3.14	2.99
<b>Total Provisions</b>	<b>11.53</b>	<b>10.58</b>



# Empire Mall Private Limited

## Notes to the financial statements (Continued) as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

	31 March 2023	31 March 2022
<b>Note 27 : Revenue from operations</b>		
<i>Sale of residential property</i>		
Revenue from real estate projects	849.37	390.97
<i>Sale of services</i>		
License fees and rental income	3,188.44	1,759.87
Service charges	1,495.89	1,163.16
<i>Other operating revenue</i>		
Others (Space on Hire, Kiosk income and scrap income)	269.48	111.10
<b>Total Revenue from operations</b>	<b>5,803.18</b>	<b>3,425.10</b>
<b>Note 28 : Other income</b>		
Gain on sale of investments	1.91	4.17
Interest income		
- on income tax refund	17.49	7.73
- on fixed deposits	64.66	57.71
- on present value of Trade receivable	-	39.84
- on loans to related parties	588.00	582.62
- on loans to others	944.42	806.04
Rent on plant and equipment given to related party (refer note 37)	25.80	25.80
<b>Total Other income</b>	<b>1,667.14</b>	<b>1,523.91</b>
<b>Note 29 : Cost of material consumed</b>		
Opening work in progress - commercial project	1,319.05	1,419.05
Add: construction and development costs	16.01	52.78
	1,335.06	1,471.83
Less: transferred to closing balance of finished goods - commercial project (refer note 10)	708.05	1,319.05
<b>Total Cost of commercial project</b>	<b>627.01</b>	<b>152.78</b>
<b>Note 30 : Employee benefits expense</b>		
Salaries, wages and bonus	173.89	156.21
Expenses related to post-employment defined benefit plans (refer note 36)	4.14	3.08
Expenses related to compensated absences (refer note 36)	1.35	0.46
Contribution to provident fund and other funds (refer note 36)	6.25	6.69
Staff welfare expenses	3.11	1.65
<b>Total Employee benefits expense</b>	<b>188.74</b>	<b>168.09</b>



# Empire Mall Private Limited

## Notes to the financial statements (Continued) as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

### Note 31 : Finance costs

31 March 2023 31 March 2022

Interest expense		
- on loan taken from Financial Institution	1,887.28	1,781.61
- on corporate guarantee given by parent company	42.50	42.50
- on unwinding of financial liability (security deposits)	20.04	11.02
- on late payments of statutory dues	2.39	25.46
- on late payment to MSME Creditors	0.83	0.36
Other borrowing costs		
- bank charges and processing fees	24.30	23.68
<b>Total Finance cost</b>	<b>1,977.34</b>	<b>1,884.63</b>

### Note 32 : Depreciation expense

Depreciation on property, plant & equipment	11.49	6.05
Depreciation on investment property	993.27	1,071.15
<b>Total Depreciation expense</b>	<b>1,004.76</b>	<b>1,077.20</b>

### Note 33 : Other expenses

Rent (refer note 41)	1.68	1.94
Rates and taxes	190.08	218.26
Insurance	46.94	49.68
Repairs to building	100.94	120.63
Repairs to machinery	52.49	32.36
Electricity charges	454.18	198.84
Security charges	92.44	63.43
Housekeeping charges	78.31	41.20
Printing and stationery	1.28	0.39
Director sitting fees	4.50	3.75
Communication expenses	1.69	1.42
Legal and professional fees	510.35	478.30
Travelling and conveyance	18.44	7.08
Amortisation of deferred asset (ie present value of Trade receivable)	-	39.84
Brokerage and commission	28.79	0.98
Advertisement and sales promotion expenses	124.08	47.03
Provision for expected credit loss	4.60	71.93
Payment to auditors (refer note 33 below)	8.00	15.45
Corporate and Social Responsibility (CSR) expenditure (refer note 44)	-	7.14
Compensation expense	74.55	
Miscellaneous expenses	27.86	33.56
<b>Total Other expenses</b>	<b>1,821.20</b>	<b>1,433.22</b>

### Note 33 : Payment to auditors

Statutory audit fees	8.00	15.00
Others	-	0.45
	<b>8.00</b>	<b>15.45</b>



# Empire Mall Private Limited

## Notes to the financial statements (Continued) as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

31 March 2023 31 March 2022

### Note 34 : Earnings per equity share

A reconciliation of profit for the year and equity shares used in the computation of basic and diluted earnings per equity share is set out below:

