

Empire Mall Private Limited

Financial Statements
together with the
Independent Auditors' Report
for the year ended 31 March 2019

Empire Mall Private Limited

Financial statements together with the Independent Auditors' Report *for the year ended 31 March 2019*

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Empire Mall Private Limited

Report on the Audit of the financial statements

Opinion

We have audited the financial statements of Empire Mall Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, its profits and other comprehensive income, changes in equity and its cash flows for the year ended 31 March 2019.

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 SAs are further described in the *Auditors' 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 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.



Independent Auditors' Report (Continued)

Empire Mall Private Limited

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the financial statements

The Company's management and Board of Directors are 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 state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibility 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 auditors' 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.



Independent Auditors' Report (Continued)

Empire Mall Private Limited

Auditors' Responsibility for the Audit of the financial statements (Continued)

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 and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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.

Independent Auditors' Report (*Continued*)

Empire Mall Private Limited

Report on Other Legal and Regulatory Requirements

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

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

- (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;
- (e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' 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 34 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; and
- 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 31 March 2019; and
- iv. the disclosures in the financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

Independent Auditors' Report (Continued)

Empire Mall Private Limited

Report on Other Legal and Regulatory Requirements (Continued)

- (C) With respect to the matter to be included in the Auditors' Report under Section 197 (16) of the Act, we report that:

According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Mansi Pardiwalla

Partner

Membership No: 108511

Mumbai
28 May 2019

Empire Mall Private Limited

Annexure A to the Independent Auditors' Report – 31 March 2019

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2019, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets including property, plant and equipment and investment properties.
- (b) The Company has regular programme of physical verification of its fixed assets including property, plant and equipment and investment properties by which the fixed asset including property, plant and equipment and investment properties are verified annually. In our opinion, the periodicity of physical verification is reasonable having regards to the size of the Company and the nature of the assets. In accordance with the policy, the Company has physically verified its fixed assets including property, plant and equipment and investment properties during the year and we are informed that no material discrepancies were noticed on such verification, and the same have been dealt within the books of accounts.
- (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 as disclosed in Note 4 to the financial statements, are held in the name of the Company.
- (ii) The Company inventory includes construction work in progress accordingly the requirements under paragraph 3(ii) of the Order is not applicable for construction work in progress.
- (iii) The Company has granted unsecured loans to one company covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). The Company has not granted any loans secured or unsecured, to firms, limited liability partnership or other parties covered in the register maintained under Section 189 of the Act.
 - (a) According to the information and explanations given to us, in our opinion, the terms and conditions on which the unsecured loans have been granted to one company covered in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
 - (b) According to the information and explanations given to us, the terms of lending arrangement do not stipulate any repayment of principal and payment of interest and unsecured loan granted to one company covered in the register maintained under Section 189 of the Act are repayable on demand. The borrower has been regularly in payment of principal and interest as demanded.
 - (c) There are no overdue amount for more than 90 days in respect of the unsecured loans granted to one company covered in the register maintained under Section 189 of the Act.



Empire Mall Private Limited

Annexure A to the Independent Auditors' Report – 31 March 2019 (Continued)

- (iv) In our opinion and according to the information and explanation given to us and based on the audit procedures conducted by us, in respect of an unsecured loan given to one company, the Company has complied with the provisions of Section 185 and Section 186 of the Act. The Company has not made any investments, provided any securities or given any guarantees to parties covered under Section 185 and 186 of the Act. In our opinion and according to the information and explanations given to us, in respect of investments made, the Company has complied with the provisions of Section 186 of the Act.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.
- (v) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for any of the activities carried out by the Company. Accordingly, paragraph 3 (vi) of the Order is not applicable to the Company.
- (vi) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Income tax, Goods and Service tax, Provident Fund, Employees' State Insurance, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Goods and Service tax, Provident Fund, Employees' State Insurance, Cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income-tax and Goods and Service tax as at 31 March 2019, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution during the year. The Company did not have any dues to debenture holders and loan or borrowings from government or banks during the year.



Empire Mall Private Limited

Annexure A to the Independent Auditors' Report – 31 March 2019 **(Continued)**

- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they are raised.
- (x) During the course of 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 have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not a public company. Accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.
- (xiv) 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 or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

Empire Mall Private Limited

Annexure A to the Independent Auditors' Report – 31 March 2019 (Continued)

- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No : 101248W/W-100022



Mansi Pardiwalla

Partner

Membership No: 108511

Mumbai
28 May 2019

Empire Mall Private Limited

Annexure B to the Independent Auditors' Report – 31 March 2019

Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Empire Mall Private Limited ("the Company") as of 31 March 2019 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 were operating effectively as at 31 March 2019, based on the internal financial controls 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal controls 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 Accountant of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ('the Act').

Auditors' Responsibility

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



Empire Mall Private Limited

Annexure B to the Independent Auditors' Report – 31 March 2019 (Continued)

Auditors' Responsibility (Continued)

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with respect to financial statements and their operating effectiveness. Our audit of internal financial controls with respect to financial statements included obtaining an understanding of internal financial controls with respect 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial controls 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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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 **B S R & Co. LLP**
Chartered Accountants

Firm's Registration No: 101248W/W-100022



Mansi Pardiwalla
Partner

Mumbai
28 May 2019

Membership No: 108511

Empire Mall Private Limited

Balance Sheet

as at 31 March 2019

(Currency : Indian Rupees in Lakhs)

	Note	31 March 2019	31 March 2018
Assets			
Non-current assets			
Property, plant and equipment	3	16.46	9.62
Investment property	4	20,820.96	21,986.19
Financial assets			
Loans	5	758.87	731.86
Deferred tax asset (net)	6	1,403.33	1,056.86
Non-current tax assets	7	399.25	218.89
Other non-current assets	8	319.56	309.09
Total non-current assets		23,718.43	24,312.51
Current assets			
Inventories	9	1,385.02	176.95
Financial assets			
Investments	10	459.20	-
Trade receivables	11	2,542.01	4,484.26
Cash and cash equivalents	12	52.90	154.01
Bank balances other than cash and cash equivalents	13	165.22	156.61
Loans	14	2,413.49	1,897.86
Other financial assets	15	38.12	52.10
Other current assets	16	203.91	230.60
Total current assets		7,259.87	7,152.39
Total assets		30,978.30	31,464.90
Equity and liabilities			
Equity			
Equity share capital	17	13,602.25	13,602.25
Other equity	17.1	6,044.82	6,912.14
Total equity		19,647.07	20,514.39
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18	8,363.88	8,778.05
Other financial liabilities	19	810.99	771.59
Other non-current liabilities	20	21.82	18.26
Total non-current liabilities		9,196.69	9,567.90
Current liabilities			
Financial liabilities			
Borrowings	21	-	106.21
Trade payables	22		
Total outstanding dues to micro enterprise and small enterprise		0.54	34.34
Total outstanding dues to creditors other than micro enterprise and small enterprise		598.94	690.28
Other financial liabilities	23	549.45	431.97
Other current liabilities	24	977.16	112.27
Provisions	25	8.45	7.54
Total current liabilities		2,134.54	1,382.61
Total equity and liabilities		30,978.30	31,464.90
Significant accounting policies	2		
Notes to the financial statements	3 - 42		

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

For BSR & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022


Mansi Pardiwalla
Partner
Membership No: 108511



For and on behalf of the Board of Directors of
Empire Mall Private Limited
CIN : U52110MH2006PTC1595


Suchanshu Chaturvedi
Director
DIN 05151360


Deepa Hakani
Director
DIN 07155347


Prasad Sapre
Chief Financial Officer

Place : Mumbai
Date : 28 May 2019

Place : Mumbai
Date : 28 May 2019

Empire Mall Private Limited

Statement of Profit and Loss

for the year ended 31 March 2019

(Currency : Indian Rupees in Lakhs)

	Note	31 March 2019	31 March 2018
Income			
Revenue from operations	26	7,641.27	4,916.14
Other income	27	297.77	215.74
Total Income		7,939.04	5,131.88
Expenses			
Cost of project	28	1,052.33	(2,421.17)
Change in inventory	28	1,727.62	3,428.89
Employee benefits expense	29	156.11	163.13
Finance costs	30	992.56	897.32
Depreciation expense	31	1,433.23	1,382.41
Other expenses	32	1,194.67	1,119.98
Total expenses		6,556.52	4,570.56
Profit before tax		1,382.52	561.32
Less : Tax expense:	7		
Current tax		-	-
Deferred tax charge		375.82	12.96
Total tax expenses		375.82	12.96
Profit for the year (A)		1,006.70	548.36
Other Comprehensive Income (OCI)			
Items that will not be reclassified subsequently to profit or loss:			
- Remeasurement of post employment benefit obligation	35	1.50	1.36
- Income tax effect on above		(0.42)	(0.45)
Other comprehensive income for the year, net of tax (B)		1.08	0.91
Total comprehensive income for the year (A+B)		1,007.78	549.27
Earnings per equity share	33		
(per equity share of nominal value Rs. 10 each)			
Basic and diluted (in Rs.)		0.74	0.40
Significant accounting policies	2.2		
Notes to the financial statements	3 - 42		

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Mansi Pardiwalla

Partner

Membership No: 108511

For and on behalf of the Board of Directors of

Empire Mall Private Limited

CIN : U52110MH2006PTC1595


Sudhanshu Chaturvedi

Director

DIN 05151360


Prasad Sapre

Chief Financial Officer


Deepa Hakani

Director

DIN 07155347



Place : Mumbai
Date : 28 May 2019

Place : Mumbai
Date : 28 May 2019

Empire Mall Private Limited

Statement of cash flows

for the year ended 31 March 2018

(Currency : Indian Rupees in Lakhs)

	31 March 2019	31 March 2018
A. Cash flows from operating activities:		
Profit before tax	1,382.52	561.32
<i>Adjustments for:</i>		
Depreciation expense	1,433.23	1,382.41
Dividend from current investments	(0.02)	(21.41)
Gain on sale of investments	(3.25)	-
Notional Gain/Loss on mutual fund investments	(7.00)	-
Ind AS 115 adjustment	(2,597.82)	-
Remeasurement of post employment benefit obligation	1.50	1.36
Interest income	(261.70)	(168.53)
Notional corporate guarantee expense	23.75	22.43
Unwinding of security deposits	22.99	54.90
Finance costs	945.82	819.99
Operating cash flows before working capital changes	940.03	2,652.47
Adjustments for changes in working capital:		
(Increase) in inventories	(1,208.07)	(1,242.72)
(Increase)/decrease in other financial assets	13.98	(2,349.00)
(Increase) in loans	(542.64)	-
(Increase) in other assets	(7.53)	(1.73)
(Increase)/decrease in trade receivables	1,942.25	(102.59)
Increase/ (decrease) in other financial liabilities	60.44	(583.97)
(Decrease)/ increase in trade payables	(125.14)	240.74
Increase/ (decrease) in other liabilities	868.45	(111.94)
Increase in provisions	0.91	1.49
Cash flows generated from/ (used in) operations	1,942.68	(1,497.23)
Direct taxes paid (net of refunds received)	(180.36)	297.15
Net cash flows generated from/ (used in) operating activities (A)	1,762.32	(1,200.08)
B. Cash flows from investing activities:		
Purchase for property, plant and equipment and investment property	(274.84)	(1,098.65)
(Purchase)/ sale of investments	(448.95)	-
Redemption / maturity of bank deposits	(8.61)	(6.34)
Dividend received	0.02	21.41
Interest received	261.70	168.53
Net cash flows (used in) investing activities (B)	(470.68)	(915.05)
C. Cash flows from financing activities:		
Proceeds from long-term borrowings	-	1,991.44
Repayment of long-term borrowings	(340.72)	(330.90)
Proceeds from short-term borrowings	231.65	135.23
Repayment of short-term borrowings	(337.86)	(29.02)
Interest paid	(945.82)	(819.99)
Net cash flows (used in)/ generated from financing activities (C)	(1,392.75)	946.76
Net (decrease) in cash and cash equivalents (A+B+C)	(101.11)	(1,168.37)
Cash and cash equivalents at the beginning of the year	154.01	1,322.38
Cash and cash equivalents at the end of the year	52.90	154.01

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.

The amendments to Ind AS 7 Cash flow statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities, to meet the disclosure requirement. This amendment has become effective from 1st April ,2017 and the required disclosure is made below. There is no other impact on the financial statements due to this amendments.



Empire Mall Private Limited

Statement of cash flows

for the year ended 31 March 2018

Components of cash and cash equivalents considered only for the purpose of cash flow statement

Cash in hand

In bank current accounts in Indian rupees

31 March 2019

31 March 2018

1.01

1.11

51.89

152.90

52.90

154.01

Reconciliation between the opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities

Particulars	31 March 2018	Cash flows	Non-cash changes		31 March 2019
			Fair value changes	Current / Non - current classification	
Long-term borrowings	8,778.05	(340.72)	-	(73.45)	8,363.88
Short-term borrowings	106.21	(106.21)	-	-	-
Other financial liabilities	294.28	-	-	73.45	367.73
Total liabilities from financing activities	9,178.54	(446.93)	-	-	8,731.61

Particulars	31 March 2017	Cash flows	Non-cash changes		31 March 2018
			Fair value changes	Current / Non - current classification	
Long-term borrowings	7,148.03	1,660.54	-	(30.52)	8,778.05
Short-term borrowings	-	106.21	-	-	106.21
Other financial liabilities	263.76	-	-	30.52	294.28
Total liabilities from financing activities	7,411.79	1,766.75	-	-	9,178.54

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Mansi Pardiwalla

Mansi Pardiwalla

Partner

Membership No: 108511

For and on behalf of the Board of Directors of

Empire Mall Private Limited

CIN : U52110MH2006PTC1595

Sudhanshu Chaturvedi

Sudhanshu Chaturvedi

Director

DIN 05151360

Prasad Sapre

Prasad Sapre

Chief Financial Officer



Deepa Hakani

Deepa Hakani

Director

DIN 07155347

Place : Mumbai

Date : 28th May 2019

Place : Mumbai

Date : 28th May 2019

Empire Mall Private Limited

Notes to the Financial statements

for the year ended 31 March 2019

(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 (hereinafter "Financial statements") 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.

This is the first set of the Company's financial statements in which Ind AS 115, Revenue from contracts with customers, has been applied. Changes to significant accounting policies are described in note 2.2 and the impact of transition to Ind AS 115 on the standalone financial statements is disclosed in note 42.

These Financial statements for the year ended 31 March 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 28 May 2019.

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 2019

(Currency: Indian Rupees in Lakhs)

2.1 Basis of preparation (*Continued*)

(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. 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 31 March 2019 is included in the following notes:

- Note 6 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 35 - measurement of defined benefit obligations: key actuarial assumptions;
- Notes 25 and 34 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 38 - impairment of financial assets and
- 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
- Note 2.2 (G) and 42- Evaluation of satisfaction of performance obligation at a point in time for the purpose of revenue recognition.

(e) Standards issued but not yet effective

Ind AS 116, Leases: Ind AS 116 is applicable for financial reporting periods beginning on after 1 April 2019 and replaces existing lease accounting guidance, namely Ind AS 17 Leases. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessee. A lessee recognises a right of use ('ROU') asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e. rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard - i.e. lessors continue to classify leases as finance or operating leases. Management believes, based upon preliminary analysis that the impact of new lease standard is not material on its financial statements.



Empire Mall Private Limited

Notes to the Financial statements (Continued)

for the year ended 31 March 2019

(Currency: Indian Rupees in Lakhs)

2.1 Basis of preparation (Continued)

(e) Standards issued but not yet effective (Continued)

In addition to the above, the following amendments to existing standards have been issued, are not yet effective and are not expected to have a significant impact on the Company's standalone financial statements:

Amendments to Ind AS 103, Business Combinations, and Ind AS 111, Joint Arrangements: This interpretation clarifies how an entity accounts for increasing its interest in a joint operation that meets the definition of a business.

Amendments to Ind AS 109, Financial Instruments: amendments relating to the classification of particular pre-payable financial assets.

Amendments to Ind AS 12, Income Taxes, clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognised consistently with the transactions that generated the distributable profits - i.e. in profit or loss, other comprehensive income or equity. Further Appendix C, uncertainty over income tax treatments has been added to clarify how entities should reflect uncertainties over income tax treatments, in particular when assessing the outcome a tax authority might reach with full knowledge and information if it were to make an examination.