#### Basic and diluted EPS

Particulars	31 March 2023	31 March 2022
<b>Basic earning per share</b>		
Net Profit for the year (Rs. In Lakhs)	1,844.55	379.49
Weighted average no. of Equity Shares outstanding during the year	13,60,23,000	13,60,23,000
Face Value per Equity Share (in Rs.)	10	10
Basic earnings per share (in Rs.)	1.36	0.28
<b>Diluted earning per share</b>		
Net Profit for the year (Rs. In Lakhs)	1,844.55	379.49
Weighted average no. of Equity Shares outstanding during the year	13,60,23,000	13,60,23,000
Basic earnings per share (in Rs.)	1.36	0.28



## Empire Mall Private Limited

### Notes to the financial statements (Continued) as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

#### Note 35 : Contingent liabilities and commitments are given below:

##### A) Commitments

Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) Rs. Nil (31 March 2022: Rs.Nil)

##### B) Contingent liabilities

- i) Guarantee given by Bank on behalf of the Company Rs. 115.60 Lakhs (31 March 2022: Rs. 115.60 Lakhs).
- ii) Disputed demand in respect of electricity charges amounting to Rs. 644.66 Lakhs (31 March 2022: Rs 644.66 Lakhs) . (The Company has filed appeal against the same and deposited under protest Rs 322.33 Lakhs (31 March 2022: Rs 322.33 Lakhs ) on 3 May 2017 against the same.



# Empire Mall Private Limited

## Notes to the financial statements (Continued)

as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

### Note 36 : Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

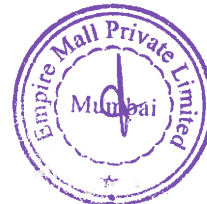
#### 1) Defined benefit obligations and other long term employee benefits

##### Defined benefit plan

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Particulars	Funded Plan	
	Gratuity	
	31 March 2023	31 March 2022
a) Expenses recognised in the Statement of Profit and Loss		
Current Service Cost	2.99	2.58
Past Service Cost	-	-
Interest Cost	1.15	0.50
Components of defined benefit costs recognized in profit or loss	4.14	3.08
b) Included in Other Comprehensive Income		
Actuarial changes arising from changes in financial assumptions	(1.16)	(0.43)
Actuarial changes arising from changes in demographic assumptions	-	-
Experience adjustments	0.91	7.49
Return on plan assets excluding amounts included in Interest Income	(0.08)	(0.02)
Actuarial (Gain) / Loss recognized in OCI	(0.33)	7.04
c) Recognised in Balance Sheet		
Present value of obligation as at the end of the year	26.12	23.00
Fair value of plan assets as at the end of the year	(3.82)	(3.55)
Net Liability	22.30	19.45
d) Changes in defined benefit obligations		
Present value of obligation as at the beginning of the year		
Defined Benefit Obligation ("PBO") at the beginning of the year	23.00	12.89
Service cost	2.99	2.58
Past Service Cost	-	-
Interest cost	1.34	0.71
Actuarial loss / (gain)	(0.25)	7.06
Benefits paid	(0.95)	(0.24)
Present value of obligation as at the end of the year	26.13	23.00



# Empire Mall Private Limited

## Notes to the financial statements (Continued) as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

### Note 36 : Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

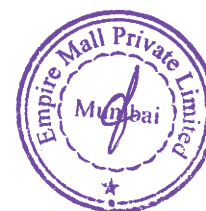
Particulars	Funded Plan	
	Gratuity	
	31 March 2023	31 March 2022
<b>e) Change in fair value of assets</b>		
Fair value of plan assets at the beginning of the year	3.55	3.32
Interest Income	0.19	0.21
Return on plan assets excluding amounts included in interest income	0.08	0.02
Benefits paid	-	-
<b>Fair value of plan assets at the end of the year</b>	<b>3.82</b>	<b>3.55</b>
<b>f) Reconciliation of net defined benefit liability</b>		
Net opening provision in books of accounts	19.44	9.56
Transfer in/(out) obligation	-	-
Employee Benefit Expense	4.13	3.08
Amounts recognized in Other Comprehensive Income	(0.33)	7.04
Benefits paid by the company	(0.95)	(0.24)
<b>Closing provision in books of accounts</b>	<b>22.29</b>	<b>19.44</b>