Amendment to Ind AS 19, Employee Benefits - The amendment to Ind AS 19 clarifies that on amendment, curtailment or settlement of a defined benefit plan, the current service cost and net interest for the remainder of the annual reporting period are calculated using updated actuarial assumptions - i.e. consistent with the calculation of a gain or loss on the plan amendment, curtailment or settlement. This amendment also clarifies that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. The entity then determines the effect of the asset ceiling after plan amendment, curtailment or settlement. Any change in that effect is recognised in other comprehensive income (except for amounts included in net interest).

Amendments to Ind AS 23, Borrowing Costs, clarify that the general borrowings pool used to calculate eligible borrowing costs exclude only borrowings that specifically finance qualifying assets that are still under development or construction.

Amendments to Ind AS 28, Investments in Associates and Joint Ventures: When applying the equity method, a non-investment entity that has an interest in an investment entity associate or joint venture can elect to retain the fair value accounting applied by the associate or joint venture to its subsidiaries. Venture capital and other qualifying organisations can elect to measure investments in associates or joint ventures at fair value through profit or loss instead of applying the equity method. The amendments clarify that both these elections apply for each investment entity associate or joint venture separately.



Empire Mall Private Limited

Notes to the Financial statements (Continued)

for the year ended 31 March 2019

(Currency: Indian Rupees in Lakhs)

2.1 Basis of preparation (Continued)

(f) 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.

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 38 – financial instruments and
- Note 4 – investment property

(g) Current vs 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.



Empire Mall Private Limited

Notes to the Financial statements (*Continued*)

for the year ended 31 March 2019

(Currency: Indian Rupees in Lakhs)

2.1 Basis of preparation (*Continued*)

(g) Current vs non-current classification (*Continued*)

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 realisation 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.

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

(i) *Recognition and initial measurement*

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

(ii) *Classification and subsequent measurement*

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI – debt investment;



Empire Mall Private Limited

Notes to the Financial statements (Continued)

for the year ended 31 March 2019

(Currency: Indian Rupees in Lakhs)

2.2 Significant accounting policies (Continued)

A. Financial instruments (Continued)

- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

(ii) Classification and subsequent measurement (Continued)

- the asset is held within a business model whose objective is to hold assets 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.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; 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.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designates as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces on accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:



Empire Mall Private Limited

Notes to the Financial statements (Continued)

for the year ended 31 March 2019

(Currency: Indian Rupees in Lakhs)

2.2 Significant accounting policies (Continued)

A. Financial instruments (Continued)

the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profit,

- matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risk that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

(ii) Classification and subsequent measurement (Continued)

- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;



Empire Mall Private Limited

Notes to the Financial statements (*Continued*)

for the year ended 31 March 2019

(Currency: Indian Rupees in Lakhs)

2.2 Significant accounting policies (*Continued*)

A. Financial instruments (*Continued*)

- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset

(ii) *Classification and subsequent measurement (Continued)*

acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL- These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost- These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI- These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI - These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.



Empire Mall Private Limited

Notes to the Financial statements (*Continued*)

for the year ended 31 March 2019

(Currency: Indian Rupees in Lakhs)

2.2 Significant accounting policies (*Continued*)

A. Financial instruments (*Continued*)

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) *Derecognition*

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

(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 2019

(Currency: Indian Rupees in Lakhs)

2.2 Significant accounting policies (*Continued*)

B. 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

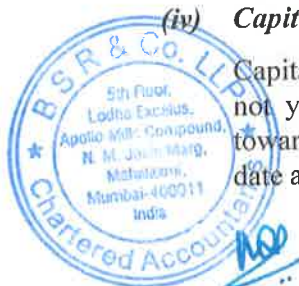
Depreciation on Property, Plant and Equipment of the company has been provided as per written down value method as per the estimated useful lives of the respective item of Property, Plant and Equipment indicated in Part 'C' of Schedule II of the Act.

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

(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 2019

(Currency: Indian Rupees in Lakhs)

2.2 Significant accounting policies (Continued)

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.

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the note no 4 of the Financial statements.

(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 as per Schedule II of the act
Leasehold Land	Amortised over the primary period of the lease
Plant and equipment	15 years
Buildings	60 years

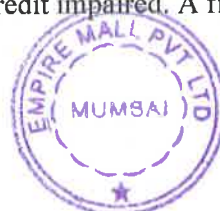
B. Impairment

(i) Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortized cost; and
- financial assets measured at FVOCI- debt investments.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is



Empire Mall Private Limited

Notes to the Financial statements (*Continued*)

for the year ended 31 March 2019

(Currency: Indian Rupees in Lakhs)

2.2 Significant accounting policies (*Continued*)

C. Impairment (*continued*)

(i) Impairment of financial instruments (*Continued*)

‘credit impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Trade and other receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected, etc. and expectations about future cash flows.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

D. Impairment

(i) Impairment of financial instruments (*Continued*)

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience and informed credit assessment and including forward looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the



Empire Mall Private Limited

Notes to the Financial statements (*Continued*)

for the year ended 31 March 2019

(Currency: Indian Rupees in Lakhs)

2.2 Significant accounting policies (*Continued*)

D. Impairment

(i) Impairment of financial instruments (Continued)

cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

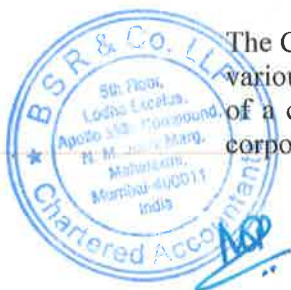
For impairment testing, assets that do not generate independent cash inflows are grouped together into cash generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

(ii) Impairment of non-financial assets (Continued)

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

The Company's corporate assets (e.g. central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.



Empire Mall Private Limited

Notes to the Financial statements (*Continued*)

for the year ended 31 March 2019

(Currency: Indian Rupees in Lakhs)

2.2 Significant accounting policies (*Continued*)

D. Impairment (Continued)

(iii) Impairment of non-financial assets (Continued)

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

E. 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



Empire Mall Private Limited

Notes to the Financial statements (*Continued*)

for the year ended 31 March 2019

(Currency: Indian Rupees in Lakhs)

2.2 Significant accounting policies (*Continued*)

E. Employee benefits (Continued)

(iii) Defined benefit plans

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 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

(iv) Other long-term employee benefits

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.



Empire Mall Private Limited

Notes to the Financial statements (*Continued*)

for the year ended 31 March 2019

(Currency: Indian Rupees in Lakhs)

2.2 Significant accounting policies (*Continued*)

E. Employee benefits (Continued)

(v) *Provisions (other than for employee benefits)*

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.

F. Revenue recognition

Ind AS 115 has been notified by Ministry of Corporate Affairs (MCA) on March 28, 2018 and is effective from accounting period beginning on or after April 01, 2018.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(i) *Revenue from real estate projects*

The Company has applied modified retrospective approach in adopting the new standard (for all contracts other than completed contracts) and accordingly recognised revenue in accordance with Ind AS 115 as compared to earlier Percentage of Completion method as per the Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable).

As these are the first set of the Company's financial statements prepared in accordance with Ind AS 115, an explanation of how the transition to Ind AS 115 has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 42.

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



Empire Mall Private Limited

Notes to the Financial statements (*Continued*)

for the year ended 31 March 2019

(Currency: Indian Rupees in Lakhs)

2.2 Significant accounting policies (*Continued*)

F. Revenue recognition (Continued)

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) Revenue from operations

Revenue is recognised in accordance with the Guidance Note on “Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable)” issued by the Institute of Chartered Accountants of India (“ICAI”).

Revenue from sale of properties under construction is recognized on the basis of percentage of completion method subject to transfer of significant risk and rewards to the buyer and outcome of the real estate project can be estimated reliably.

Percentage of completion is determined with reference to the entire project cost incurred versus total estimated project cost determined based upon the judgment of management. Accordingly, cost of construction/ development is charged to Statement of Profit and Loss in proportion to the revenue recognized during the year and balance costs are carried as part of ‘Project Work in Progress’ under inventories. Amounts receivable/received are reflected as Debtors/Advances from Customers, respectively, after considering income recognized in the aforesaid manner. The estimates of saleable area and costs are revised periodically by the management and are considered as change in estimate accordingly, the effect of such changes to estimates is recognized in the year when such changes are determined.

Land and transferable development rights (TDR) cost is not included in computing the percentage of project completion for recognizing revenue.

Ind AS 115 has been notified by Ministry of Corporate Affairs (MCA) on March 28, 2018 and is effective from accounting period beginning on or after April 01, 2018.



Empire Mall Private Limited

Notes to the Financial statements (Continued)

for the year ended 31 March 2019

(Currency: Indian Rupees in Lakhs)

2.2 Significant accounting policies (Continued)

G. Revenue recognition (Continued)

Revenue from sale of completed properties is recognised upon the transfer of significant risks and rewards to the buyer i.e revenue is recognized either on execution of an agreement or a letter of allotment or a letter of intent.

(iii) Dividend Income

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

(iv) 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.

(v) 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.

(vi) 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.

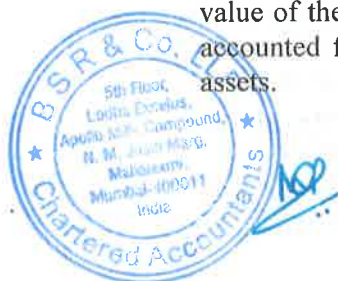
H. Leases

(i) Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

(ii) Assets held under leases

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.



Empire Mall Private Limited

Notes to the Financial statements (*Continued*)

for the year ended 31 March 2019

(Currency: Indian Rupees in Lakhs)

2.2 Significant accounting policies (*Continued*)

H. Leases (Continued)

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's Balance Sheet.

(iii) Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(vi) Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

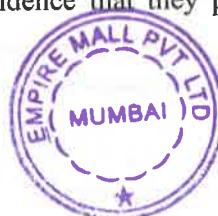
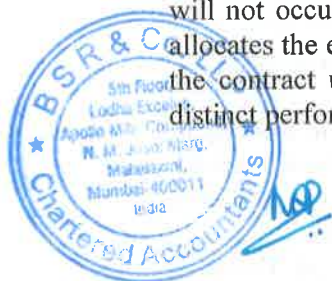
The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset that have become credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Use of significant judgements in revenue recognition

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, price concessions and incentives. 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. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.



Empire Mall Private Limited

Notes to the Financial statements (*Continued*)

for the year ended 31 March 2019

(Currency: Indian Rupees in Lakhs)

2.2 Significant accounting policies (*Continued*)

I. 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 2019

(Currency: Indian Rupees in Lakhs)

2.2 Significant accounting policies (*Continued*)

I. Income tax (Continued)

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.

Minimum Alternate Tax ('MAT') credit entitlement is generally recognised as a deferred tax asset if it is probable (more likely than not) that MAT credit can be used in future years to reduce the regular tax liability.

J. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

K. Foreign exchange translation and accounting of foreign exchange transaction

(i) Initial Recognition

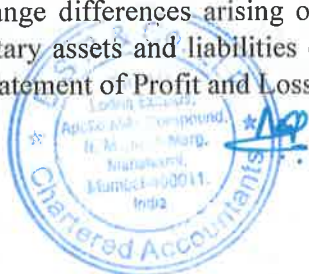
Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses a monthly average rate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

(iii) Treatment of Exchange Difference

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



Empire Mall Private Limited

Notes to the Financial statements (*Continued*)

for the year ended 31 March 2019

(Currency: Indian Rupees in Lakhs)

L. 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.

M. 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.

N. Inventories

Direct expenses like site labour cost, material used for project construction, project management consultancy and general expenses incurred specifically for the commercial project like insurance, design and technical assistance, borrowing costs and construction overheads are taken as the cost of project work-in-progress.

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

O. Changes in significant accounting policy

The Company has applied Ind AS 115 "Revenue from contracts with customer" using the modified retrospective approach with the cumulative impact to the retained earnings as on 1 April 2018 and accordingly recognised revenue in accordance with Ind AS 115 as disclosed in Note no 42 to the financial statements.



Empire Mall Private Limited

Notes to the financial statements (Continued)

as at 31 March 2019

(Currency : Indian Rupees in Lakhs)

Note 3: Property, plant and equipment

Particulars	Furniture and Fittings	Computers	Vehicle	Total
Gross Block:				
Balance as at 1 April 2017	8.83	1.82	0.09	7.75
Additions	8.82	0.28	-	9.10
Disposals	-	-	-	-
Balance as at 31 March 2018	17.65	2.10	0.09	16.85
Additions	13.01	0.42	-	13.43
Disposals	-	-	-	-
Balance as at 31 March 2019	30.66	2.52	0.09	30.28
Accumulated depreciation				
Balance as at 1 April 2017	2.74	0.25	-	2.99
Depreciation for the year	5.77	1.46	-	7.23
Disposals	-	-	-	-
Balance as at 31 March 2018	8.51	1.71	-	10.22
Depreciation for the year	6.62	0.36	-	6.98
Adjustments made	-	-	(0.39)	(0.39)
Disposals	-	-	-	-
Balance as at 31 March 2019	15.13	2.07	(0.39)	16.81
Net Block:				
At 31 March 2018	9.14	0.39	0.09	9.62
At 31 March 2019	15.53	0.45	0.48	16.46



Empire Mall Private Limited

Notes to the financial statements (Continued)

as at 31 March 2019

(Currency : Indian Rupees in Lakhs)

Note 4: Investment property

A. Reconciliation of carrying amount

Particulars	Leasehold land	Building	Plant and Machinery	Total
Gross carrying amount:				
Carrying amount as at 1 April 2017	3,205.65	11,697.86	2,090.89	16,994.40
Additions *	-	7,119.56	367.41	7,486.97
Deletions	-	-	-	-
Balance as at 31 March 2018	3,205.65	18,817.42	2,458.30	24,481.37
Additions	-	205.89	55.52	261.41
Deletions	-	-	-	-
Balance as at 31 March 2019	3,205.65	19,023.31	2,513.82	24,742.78
Accumulated depreciation				
Balance as at 1 April 2017	63.79	596.52	459.69	1,120.00
Depreciation for the year	64.08	897.69	413.41	1,375.18
Balance as at 31 March 2018	127.87	1,494.21	873.10	2,495.18
Depreciation for the year	64.08	997.32	365.24	1,426.64
Balance as at 31 March 2019	191.95	2,491.53	1,238.34	3,921.82
Carrying amounts (net)				
At 31 March 2018	3,077.78	17,323.21	1,585.20	21,986.19
At 31 March 2019	3,013.70	16,531.78	1,275.48	20,820.96
Fair Value				
At 31 March 2018				63,111.32
At 31 March 2019				64,153.48

Notes:

- * The additions in building includes adjustment of Rs. Nil (31 March 2018: Rs 6,397.42 lakhs) on account of re-classification from Inventory to investment property (refer note 28).
- Land and building are mortgaged/hypothecated against the lease rental discounting loan taken from LIC Housing Finance Limited. (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	Inter-relationship between significant unobservable inputs and fair value measurement
Investment property	DCF method (refer below)	1). Discount Rate; 2). Market capitalisation rate	15.50% to 20.00%; 8.5%

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 2019	31 March 2018
Rental Income	3,759.67	3,357.01
Less: Direct Operating expenses from property that generated rental income	1,052.49	1,021.16
Less: Direct Operating expenses from property that did not generate rental income	-	-
Profit from Investment Properties before Depreciation	2,707.18	2,335.85
Depreciation	1,426.64	1,375.18
Profit from Investment Properties	1,280.54	960.67

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 2019

(Currency : Indian Rupees in Lakhs)

31 March 2019

31 March 2018

Note 5 : Loans

(Unsecured, considered good)

To parties other than related parties

Security deposits

758.87

731.86

Total Loans

758.87

731.86

Note 6 : Deferred tax asset (net)

Tax effect of items constituting deferred tax assets:

Unabsorbed depreciation

519.30

614.44

Indexation of freehold land

1,094.06

1,028.68

Provision for expected credit loss

66.60

121.88

On reversal of revenue and cost of residential project as per Ind AS 115

722.71

-

Reversal of deferred tax due profit in PTC project

(391.35)

-

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

2.82

2.98

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 books

(522.12)

(617.42)

Financial liabilities carried at amortised cost

(88.70)

(93.70)

Total deferred tax assets (net)

1,403.33

1,056.86



Empire Mall Private Limited

Notes to the financial statements (Continued)

as at 31 March 2019

(Currency : Indian Rupees in Lakhs)

Note 7 : Non-current tax assets

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

	31 March 2019	31 March 2018
Current tax expense (A)		
Current year	-	-
Deferred tax expense (B)		
Origination and reversal of temporary differences	375.82	12.96
Tax expense (A+B)	375.82	12.96

(b) Amounts recognised in other comprehensive income

Particulars	31 March 2019			31 March 2018		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurement of post employment benefit obligation	1.50	(0.42)	1.08	1.36	(0.45)	0.91
	1.50	(0.42)	1.08	1.36	(0.45)	0.91