Particulars	Unfunded Plan	
	Compensated absences	
	31 March 2023	31 March 2022
<b>a) Changes in defined benefit obligations</b>		
<b>Present value of obligation as at the beginning of the year</b>		
Defined Benefit Obligation ("PBO") at the beginning of the year	7.58	7.55
Service cost	1.20	1.08
Interest cost	0.43	0.41
Actuarial loss / (gain)	(0.28)	(1.03)
Liabilities transferred in / (out)	-	-
Benefits paid	(0.54)	(0.43)
<b>Present value of obligation as at the end of the year</b>	<b>8.39</b>	<b>7.58</b>
<b>b) Expenses recognised in the Statement of Profit and Loss</b>		
Current Service Cost	1.20	1.08
Interest Cost	0.43	0.41
Actuarial loss / (gain)	(0.28)	(1.03)
<b>Total included in 'employee benefit expense'</b>	<b>1.35</b>	<b>0.46</b>
<b>c) Liability Recognised in Balance Sheet</b>		
Present value of unfunded obligation as at the end of the year	8.39	7.58
<b>Net Liability</b>	<b>8.39</b>	<b>7.58</b>
<b>d) Components of actuarial gain/losses on obligation</b>		
Actuarial changes arising from changes in financial assumptions	(0.31)	(0.11)
Actuarial changes arising from changes in demographic assumptions	-	-
Experience adjustments	0.03	(0.92)
<b>Net actuarial (Gain)</b>	<b>(0.28)</b>	<b>(1.03)</b>

Particulars	Gratuity		Compensated absences	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>e) Current/ non-current classification</b>				
Current	3.14	2.99	8.39	7.59
Non- current	19.16	16.46	-	-
	<b>22.30</b>	<b>19.45</b>	<b>8.39</b>	<b>7.59</b>



# Empire Mall Private Limited

## Notes to the financial statements (Continued) as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

### Note 36 : Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

The following table summarizes the principal assumptions used for defined benefit obligation and compensated absences:

Actuarial assumptions	Gratuity		Compensated absences	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Discount rate	7.30%	6.40%	7.30%	6.40%
Salary escalation rate (% p.a.) *	5.10%	5.10%	5.10%	5.10%
Withdrawal Rates	10% at all ages	10% at all ages	10% at all ages	10% at all ages
Leave Availment Rate			5.00%	5.00%
Mortality rate	Indian assured lives mortality (2012-14) ultimate	Indian assured lives mortality (2012-14) ultimate	Indian assured lives mortality (2012-14) ultimate	Indian assured lives mortality (2012-14) ultimate

\* The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

#### Quantitative sensitivity analysis for significant assumption is as below:

Particulars	Gratuity		Compensated absences	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
i. Discount rate	0.5% increase 25.51	22.41	0.5% increase 8.23	7.43
ii. Salary escalation rate - over a long-term	26.65	23.50	8.57	7.75
iii. Withdrawal rate (W.R.)	10% increase 26.28	23.06	10% increase 8.33	7.51
i. Discount rate	0.5% decrease 26.75	23.62	0.5% decrease 8.56	7.75
ii. Salary escalation rate - over a long-term	25.65	22.47	8.23	7.43
iii. Withdrawal rate (W.R.)	10% decrease 25.94	22.93	10% decrease 8.46	7.67

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit

#### Maturity analysis of defined benefit obligation

Particulars	Gratuity		Compensated absences	
	Cashflow	Distribution (%)	Cashflow	Distribution (%)
1st Following Year	4.75	12.20%	1.83	15.50%
2nd Following Year	4.25	10.9%	1.60	13.60%
3rd Following Year	2.33	6.0%	1.08	9.10%
4th Following Year	2.58	6.6%	1.04	8.80%
5th Following Year	2.13	5.4%	0.85	7.20%
Sum of Year 6 to 10 Year	12.60	32.3%	3.25	27.40%
<b>Total expected payments</b>	<b>28.64</b>		<b>9.65</b>	

#### C Experience adjustments

Particulars	2022	2021	2020	2019	2018
Present value of defined benefit obligation	23.00	12.89	10.69	7.21	6.45
Fair value of plan assets	(3.55)	(3.32)	(3.66)	(5.88)	(5.57)
Deficit	19.45	9.57	7.03	1.33	0.88

#### II) Defined contribution plans

The Company makes contribution towards provident fund to a defined contribution retirement plan for qualifying employees. The provident fund plan is operated by the regional provident fund commissioner. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement contribution schemes to fund benefits.

- a) The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

	31 March 2023	31 March 2022
Contribution to Provident fund	5.54	5.93
Contribution to Maharashtra Labour Welfare fund (MLWF)	0.02	0.01
Contribution to ESIC	0.68	0.75
	<b>6.25</b>	<b>6.69</b>



## Empire Mall Private Limited

### Notes to the financial statements (Continued) as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

**Note 37: Related party disclosures as required under Indian Accounting Standard 24, "Related party disclosures" are given below:**

a) Names of related parties and nature of relationship (to the extent of transactions entered into during the year except for control relationships where all parties are disclosed)