(c) Reconciliation of effective tax rate

Particulars	31 March 2019	31 March 2018
Profit / (loss) before tax	1,382.52	561.32
Tax using the Company's domestic tax rate (Current year 27.82% and Previous Year 27.55%)	384.62	154.64
Tax effect of :		
Effect of expenses that is non-deductible in determining taxable profit	0.56	(5.35)
Effect of deferred tax due to change in tax rate	1.54	16.07
Effect of indexation benefit on land	(65.38)	(54.86)
Effect of current year / brought forward losses for which no deferred tax is recognised	-	(154.66)
Other adjustments	54.49	57.12
Tax expense as per statement of profit and loss	375.82	12.96
Effective tax rate	27.18%	2.31%

Particulars	31 March 2019	31 March 2018
Tax deducted at source	399.25	218.89
Total Non-current tax assets	399.25	218.89

(d) Movement in deferred tax balances

	Net balances at 1 April 2018	Recognised in the statement of profit and loss	Adjustment on opening reserves	Recognised in OCI	Balance at 31 March 2019	Deferred tax asset	Deferred tax liabilities
Property, plant and equipment	5.89	(2.89)	-	-	8.78	8.78	-
Investment property	1,019.81	(65.46)	-	-	1,085.27	1,085.27	-
Trade receivables	121.88	55.28	-	-	66.60	66.60	-
Impact due to Ind AS 115	-	391.35	(722.71)	-	331.37	331.37	-
Other financial liabilities	(2.00)	0.71	-	-	(2.71)	-	2.71
Other assets	(91.70)	(5.72)	-	-	(85.99)	-	85.99
Borrowings	(0.00)	0.00	-	-	(0.00)	-	0.00
Other liabilities	0.48	0.48	-	-	-	-	-
Provisions	2.49	2.08	-	0.42	-	-	-
Tax assets/ (liabilities) before set-off	1,056.86	375.82	(722.71)	0.42	1,403.33	1,492.03	88.70
Set-off of deferred tax liabilities						(88.70)	
Net deferred tax assets						1,403.33	



Empire Mall Private Limited

Notes to the financial statements (Continued)

as at 31 March 2019

(Currency : Indian Rupees in Lakhs)

Note 7 : Non-current tax assets

	Net balances at 1 April 2017	Recognised in the statement of profit and loss	Adjustment on opening reserves	Recognised in OCI	Balance at 31 March 2018		
					Net	Deferred tax asset	Deferred tax liabilities
Property, plant and equipment	142.19	136.30	-	-	5.89	5.89	-
Investment property	829.22	(190.59)	-	-	1,019.81	1,019.81	-
Trade receivables	146.26	24.38	-	-	121.88	121.88	-
Other financial liabilities	(0.01)	1.99	-	-	(2.00)	-	2.00
Other assets	(49.80)	41.90	-	-	(91.70)	-	91.70
Borrowings	(0.00)	(0.00)	-	-	(0.00)	-	0.00
Other liabilities	0.41	(0.07)	-	-	0.48	0.48	-
Provisions	2.00	(0.94)	-	0.45	2.49	2.49	-
Tax assets/ (liabilities) before set-off	1,070.28	12.96	-	0.45	1,056.86	1,150.57	93.70
Set-off of deferred tax liabilities						(93.70)	
Net deferred tax assets						1,056.86	

(e) Unrecognised deferred tax assets

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

Particulars	Expiry	31 March 2019	31 March 2018
Unabsorbed depreciation	Never Expire	10,623.11	10,534.39
Tax effect of unrecognised tax depreciation carried forward		2,436.05	2,902.49
Unrecognised tax losses carried forward	AY 2017-18	-	26.81
	AY 2018-19	897.54	897.54
	AY 2022-23	189.20	189.20
	AY 2023-24	586.77	586.77
Tax effect of unrecognised tax losses carried forward		465.57	468.48
		2,901.62	3,370.97



Empire Mall Private Limited

Notes to the financial statements (Continued)

as at 31 March 2019

(Currency : Indian Rupees in Lakhs)

31 March 2019

31 March 2018

Note 8 : Other non-current assets

(Unsecured, considered good)

To related parties

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

285.33

309.08

To parties other than related parties

Capex deferred assets

34.23

-

Total other non-current assets

319.56

309.09

Note 9 : Inventories

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

Work in progress - commercial project (refer note 28)

1,385.02

176.95

Total Inventories

1,385.02

176.95



Empire Mall Private Limited

Notes to the financial statements (Continued) as at 31 March 2019

(Currency : Indian Rupees in Lakhs)

Note 10 : Investments

Current investments

Particulars	31 March 2019		31 March 2018	
	Nos	Rs in lakhs	Nos	Rs in lakhs
Unquoted				
Investments valued at fair value through profit and loss (FVTPL), fully paid up, unquoted, unless otherwise stated				
Investment in mutual funds				
ICICI Prudential - Liquid Fund	85,468.32	235.40	-	-
ICICI Prudential - Savings Fund	62,391.62	223.80	-	-
Total current investments	147859.95	459.20	-	-

Particulars	31 March 2019	31 March 2018
Details:		
Aggregate of current investments:		
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	459.20	-
Aggregate amount of impairment in value of investments	-	-



Empire Mall Private Limited

Notes to the financial statements (Continued)

as at 31 March 2019

(Currency : Indian Rupees in Lakhs)

Note 11 : Trade receivables

(Unsecured, considered good)

To parties other than related parties

Trade Receivables considered good - Secured

Trade Receivables considered good - Unsecured

Trade Receivables which have significant increase in credit risk

Trade Receivables - credit impaired

Less : Provision for expected credit loss

Total Trade receivables

31 March 2019 31 March 2018

-	-
2,542.01	4,484.26
239.40	442.37
-	-
2,781.41	4,926.63
(239.40)	(442.37)
2,542.01	4,484.26

Note 12 : Cash and cash equivalents

Balances with Banks:

- in current accounts

Cash on hand

Total Cash and cash equivalents

51.89	152.90
1.01	1.11
52.90	154.01

Note 13 : Bank balances other than cash and cash equivalents

Balance with banks to the extent held as security deposit *

Total Bank Balances other than cash and cash equivalents

165.22	156.61
165.22	156.61

* Bank deposits are kept against bank guarantee given by the company to Maharashtra electricity board, Municipal corporation etc.

Note 14 : Loans

(Unsecured, considered good, unless otherwise stated)

To related party

Loans to Alliance Mall Developer Company Private Limited, fellow subsidiary (refer note 36 and note below)

Loan receivables considered good- Unsecured

To parties other than related parties

Loan given to employees

2,401.09	1,887.84
12.40	10.02
2,413.49	1,897.86

Loan includes amount due from company in which director is a director

Fellow subsidiary company

- Alliance Mall Developers Co Private Limited

2,401.09	1,887.84
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Empire Mall Private Limited

Notes to the financial statements (Continued)

as at 31 March 2019

(Currency : Indian Rupees in Lakhs)

Note 15 : Other financial assets

(Unsecured, considered good, unless otherwise stated)

To related party

Rental income receivable from Alliance Mall Developer Company Private Limited, fellow subsidiary (refer note 36 and note below)

To parties other than related parties

Lease rental adjustments - unbilled revenue

Total Others financial assets

Other financial assets includes amount due from company in which director is a director

Fellow subsidiary company

- Alliance Mall Developers Co Private Limited

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 Intu Properties Limited)

To parties other than related parties

Advance to vendors

Prepaid expenses

Total Other current assets

31 March 2019 31 March 2018

-	52.10
38.12	-
38.12	52.10
-	52.10
23.75	23.75
137.88	189.36
42.28	17.49
203.91	230.60



Empire Mall Private Limited

Notes to the financial statements (Continued)

as at 31 March 2019

(Currency : Indian Rupees in Lakhs)

Note 17 : Equity share capital

Particulars	31 March 2019	31 March 2018
Authorised share capital		
1,400 lakhs (31 March 2018: 1,400 lakhs) equity shares of Rs 10 each	14,000.00	14,000.00
Issued, subscribed and fully paid up		
1360.23 lakhs (31 March 2018: 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 2019		31 March 2018	
	No. In Lakhs	Rs in lakhs	No. In Lakhs	Rs in lakhs
Equity Shares				
At the beginning of the period	1,360.23	13,602.25	1,360.23	13,602.25
Issued during the period	-	-	-	-
Outstanding at the end of the period	1,360.23	13,602.25	1,360.23	13,602.25

b) Terms / rights 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 2019		31 March 2018	
	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 2019		31 March 2018	
	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



Empire Mall Private Limited

Notes to the financial statements (Continued)

as at 31 March 2019

(Currency : Indian Rupees in Lakhs)

Note 17.1 : Other equity

Particulars	31 March 2019	31 Mar 2018
Securities premium		
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
Retained earnings		
Opening balance	(10,487.37)	(11,035.73)
Add: Ind AS 115 adjustments (refer note 42)	(1,875.10)	-
Add: profit for the year	1,006.70	548.36
Closing balance (refer sub-note 2)	(11,355.78)	(10,487.37)
Other Comprehensive Income		
Opening balance	(3.08)	(4.00)
Add: profit on fair value of defined benefit plans	1.08	0.91
Closing balance (refer sub-note 2)	(2.00)	(3.08)
Equity Component on fair value of Corporate Guarantee given by Parent		
Opening balance	473.24	268.60
Add: addition for the year	-	204.64
Closing balance	473.24	473.24
Total Other equity	6,044.82	6,912.14

Sub-note:

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



Empire Mall Private Limited

Notes to the financial statements (Continued)

as at 31 March 2019

(Currency : Indian Rupees in Lakhs)

Note 18 : Borrowings

(Secured)

	31 March 2019	31 March 2018
Lease rental discounting loan from Financial Institution (refer note (a) below)	8,894.00	9,175.87
Less Debt syndication fees	162.39	103.54
Less: Current maturities of long term debt (disclosed under other financial liabilities) (refer note 23)	367.73	294.28

Total Borrowings

8,363.88	8,778.05
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Notes:

- a) Rs. 8,894.00 Lakhs (31 March 2018 : Rs. 9,175.87 Lakhs) term loan from Financial Institution carrying interest @ 10.60 % p.a. (previous year 11.60 % p.a.) (floating rate). The loan is repayable in 180 monthly installments of Rs 10,797,671/- 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 Intu Properties Limited.

The Company's exposure to interest rate and liquidity risks are disclosed in note 38 to the financial statements.

Note 19 : Other financial liabilities

Lease deposit from tenants (non-interest bearing)	854.34	816.07
Less : Deferred liability	(166.36)	(144.50)
Add : Interest accrued on lease deposits on unwinding of finance costs	123.01	100.02

Total Other financial liabilities

810.99	771.59
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Note 20 : Other non-current liabilities

Deferred liabilities on financial liabilities carried at amortised cost	21.82	18.26
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Total Other non-current liabilities

21.82	18.26
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Note 21 : Borrowings

(Unsecured)

Loan from Prozone Intu Properties Limited, ultimate holding company	-	106.21
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Total Borrowings

-	106.21
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Details of unsecured borrowings

Rs. Nil (31 March 2018: Rs. 106.21 lakhs) loan taken from ultimate holding company is repayable on demand and carries interest rate of 11% p.a. The loan has been fully repaid in the current year.



Empire Mall Private Limited

Notes to the financial statements (Continued)

as at 31 March 2019

(Currency : Indian Rupees in Lakhs)

	31 March 2019	31 March 2018
Note 22 : Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note below)	0.54	34.34
- Total outstanding dues of creditors other than micro enterprises and small enterprises.	598.94	690.28
Total Trade payables	599.48	724.62

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:

Particulars	31 March 2019	31 March 2018
Principal amount remaining unpaid to any supplier as at the end of each accounting year;	0.54	34.34
Interest due thereon to any supplier as at the end of each accounting year;	-	-
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006);	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-



Empire Mall Private Limited

Notes to the financial statements (Continued)

as at 31 March 2019

(Currency : Indian Rupees in Lakhs)

Note 23 : Other financial liabilities

	31 March 2019	31 March 2018
Current maturities of long-term debt (refer note 18)	367.73	294.28
Retention money payable	69.79	31.85
Employee benefits payable	17.34	16.13
Payables in respect of capital assets	94.59	89.71
Total Other financial liabilities	549.45	431.97

Note 24 : Other current liabilities

Other advances:		
Advance from customers	720.70	63.93
Others:		
Statutory dues payable		
- Tax deducted at source payable	21.90	15.63
- Professional tax payable	0.06	0.05
- Provident fund payable	0.73	0.72
- Value added tax (VAT) payable	-	0.03
- Employees state insurance corporation (ESIC) payable	0.13	0.12
- Goods and services tax (GST) payable	170.85	12.82
Deferred liabilities of financial liabilities carried at amortised cost	11.78	18.96
Capital expenditure deposit with tenants	51.01	-
Total Other current liabilities	977.16	112.27

Note 25 : Provisions

Provision for employee benefits (refer note 35)

- provision for compensated absences	7.11	6.66
- provision for gratuity	1.34	0.88
Total Provisions	8.45	7.54



Empire Mall Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2019

(Currency : Indian Rupees in Lakhs)

Note 26 : Revenue from operations

	31 March 2019	31 March 2018
<i>Sale of residential property</i>		
Revenue from real estate projects	3,875.74	1,549.36
<i>Sale of services</i>		
License fees and rental income	2,163.74	1,953.51
Amortisation of security deposits	25.48	62.12
Service charges	1,371.21	1,190.68
<i>Other operating revenue</i>		
Others (Space on Hire, Kiosk income and scrap income)	205.10	160.47
Total Revenue from operations	7,641.27	4,916.14

Note 27 : Other income

Dividend income on current investments	0.02	21.41
Gain on sale of investments	3.25	-
Notional gain/loss on mutual fund investments	7.00	-
Interest income		
- on income tax refund	-	41.21
- on fixed deposits	39.21	30.88
- on loans to related parties	222.49	96.44
Rent on plant and equipment given to related party (refer note 40)	25.80	25.80
Total Other income	297.77	215.74

Note 28 : Cost of project

Opening work in progress - commercial project	176.95	3,605.84
Add: cost reversal due to revisit of project costs	-	3,282.84
Add: administrative expenses	21.38	60.55
Add: construction and development costs	1,030.95	632.86
	1,229.28	7,582.09
Less: transferred to closing balance of work in progress - commercial project (refer note 9)	1,385.02	176.95
Add: Cost reversal due to reversal of revenue as per Ind AS 115 (refer note 42)	2,935.69	-
Less : transferred to investment property- mall building*	-	6,397.42
Total Cost of commercial project	2,779.95	1,007.72

*The expenses incurred towards mall building are reclassified under investment properties in previous year (refer note 4)



Empire Mall Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2019

(Currency : Indian Rupees in Lakhs)

	31 March 2019	31 March 2018
Note 29 : Employee benefits expense		
Salaries, wages and bonus	139.94	140.27
Expenses related to post-employment defined benefit plans (refer note 35)	1.95	1.96
Expenses related to compensated absences (refer note 35)	0.57	2.05
Directors remuneration	2.90	10.16
Contribution to provident fund and other funds (refer note 35)	5.96	6.05
Staff welfare expenses	4.79	2.64
Total Employee benefits expense	156.11	163.13
Note 30 : Finance costs		
Interest expense		
- on loan taken from NBFC	933.32	808.52
- on unwinding of financial liability (security deposits)	22.99	54.90
- others	3.27	0.24
Other borrowing costs		
Notional corporate guarantee expense	23.75	22.43
Bank charges and processing fees	9.23	11.23
Total Finance cost	992.56	897.32
Note 31 : Depreciation expense		
Depreciation on tangible assets	6.59	7.23
Depreciation on investment property	1,426.64	1,375.18
Total Depreciation expense	1,433.23	1,382.41
Note 32 : Other expenses		
Rent (refer note 40)	4.07	1.57
Rates and taxes	173.68	175.87
Insurance	18.84	17.69
Repairs to building	50.77	36.83
Repairs to machinery	49.41	47.21
Electricity charges	370.75	347.07
Security charges	101.47	96.87
Housekeeping charges	76.60	67.85
Printing and stationery	0.59	0.66
Director sitting fees	3.75	5.50
Communication expenses	1.61	2.19
Legal and professional fees	217.42	141.52
Travelling and conveyance	10.01	15.69
Brokerage and commission	14.83	0.90
Advertisement and sales promotion expenses	69.86	90.19
Payment to auditors (refer note 32(a) below)	15.24	17.51
Interest on late payment of statutory dues	0.51	9.54
Miscellaneous expenses	15.26	45.32
Total Other expenses	1,194.67	1,119.98



Empire Mall Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2019

(Currency : Indian Rupees in Lakhs)

Note 32(a) : Payment to auditors

	31 March 2019	31 March 2018
Statutory audit fees	14.00	16.26
Tax audit and others	1.24	1.25
	<u>15.24</u>	<u>17.51</u>

Note 33 : 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: Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year, excluding equity shares purchased by the Company and held as treasury shares.