Nature of relationship	Name of the Party
<b>A) Key Management Personnel (KMP)</b> Director	Mr. Sudhanshu Chaturvedi
<b>B) Independent Directors and Non Executive Directors</b> Independent Director Independent Director	Ms. Dipa Hakani Ms. Hemal Arya
<b>C) Ultimate Holding Company</b>	Prozone Realty Limited formerly known as Prozone Intu Properties Limited
<b>D) Holding Company</b>	Prozone Liberty International Limited, Singapore.
<b>E) Fellow Subsidiary Company</b>	Alliance Mall Developers Co Private Limited Hagwood Commercial Developers Private Limited
<b>F) Shareholders having significant influence in the Company</b>	Nailsfield Limited, Mauritius Triangle Real Estate India Projects Limited



## Empire Mall Private Limited

### Notes to the financial statements (Continued) as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

Note 37: Related party disclosures as required under Indian Accounting Standard 24, "Related party disclosures" are given below:

b) Transactions carried out with related parties referred to above, in ordinary course of business and balances outstanding:

#### Summary of related party transactions

Transactions	Fellow Subsidiaries		Ultimate Holding Company		Directors & KMPs	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
<b>Directors sitting fees</b>						
Mr. Sudhanshu Chaturvedi	-	-	-	-	1.50	1.25
Ms. Dipa Hakani	-	-	-	-	1.50	1.25
Ms. Hemal Arya	-	-	-	-	1.50	1.25
<b>Purchase of services</b>						
Prozone Intu Properties Limited	-	-	379.99	362.42	-	-
<b>Rent on machinery</b>						
Alliance Mall Developers Co Private Limited	25.80	25.80	-	-	-	-
<b>Interest Income</b>						
Alliance Mall Developers Co Private Limited	230.16	223.13	-	-	-	-
Hagwood Commercial Developers Private Limited	357.84	359.49	-	-	-	-
<b>Loan given</b>						
Alliance Mall Developers Co Private Limited	-	-	-	-	-	-
Hagwood Commercial Developers Private Limited	-	507.00	-	-	-	-
<b>Loan received back (with TDS)</b>						
Alliance Mall Developers Co Private Limited	119.15	261.67	-	-	-	-
Hagwood Commercial Developers Private Limited	17.20	1,819.70	-	-	-	-
<b>Notional Corporate Guarantees commission</b>						
Prozone Realty Limited	-	-	42.50	42.50	-	-



# Empire Mall Private Limited

## Notes to the financial statements (Continued)

as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

Note 37: Related party disclosures as required under Indian Accounting Standard 24, "Related party disclosures" are given below:

Balances payable/outstanding at the year end

	Fellow Subsidiaries		Ultimate Holding Company		Directors & KMPs	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
<b>Payable</b>						
Prozone Realty Limited	-	-	105.00	161.63	-	-
<b>Receivable</b>						
Alliance Mall Developers Co Private Limited	-	2.06	-	-	-	-
<b>Loans given</b>						
Alliance Mall Developers Co Private Limited	2,305.62	2,194.61	-	-	-	-
Hagwood Commercial Developer Private Limited	3,728.05	3,387.41	-	-	-	-
<b>Corporate Guarantees given on behalf of company</b>						
Prozone Realty Limited	-	-	15,543.82	17,447.95	-	-



# Empire Mall Private Limited

## Notes to the financial statements (Continued) as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

### Note 38 : Segment reporting as required under Indian Accounting Standard 108, "Operating Segments"

Based on the "management approach" as defined in Ind AS 108 – Operating Segments, the managing director / director evaluates the Group's performance based on an analysis of various performance indicators by business segment. Accordingly information has been presented along these segments. The accounting principles used in the preparation of the financial statement are consistently applied in individual segment to prepare segment reporting. The Group is organised into business units based on its services and has two reportable segments, as follows:

1. Leasing.
2. Outright Sales

#### a) Information about Primary Segments - Business Segments

31 March 2023

Particulars	Leasing	Outright Sales	Total
<b>For the year ended 31 March 2023</b>			
<b>Revenue</b>			
Segment revenue	4,953.81	849.37	5,803.18
Unallocated revenue	-	-	-
			<b>5,803.18</b>
<b>Results</b>			
Segment results	2,125.86	35.60	2,161.46
Unallocated expenses	-	-	-
			<b>2,161.46</b>
<b>Operation Profit</b>			1,977.34
Finance costs			(1,667.14)
Other income			1,851.25
<b>Profit before tax</b>			6.71
Tax expense			1,844.53
<b>Profit for the year</b>			
<b>As at 31 March 2023</b>			
Segment assets	33,490.86	917.41	34,408.27
Unallocated assets	-	-	5,129.13
<b>Total assets (A)</b>			<b>39,537.40</b>
Segment liabilities	17,259.52	537.38	17,796.90
Unallocated liabilities	-	-	-
<b>Total liabilities (B)</b>			<b>17,796.90</b>
<b>Capital employed (A) - (B)</b>			<b>21,740.51</b>



## Empire Mall Private Limited

### Notes to the financial statements (Continued) as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

Note 38 : Segment reporting as required under Indian Accounting Standard 108, "Operating Segments"