Diluted: Diluted earnings per share is calculated by adjusting the weighted average number of equity shares outstanding during the year for assumed conversion of all dilutive potential equity shares. Employee share options are dilutive potential equity shares for the Company.

Basic and diluted EPS

Particulars	31 March 2019	31 March 2018
Weighted average number of equity shares of Rs. 10 each (No. in Lakhs)		
Number of shares at the beginning and end of the year	1,360.23	1,360.23
Weighted average number of shares outstanding during the year	1,360.23	1,360.23
Weighted average number of potential equity shares outstanding during the year	-	-
Total number of potential equity share for calculating diluted earning per share	1,360.23	1,360.23
Net profit after tax available for equity shareholders (Rs. In lakhs)	1,006.70	548.36
Basic Earning per share (in Rs.)	0.74	0.40
Diluted Earning per share (in Rs.)	0.74	0.40



Empire Mall Private Limited

Notes to the financial statements (Continued)

as at 31 March 2019

(Currency : Indian Rupees in Lakhs)

Note 34 : 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 2018: Rs. 920.25 Lakhs)

B) Contingent liabilities

- i) Guarantee given by Bank on behalf of the Company Rs. 115.60 Lakhs (31 March 2018: Rs. 115.60 Lakhs).
- ii) Disputed demand in respect of Property tax amounting to Rs 72.62 Lakhs (31 March 2018: Rs 72.62 Lakhs) .
(The Company has paid under protest Rs 36.31 Lakhs (31 March 2018: Rs 36.31 Lakhs)
- iii) Claims against the Company, not acknowledged as debts Rs Nil (31 March 2018: Rs 10.31 Lakhs)
- iv) Disputed demand in respect of electricity charges amounting to Rs. 644.66 Lakhs (31 March 2018: Rs 644.66 Lakhs) . (The Company has filed appeal against the same and deposited under protest Rs 322.33 Lakhs (31 March 2018: Rs 322.33 Lakhs) on 3rd May, 2017 against the same.



Empire Mall Private Limited

Notes to the financial statements (Continued)

as at 31 March 2019

(Currency : Indian Rupees in Lakhs)

Note 35 : Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

1) Defined benefit obligations and short-term compensated absences

A 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.

B Short-term compensated absences

26 days of privilege leave for staff is allowed each year. Unutilised leave can be carried forward to the extent of 42 days of leave, If the same not availed in calendar year then the same will be lapsed.

Particulars	Funded Plan	
	Gratuity	
	31 March 2019	31 March 2018
a) Expenses recognised in the Statement of Profit and Loss		
Current Service Cost	1.96	2.00
Past Service Cost	-	0.02
Interest Cost	(0.01)	(0.06)
Components of defined benefit costs recognized in profit or loss	1.95	1.96
b) Included in Other Comprehensive Income		
Actuarial changes arising from changes in financial assumptions	0.09	(0.23)
Actuarial changes arising from changes in demographic assumptions	-	-
Experience adjustments	(1.60)	(1.22)
Return on plan assets excluding amounts included in Interest Income	0.01	0.10
Actuarial (Gain) / Loss recognized in OCI	(1.50)	(1.36)
c) Recognised in Balance Sheet		
Present value of obligation as at the end of the year	7.21	6.45
Fair value of plan assets as at the end of the year	(5.87)	(5.57)
Net Liability	1.34	0.88
d) Changes in defined benefit obligations		
Present value of obligation as at the beginning of the year	6.45	5.45
Defined Benefit Obligation ("PBO") at the beginning of the year	6.45	5.45
Service cost	1.96	2.00
Past Service Cost	-	0.02
Interest cost	0.47	0.37
Actuarial loss / (gain)	(1.51)	(1.46)
Benefits paid	(0.17)	0.08
Present value of obligation as at the end of the year	7.21	6.45



Empire Mall Private Limited

Notes to the financial statements (Continued)

as at 31 March 2019

(Currency : Indian Rupees in Lakhs)

Note 35 : Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

Particulars	Funded Plan	
	Gratuity	
	31 March 2019	31 March 2018
e) Change in fair value of assets		
Fair value of plan assets at the beginning of the year	5.57	5.24
Interest Income	0.48	0.42
Return on plan assets excluding amounts included in interest income	(0.01)	(0.10)
Benefits paid	(0.17)	-
Fair value of plan assets at the end of the year	5.88	5.57
f) Reconciliation of net defined benefit liability		
Net opening provision in books of accounts	0.88	0.20
Transfer in/(out) obligation	-	0.08
Employee Benefit Expense	1.95	1.96
Amounts recognized in Other Comprehensive Income	(1.50)	(1.36)
Benefits paid		
Closing provision in books of accounts	1.33	0.88

Particulars	Unfunded Plan	
	Compensated absences	
	31 March 2019	31 March 2018
a) 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	6.66	5.85
Service cost	1.08	2.05
Interest cost	0.50	0.37
Actuarial loss / (gain)	(1.01)	(1.31)
Liabilities transferred in / (out)		0.13
b) Benefits paid	(0.12)	(0.43)
Present value of obligation as at the end of the year	7.11	6.66
Expenses recognised in the Statement of Profit and Loss		
Current Service Cost	1.08	2.05
Interest Cost	0.50	0.37
Actuarial loss / (gain)	(1.01)	(1.31)
Total included in 'employee benefit expense'	0.57	1.11
c) Liability Recognised in Balance Sheet		
Present value of unfunded obligation as at the end of the year	7.11	6.66
Net Liability	7.11	6.66
d) Components of actuarial gain/losses on obligation		
Actuarial changes arising from changes in financial assumptions	0.05	(0.15)
Actuarial changes arising from changes in demographic assumptions	-	-
Experience adjustments	(1.06)	(1.16)
Net actuarial (Gain)	(1.01)	(1.31)

Particulars	Gratuity		Compensated absences	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
e) Current/ non-current classification				
Current	1.34	0.88	7.11	6.66
Non- current	-	-	-	-
	1.34	0.88	7.11	6.66



Empire Mall Private Limited

Notes to the financial statements (Continued)

as at 31 March 2019

(Currency : Indian Rupees in Lakhs)

Note 35 : 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 2019	31 March 2018	31 March 2019	31 March 2018
Discount rate	7.35%	7.55%	7.35%	7.55%
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%	5.00%	5.00%
Mortality rate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate

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

Quantitative sensitivity analysis for significant assumption is as below:

Particulars	Gratuity		Compensated absences	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	0.5% increase		0.5% increase	
i. Discount rate	6.99	6.26	6.99	6.52
ii. Salary escalation rate - over a long-term	7.44	6.67	7.25	6.80
	0.1% increase		0.1% increase	
iii. Withdrawal rate (W.R.)	7.20	6.45	7.04	6.59
	0.5% decrease		0.5% decrease	
i. Discount rate	7.43	6.67	7.25	6.80
ii. Salary escalation rate - over a long-term	6.99	6.25	6.99	6.52
	0.1% decrease		0.1% decrease	
iii. Withdrawal rate (W.R.)	7.21	6.45	7.19	6.73

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

Maturity analysis of defined benefit obligation

Particulars	Gratuity		Compensated absences	
	Cashflow	Distribution (%)	Cashflow	Distribution (%)
1st Following Year	0.59	4.80%	1.00	11.60%
2nd Following Year	0.60	4.9%	0.93	10.80%
3rd Following Year	1.54	12.5%	1.01	11.60%
4th Following Year	0.67	5.5%	0.71	8.20%
5th Following Year	0.66	5.4%	0.64	7.30%
Sum of Year 6 to 10 Year	4.34	35.4%	2.69	31.10%
Total expected payments	8.40		6.98	

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 2019	31 March 2018
Contribution to Provident fund	4.76	4.83
Contribution to Maharashtra Labour Welfare fund (MLWF)	0.02	0.03
Contribution to ESIC	1.18	1.19
	5.96	6.05

C Experience adjustments

Particulars	2018	2017	2016	2015	2014
Present value of defined benefit obligation	6.45	5.45	3.03	5.07	6.25
Fair value of plan assets	(5.57)	(5.24)	(6.28)	(5.73)	(5.24)
(Deficit)	0.88	0.21	(3.25)	(0.66)	1.01



Empire Mall Private Limited

Notes to the financial statements (Continued)

as at 31 March 2019

(Currency : Indian Rupees in Lakhs)

Note 36: 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
A) Key Management Personnel (KMP)	
Director	Mr. Sudhanshu Chaturvedi
Director	Mr. Akhil Chaturvedi (till April 2018)
Director	Ms. Gauri Pote (upto 10th February 2018)
Independent Director	Mr. Dinesh Arya (upto 10th January 2018)
Independent Director	Ms. Deepa Hakani (from 12th December 2017)
Independent Director	Ms. Hemal Arya (from 12th February 2018)
Independent Director	Mr. Hetal Hakani (upto 15th November 2017)
Chief Financial Officer	Mr. Prasad Sapre
Company Secretary	Mr. Vishal Menon (from 1st March 2018)
Company Secretary	Mr. Nitin Shetty (upto 5th May 2017)
B) Ultimate Holding Company	Prozone Intu Properties Limited
C) Holding Company	Prozone Liberty International Limited, Singapore.
D) Fellow Subsidiary Company	Alliance Mall Developers Co Private Limited



Empire Mall Private Limited

Notes to the financial statements (Continued)

as at 31 March 2019

(Currency : Indian Rupees in Lakhs)

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 Subsidiary		Ultimate Holding Company		Directors sitting fees		Salary to KMP	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Directors sitting fees								
Mr. Suchanshu Chaturvedi	-	-	-	-	1.25	1.50	-	-
Ms. Gauri Pote	-	-	-	-	-	1.00	-	-
Mr. Dhiresh Arya	-	-	-	-	-	1.25	-	-
Ms. Deepa Hakani	-	-	-	-	1.25	0.50	-	-
Ms. Hemal Arya	-	-	-	-	1.25	0.25	-	-
Mr. He'el Hakani	-	-	-	-	-	1.00	-	-
Employee benefits expense								
Mr. Akhil Chaturvedi	-	-	-	-	-	-	2.90	10.16
Mr. Prasad Sapre	-	-	-	-	-	-	7.15	7.20
Mr. Vishal Menon	-	-	-	-	-	-	3.95	0.30
Purchase of services	-	-	151.08	118.14	-	-	-	-
Rent on machinery	25.80	25.80	-	-	-	-	-	-
Loan given								
Alliance Mall Developers Co Private Limited	613.00	2,097.48	-	-	-	-	-	-
Loan received back								
Alliance Mall Developers Co Private Limited	99.75	209.64	-	-	-	-	-	-
Loan taken								
Prozone Intu Properties Limited	-	-	231.65	135.23	-	-	-	-
Loan repaid								
Prozone Intu Properties Limited	-	-	337.86	29.02	-	-	-	-

Balances payable/outstanding at the year end

	Fellow Subsidiary		Ultimate Holding Company		Directors sitting fees		Salary to KMP	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Directors sitting fees	-	-	-	-	-	(0.23)	-	-
Employee Benefit Expense	-	-	-	-	-	-	0.79	0.72
Rent on machinery	-	52.10	-	-	-	-	-	-
Loan taken (net of repaid)								
Prozone Intu Properties Limited	-	-	-	106.21	-	-	-	-
Loan given (net of repaid)								
Alliance Mall Developers Co Private Limited	2,401.09	1,887.84	-	-	-	-	-	-

Empire Mall Private Limited

Notes to the financial statements (Continued)

as at 31 March 2019

(Currency : Indian Rupees in Lakhs)

Note 37 : 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 2019

Particulars	Leasing	Outright Sales	Total
For the year ended 31 March 2019			
Revenue			
Segment revenue	3,765.53	3,875.74	7,641.27
Unallocated revenue			-
			7,641.27
Results			
Segment results	981.52	1,095.79	2,077.31
Unallocated expenses			-
			2,077.31
Operation Profit			
Finance costs			992.56
Other income			(297.77)
Profit before tax			1,382.52
Tax expense			375.82
Profit for the year			1,006.70
As at 31 March 2019			
Segment assets	23,460.82	3,095.83	26,556.65
Unallocated assets			4,421.66
Total assets (A)			30,978.30
Segment liabilities	10,309.73	991.52	11,301.25
Unallocated liabilities			29.98
Total liabilities (B)			11,331.23
Capital employed (A) - (B)			19,647.07

31 March 2018

Particulars	Leasing	Outright Sales	Total
For the year ended 31 March 2018			
Revenue			
Segment revenue	3,366.78	1,549.36	4,916.14
Unallocated revenue			-
			4,916.14
Results			
Segment results	766.62	541.64	1,308.26
Unallocated expenses			65.35
			1,242.91
Operation Profit			
Finance costs			897.32
Other income			(215.74)
Profit before tax			561.33
Tax expense			12.96
Profit for the year			548.38
As at 31 March 2018			
Segment assets	23,862.98	3,994.61	27,857.60
Unallocated assets			3,607.30
Total assets (A)			31,464.90
Segment liabilities	10,529.28	304.35	10,833.63
Unallocated liabilities			116.88
Total liabilities (B)			10,950.51
Capital employed (A) - (B)			20,514.39



Empire Mall Private Limited

Notes to the financial statements (Continued) as at 31 March 2019

(Currency : Indian Rupees in Lakhs)

Note 38 : 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 2019	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	-	-	3,172.36	-	-	-	-
Investments	10	459.20	-	-	-	459.20	-	459.20
Trade receivables	11	-	-	2,542.01	-	-	-	-
Cash and cash equivalents	12	-	-	52.90	-	-	-	-
Bank balances other than cash and cash equivalents	13	-	-	165.22	-	-	-	-
Other financial assets	15	-	-	38.12	-	-	-	-
		459.20	-	5,970.61	-	-	-	-
Financial liabilities								
Borrowings	18 & 21	-	-	8,363.88	-	8,363.88	-	8,363.88
Trade payables	22	-	-	599.48	-	-	-	-
Other financial liabilities	19 & 23	-	-	1,360.44	-	367.73	-	367.73
		-	-	10,323.80	-	-	-	-



Empire Mall Private Limited

Notes to the financial statements (Continued)

as at 31 March 2019

(Currency : Indian Rupees in Lakhs)

Note 38: Financial instruments – Fair values and risk management (Continued) :

B) Financial risk management

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

- credit risk ;
- liquidity risk ; and
- 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 finance department, which evaluates and exercises independent control over the entire process of market risk management. The finance 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. 52.90 Lakhs and Rs 154.01 lakhs as at 31 March 2019 and 31 March 2018 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 202.97 lakhs (2018: Rs Nil)

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 2019 and 31 March 2018 is as follows:

Particulars	31 March 2019	31 March 2018
Financial assets for which loss allowances are measured using 12 months Expected Credit Losses (ECL) :		
Trade receivables	239.40	442.37

A summary of the Company's exposure to credit risk by age of the outstanding balance from various customers is as follows:

Particulars	Carrying Amount	31 March 2019	
		Weighted Average Loss Rate	Loss Allowance
Neither past due nor impaired	-	0.00%	-
Past due but not impaired *	1,588.30	0.00%	-
Upto 90 days	5.27	0.50%	0.03
90-180 days	36.55	1.00%	0.37
180-360 days	18.47	2.00%	0.37
360-450 days	850.16	5.00%	42.51
450-540 days	100.44	13.84%	13.90
540-720 days	31.82	100.00%	31.82
720-810 days	43.58	100.00%	43.58
810-900 days	16.86	100.00%	16.86
900-1080 days	3.47	100.00%	3.47
More than 3 yrs	86.50	100.00%	86.50
	2,781.41		239.40



Notes to the financial statements (Continued)

as at 31 March 2019

(Currency : Indian Rupees in Lakhs)

g) 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, 2019 is Rs 737.67 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.

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

M Pardiwalla

Mansi Pardiwalla

Partner

Membership No: 108511



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

CIN : U52110MH2006PTC1595

[Signature]

Sudhanshu Chaturvedi

Director

DIN 05151360

[Signature]

Deepa Hakani

Director

DIN 07155347

[Signature]

Prasad Sapre

Chief Financial Officer

Place : Mumbai

Date : 28 May 2019

Place : Mumbai

Date : 28 May 2019