31 March 2022			
Particulars	Leasing	Outright Sales	Total
<b>For the year ended 31 March 2022</b>			
<b>Revenue</b>			
Segment revenue	3,034.13	390.97	3,425.10
Unallocated revenue	-	-	-
			3,425.10
<b>Results</b>			
Segment results	415.04	178.76	593.80
Unallocated expenses	-	-	-
<b>Operation Profit</b>			593.80
Finance costs			1,884.63
Other income			(1,523.91)
<b>Profit before tax</b>			233.08
Tax expense			(146.41)
<b>Profit for the year</b>			379.49
<b>As at 31 March 2022</b>			
Segment assets	32,780.41	1,804.15	34,584.56
Unallocated assets	-	-	5,106.66
<b>Total assets (A)</b>			39,691.22
Segment liabilities	18,967.23	828.30	19,795.53
Unallocated liabilities	-	-	-
<b>Total liabilities (B)</b>			19,795.53
<b>Capital employed (A) - (B)</b>			19,895.69



## Empire Mall Private Limited

### Notes to the financial statements (Continued) as at 31 March 2023

(Currency: Indian Rupees in Lakhs unless otherwise stated)

#### Note 39 : Financial Instruments – Fair values and risk management :

##### Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value.

31 March 2023	Note	Carrying amount			Fair value			Total
		FVTPL	FVTOCI	Amortised Cost	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Financial assets								
Loans	5	-	-	16,014.44	-	-	-	-
Investments	11	171.56	-	-	171.56	-	-	171.56
Trade receivables	12	-	-	739.58	-	-	-	-
Cash and cash equivalents	13	-	-	1,077.68	-	-	-	-
Bank balances other than cash and cash equivalents	14	-	-	673.03	-	-	-	-
Other financial assets	6 & 15	-	-	930.14	-	-	-	-
		171.56	-	19,434.27	-	-	-	-
Financial liabilities								
Borrowings	18	-	-	15,329.84	-	-	-	-
Trade payables	23	-	-	376.49	-	-	-	-
Other financial liabilities	19 & 24	-	-	1,060.30	-	-	-	-
		-	-	16,766.63	-	-	-	-

31 March 2022	Note	Carrying amount			Fair value			Total
		FVTPL	FVTOCI	Amortised Cost	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Financial assets								
Loans	5	-	-	14,571.73	-	-	-	-
Investments	11	80.24	-	-	80.24	-	-	80.24
Trade receivables	12	-	-	1,043.34	-	-	-	-
Cash and cash equivalents	13	-	-	1,551.69	-	-	-	-
Bank balances other than cash and cash equivalents	14	-	-	162.02	-	-	-	-
Other financial assets	6 & 15	-	-	960.50	-	-	-	-
		80.24	-	18,289.28	-	-	-	-
Financial liabilities								
Borrowings	18	-	-	17,211.55	-	-	-	-
Trade payables	23	-	-	376.88	-	-	-	-
Other financial liabilities	19 & 24	-	-	910.87	-	-	-	-
		-	-	18,499.30	-	-	-	-



**Notes to the financial statements (Continued)**  
as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

**Note 39 : Financial instruments – Fair values and risk management :**

**Accounting classification and fair values**

**B) Measurement of fair values**

**Valuation techniques and significant unobservable inputs**

The following table shows the valuation techniques used in measuring Level 1 and Level 2 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used. Related valuation processes are described in Note 4.

**i) Financial instruments measured at amortised cost**

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Borrowings	Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.	Not applicable	Not applicable
Other financial liabilities (current maturities of long-term debt)	Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.	Not applicable	Not applicable

**ii) Financial instruments measured at fair value through profit or loss**

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in mutual funds	The fair values of investments in mutual fund units is based on the net asset value ("NAV") as stated by the issuer of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which the issuers will redeem such units from the investor.	Not applicable	Not applicable



## Empire Mall Private Limited

### Notes to the financial statements (Continued) as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

#### Note 39 : Financial instruments – Fair values and risk management (Continued) :

##### B) Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- a. credit risk ;
- b. liquidity risk ; and
- c. market risk

##### Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Board of Directors. The activities of this department include management of cash resources, borrowing strategies, and ensuring compliance with market risk limits and policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

##### a. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. The carrying amounts of financial assets represent the maximum credit exposure.

##### Trade 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 ageing 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 follow up, 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. 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

The Company held cash and cash equivalents with credit worthy banks of Rs. 1077.68 Lakhs and Rs 1551.69 lakhs as at 31 March 2023 and 31 March 2022 respectively. The credit worthiness of such banks and financial institutions is evaluated by the management on an on going basis and is considered to be good.

##### Exposure to credit risk

The allowance for impairment in respect of trade receivables during the year was Rs. 4.60 lakhs ( 2022: Rs 71.93 lakhs)

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 31 March 2023 and 31 March 2022 is as follows:

Particulars	31 March 2023	31 March 2022
Financial assets for which loss allowances are measured using 12 months Expected Credit Losses (ECL) :		
Trade receivables	193.91	189.31

\* The management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

Particulars	Amount
Balance as at 1 April 2021	117.38
Amount written off during the year	-
Impairment loss recognised	71.93
Balance as at 31 March 2022	189.31
Amount written off during the year	-
Impairment loss recognised	4.60
Balance as at 31 March 2023	193.91

The Company has no other financial assets that are past due but not impaired.



# Empire Mall Private Limited

## Notes to the financial statements (Continued)

as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

### Note 39 : Financial instruments – Fair values and risk management (Continued) :

#### B) Financial risk management

##### b. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

##### Exposure to liquidity risk

The table below summarises the maturity profile of the Company's financial liabilities at the balance sheet date based on contractual undiscounted repayment obligations.

Particulars	Note	Carrying amount	Contractual cash flows			
			Total	One year or less	1 - 5 years	More than 5 years
As at 31 March 2023						
Non - derivative financial liabilities						
Borrowings	18	15,329.84	15,329.84	881.00	4,634.00	9,814.84
Trade payables	23	376.49	376.49	376.49	-	-
Other financial liabilities	19 & 24	1,060.30	1,060.30	32.52	1,027.78	-
		16,766.63	16,766.63	1,290.01	5,661.78	9,814.84
As at 31 March 2022						
Non - derivative financial liabilities						
Borrowings	18	17,211.55	17,211.55	-	2,258.19	14,953.36
Trade payables	23	376.88	376.88	376.88	-	-
Other financial liabilities	19 & 24	910.87	910.87	59.15	851.72	-
		18,499.30	18,499.30	436.03	3,109.91	14,953.36

##### c. 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 risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and bank deposits. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

##### Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

##### Exposure to interest rate risk:

The Company's exposure to market risk for changes in interest rates relates to fixed deposits and borrowings from NBFC and other parties.

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

Particulars	31 March 2023	31 March 2022
<b>Fixed-rate instruments:</b>		
Financial asset (Bank deposits)	673.03	162.02
Financial liabilities (Borrowings)	(881.00)	-
	<b>(207.97)</b>	<b>162.02</b>
<b>Variable-rate instruments:</b>		
Financial liabilities (Borrowings)	<b>(14,448.84)</b>	<b>(17,211.55)</b>

##### Fair value sensitivity analysis for fixed-rate instruments

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IND AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.



# Empire Mall Private Limited

## Notes to the financial statements (Continued) as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

### Note 39 : Financial instruments – Fair values and risk management (Continued) :

#### B) Financial risk management

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	31 March 2023	31 March 2022
Increase in basis points	50 basis points	50 basis points
Effect on loss before tax, increase by	72.24	86.06
Decrease in basis points	50 basis points	50 basis points
Effect on loss before tax, decrease by	72.24	86.06

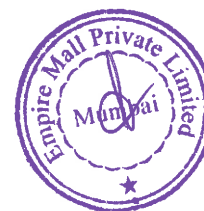
The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly lower volatility than in prior years.

#### Foreign currency risk

The Company has negligible exposure to currency risk since almost all the transactions of the Company are denominated in Indian Rupees.

#### Commodity and Other price risk

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



# Empire Mall Private Limited

## Notes to the financial statements (Continued) as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

### Note 40 : Capital Management

The Company manages the capital structure by a balanced mix of debt and equity. Necessary adjustments are made in the capital structure considering the factors vis-a-vis the changes in the general economic conditions, available options of financing and the impact of the same on the liquidity position. Higher leverage is used for funding more liquid working capital needs and conservative leverage is used for long-term capital investments. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2023. The Company calculates the level of debt capital required to finance the working capital requirements using traditional and modified financial metrics including leverage/gearing ratios and asset turnover ratios.

As of balance sheet date, leverage ratios is as follows:

Particulars	31 March 2023	31 March 2022
Total debt (Refer note 18)	15,329.84	17,211.55
Less: cash and bank balances (Refer note 12 and 13)	1,750.71	1,713.71
Adjusted net debt	13,579.13	15,497.84
Total equity (Refer note 17 and 17.1)	21,740.51	19,895.69
Adjusted net debt to adjusted equity ratio (times)	0.62	0.78

### Note 41 : Operating leases

#### Leases as lessee

- i) The Company has taken residential premises situated at Aurangabad on operating lease for its employee. The Company has entered into a leave and license agreement for using of its office premises for 11 months, with an option to renew the lease after this period. The lease payments recognised in the statement of profit and loss is Rs 1.68 lakhs (31 March 2022: Rs 1.94 lakhs).
- ii) There is no future minimum lease payments under non-cancellable operating lease.

#### Leases as lessor

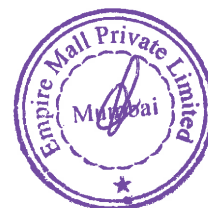
- i) The Company has given its retail mall situated at Aurangabad on lease/ leave and licence. The cancellable leases are renewable by mutual consent on mutually agreeable terms. The lease income recognised in the statement of profit and loss is Rs 3188.45 lakhs (31 March 2022: 1759.87 lakhs)
- ii) The future minimum lease payments for non-cancellable operating lease are as follows:

Particulars	31 March 2023	31 March 2022
Within less than 1 year	457.63	93.44
Between one and five years	176.39	37.83
Later than five years	-	-

### Note 42 : Disclosure with regards to section 186 (4) of the Companies Act, 2013

- i) For Investment refer note no. 10
- ii) For loans given:

Particulars	Rate of Interest	Purpose of Loan	31 March 2023	31 March 2022
Loans to Hagwood Commercial Developer Private Limited, fellow subsidiary	10.6%	Working Capital	3,728.05	3,387.41
Loans to Alliance Mall Developers Co Private Limited, fellow subsidiary	10.6%		2,305.62	2,194.61
Loan to Festival Valley Developers Co Private Limited	10.5%		9,957.60	8,968.17



# Empire Mall Private Limited

## Notes to the financial statements (Continued) as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

### Note 43 : IND AS 115 - Revenue from Contracts with Customers

#### a) Disaggregation of revenue from contracts with customers

The Company believes that the information provided under Note 27- Revenue from operations best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by industry, market and other economic factors.

#### b) Reconciliation of contract liabilities and its significant changes

Particulars	31 March 2023	31 March 2022
Advance from contract customers (contract liability)		
At the beginning of the reporting period	796.30	830.09
Cumulative catch up adjustments to revenue affecting contract liability	292.49	33.79
Additional advances received (net of refund)	-	-
Significant financing component	-	-
At the end of the reporting period	503.81	796.30

The amount of Rs Nil recognised in contract liabilities at the beginning of the year has been recognised as revenue during the year ended 31 March 2023.

#### c) Reconciliation of revenue as per contract price and as recognised in the Statement of profit and loss:

Particulars	31 March 2023	31 March 2022
Income from sale of services- leasing	4,684.33	2,923.03
Adjustments towards discount, rebates, refunds, credits, price concessions, etc	-	-
Total	4,684.33	2,923.03
Other operating revenue- leasing	269.48	111.10
Adjustments towards discount, rebates, refunds, credits, price concessions, etc	-	-
Total	269.48	111.10

#### d) Reconciliation of contract assets (unbilled revenue)

Particulars	31 March 2023	31 March 2022
At the beginning of the reporting period	2.44	2.50
Revenue recognised that was included in the unearned revenue balance at the beginning of the reporting period	3.90	(0.06)
Unearned revenue recognised however invoice for the same is not raised during the reporting period	-	-
At the end of the reporting period	6.34	2.44



## Empire Mall Private Limited

### Notes to the financial statements (Continued)

as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

#### e) Performance obligation

The Company is engaged in the business of developing, owning and operating of shopping malls, commercial and residential premises.

All the contracts entered with the customers consists of a single performance obligation thereby the consideration allocated to the performance obligation is based on standalone selling prices.

Revenue is recognised upon transfer of control of retail, residential and commercial units to customers for an amount that reflects the consideration which the Company expects to receive in exchange for those units. The trigger for revenue recognition is normally completion of the project or receipt of approvals on completion from relevant authorities or intimation to the customer of completion, post which the contract becomes non-cancellable by the parties.

The revenue is measured at the transaction price agreed under the contract. In certain cases, the Company has contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company adjusts the transaction price for the effects of a significant financing component.

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Company's input methods of revenue recognition as the amounts are not reflective of our transferring control of the system to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

If estimated incremental costs on any contract, are greater than the net contract revenues, the Company recognises the entire estimated loss in the period the loss becomes known.

#### f) Transaction price allocated to remaining performance obligation

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as at March 31, 2023 is Rs Nil (as at March 31, 2022 is Rs 597.40 lakhs), which will be recognised as revenue over a period of 2-3 years .

The Company applies practical expedient of Ind AS 115 and does not disclose information about the amount of the transaction price allocated to the remaining performance obligation and an explanation of when the entity expects to recognise that amount as revenue for all reporting periods presented before the date of initial application.

#### Note 44 : Expenditure on Corporate Social Responsibility (CSR) activities

Provision of Section 135(1) became applicable to Company . However, the average net profits of the Company for the immediately preceding three previous year as per Section 198 are negative. Therefore, the Company is not required to spend any amounts during the current financial year for Corporate Social Responsibility.

Particulars	31 March 2022
Amount required to be spent by the company during the year	5.70
Amount of expenditure incurred	7.14
Shortfall at the end of the year	-1.44
Total of previous year shortfall	1.44
Short fall at the end of year	0.00
Reason for shortfall	NA
Nature of CSR Activities	Contribution to PM care fund, contribution towards blind people

Provision movement	31 March 2022
Opening provision	0.00
Provision created during the year	7.14
Amount paid/incurred	7.14
Closing provision	0.00

#### Note 45 : Note on regrouping and Reclassifications

Previous year figures have been re-grouped / re-classified whenever necessary, to conform to current year presentation.



## Empire Mall Private Limited

### Notes to the financial statements (Continued) as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

#### Note 46: Disclosure of Ratio

Particulars	Numerator	Denominator	FY 22-23	FY 21-22	% change	Remarks
(a) Current Ratio	Current Asset	Current Liability	4.22	11.14	(62%)	Decrease in current ratio is due to decrease in current assets in the current year as compared to previous year.
(b) Debt-Equity Ratio	Total Debt	Equity	0.66	0.87	(23%)	
(c) Debt Service Coverage Ratio	Earning before interest, depreciation and tax	Interest-Principal Repayment	1.69	1.70	(0%)	
(d) Return on Equity Ratio	Net profit after tax	Equity share capital	14%	3%	386%	Increase in ROE is due to increase in net profit after tax in the current year as compared to the previous year.
(e) Inventory turnover ratio	Revenue from operation	Average Inventory	5.73	2.50	129%	Increase in Inventory ratio is due to increase in revenue from operations in the current year as compared to the previous year.
(f) Trade Receivables turnover ratio	Revenue from operation	Average trade receivable	6.51	3.22	102%	Increase in trade receivables is due to increase in revenue from operations in the current year as compared to the previous year.
(g) Trade payables turnover ratio	Purchase	Average trade payable	4.87	7.50	(35%)	Decrease in trade payable turnover ratio is due to less purchase in the current year as compared to the previous year.
(h) Net capital turnover ratio	Revenue from operation	Total Equity	0.27	0.17	55%	Increase in net capital turnover ratio is due to increase in income in the current year as compared to the previous year.
(i) Net profit ratio	Net profit after tax	Revenue from operations	32%	11%	187%	Increase in net profit ratio due to increase in net profit after tax in the current year as compared to the previous year.
(j) Return on Capital employed	Earning before interest, depreciation and tax	Total Assets-current Liabilities	13%	8%	54%	Increase in ROCE is due to increase in Earning before interest, depreciation and tax in the current year as compared to the previous year.
(k) Return on investment	Income generated from investment	Average Investment	2%	5%	(70%)	Decrease in Return on Investment is due to less income from investments in the current year as compared to the previous year.

#### Note 47: Utilisation of Borrowed funds and share premium:

During the year company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) in any persons or entities, including foreign entities ("Funding Parties") with instruction in writing or otherwise for further lending, investing or providing guarantee directly or indirectly to any persons or entities or on behalf of its Ultimate Beneficiaries

During the year company has not received any funds from any persons or entities, including foreign entities ("Funding Parties") with instruction in writing or otherwise for further lending, investing or providing guarantee directly or indirectly to any persons or entities or on behalf of its Ultimate Beneficiaries



## Empire Mall Private Limited

### Notes to the financial statements (Continued) as at 31 March 2023

(Currency : Indian Rupees in Lakhs unless otherwise stated)

Note 48: Title deeds of Immovable Properties not held in name of the Company

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note no.4 to the financial statements, are held in the name of the company.

#### Note 49 : Other Statutory Information:

- (i) The Company does not have any Benami property; where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (v) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (vi) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (vii) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

#### Note 50 : The Code on Social Security 2020 :

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and the Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

#### Note 51 : Subsequent events:

There are no subsequent events which require disclosure or adjustment to Financial Statements.

As per our report of even date attached

For M S K A & Associates  
Chartered Accountants

Firm's Registration No: 105047W

*Bhavik L. Shah*

Bhavik L. Shah

Partner

Membership No: 122071



Place : Mumbai  
Date : May 30, 2023

For and on behalf of the Board of Directors of  
Empire Mall Private Limited  
CIN : U52110MH2006PTC159594

Sudhanshu Chaturvedi

Director

DIN 05151360

Prasad Sapre

Chief Financial Officer

Place : Mumbai

Date : May 30, 2023



