

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Kingston Property Services Limited**

#### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Kingston Property Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Standalone Financial Statements**

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

#### **Auditor's Responsibility**

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

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

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

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

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For P. RAJ & CO.**

**Chartered Accountants**

Firm Registration No. 108310W

**P. S. Shah**

Partner

Membership No. 44611

Mumbai, April 29, 2015

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

- i. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. The fixed assets have been physically verified by the management as per a phased programme of verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies reported on verification were not material and have been properly dealt with in the books of account.
- ii. By virtue of the activity carried out, the Company does not have any inventory; hence, provisions of clause (ii) of paragraph 3 of the order are not applicable.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Consequently, requirement of clauses (iii a) and (iii b) of paragraph 3 of the order are not applicable
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business for the purchases of fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
- v. The Company has not accepted any deposits from public.
- vi. To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under subsection (1) of Section 148 of the Act.
- vii. a. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues of provident fund, employees state insurance, income tax, service tax, wealth tax, custom duty, value added tax, sales tax and other material statutory dues during the year with the appropriate authorities. As on March 31, 2015, there are no such undisputed dues payable 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 material dues of provident fund, employees state insurance, income tax, service tax, wealth tax, custom duty, value added tax, sales tax and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- c. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of reporting delay in transferring such sums does not arise.
- viii. The Company does not have any accumulated losses at the end of the financial year and has not incurred any cash losses in the current and immediately preceding financial year.
- ix. According to the information and explanations given to us, the Company did not have any outstanding dues to financial institution, banks or debenture holders during the year.
- x. According to the information and explanations provided to us, the Company has not given any guarantee for loans taken by others from bank or financial institution.

- xi. According to the information and explanations provided to us, the Company did not avail any term loan from bank or financial institution during the year.
- xii. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations provided by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

***For P. RAJ & CO.***

**Chartered Accountants**

Firm Registration No. 108310W

**P. S. Shah**

Partner

Membership No. 44611

Mumbai, April 29, 2015

# Kingston Property Services Limited

(in Rupees)

Balance Sheet as at March 31,	Note	2015	2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	9,00,000	9,00,000
Reserves and surplus	3	2,44,06,836	2,20,67,002
		<b>2,53,06,836</b>	<b>2,29,67,002</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	4	2,87,389	2,47,557
Other long-term liabilities	5	41,34,718	-
Long-term provisions	6	1,44,620	1,56,752
		<b>45,66,727</b>	<b>4,04,309</b>
<b>Current liabilities</b>			
Trade payables	7	43,01,446	65,75,427
Other current liabilities	8	5,48,03,394	4,25,71,519
Short-term provisions	6	7,81,262	3,95,522
		<b>5,98,86,102</b>	<b>4,95,42,467</b>
<b>Total</b>		<b>8,97,59,666</b>	<b>7,29,13,778</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	9	48,59,307	26,57,836
Intangible assets	9	9,62,518	12,37,416
Long-term loans and advances	10	17,47,535	13,76,227
		<b>75,69,360</b>	<b>52,71,479</b>
<b>Current assets</b>			
Trade receivables	11	98,67,361	74,34,791
Cash and bank balance	12	4,09,00,950	3,52,82,240
Short-term loans and advances	10	2,49,12,612	2,11,07,592
Other current assets	13	65,09,383	38,17,677
		<b>8,21,90,306</b>	<b>6,76,42,300</b>
<b>Total</b>		<b>8,97,59,666</b>	<b>7,29,13,778</b>

Significant accounting policies

1

The accompanying notes form an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors

**For P.RAJ & CO.**

**Chartered Accountants**

Firm Registration No. 108310W

**P. S. Shah**

Partner

Membership No.44611

Mumbai, April 29, 2015

**Vikas Oberoi**

Director

**Bindu Oberoi**

Director

# Kingston Property Services Limited

(in Rupees)

Statement of Profit and Loss for the year ended March 31,	Note	2015	2014
<b>INCOME</b>			
Revenue from operations	14	36,49,17,439	32,65,61,674
Other income	15	26,94,958	60,37,973
<b>Total revenue</b>	<b>(A)</b>	<b>36,76,12,397</b>	<b>33,25,99,646</b>
<b>EXPENSES</b>			
Operating costs	16	32,67,43,171	28,65,16,438
Employee benefits expense	17	2,93,64,533	2,82,75,150
Other expenses	18	76,42,748	1,16,91,591
<b>Total expenses</b>	<b>(B)</b>	<b>36,37,50,451</b>	<b>32,64,83,179</b>
<b>Profit before interest, depreciation, amortisation and taxes (EBITDA)</b>	<b>(A-B)</b>	38,61,946	61,16,468
Depreciation and amortisation	19	11,54,298	12,54,953
Interest and finance charges	20	(8,401)	(72)
<b>Profit before tax</b>		<b>27,16,050</b>	<b>48,61,587</b>
<b>Tax expense</b>			
Current tax		3,32,000	4,60,000
Deferred tax		39,832	2,46,153
(Excess) / short provision of tax in earlier years		4,383	80,314
<b>Profit after tax</b>		<b>23,39,835</b>	<b>40,75,120</b>
<b>Earnings per equity share (face value of Rs. 10)</b>	21		
- Basic		26.00	45.28
- Diluted		26.00	45.28

Significant accounting policies

1

The accompanying notes form an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors

**For P.RAJ & CO.**

**Chartered Accountants**

Firm Registration No. 108310W

**P. S. Shah**

Partner

Membership No.44611

Mumbai, April 29, 2015

**Vikas Oberoi**  
Director

**Bindu Oberoi**  
Director

# Kingston Property Services Limited

(in Rupees)

Cash Flow Statement for the year ended March 31,	2015	2014
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Profit before tax as per statement of profit and loss</b>	<b>27,16,050</b>	<b>48,61,587</b>
<b>Adjustments for</b>		
Depreciation and amortisation	11,54,298	12,54,953
Interest income	(16,51,734)	(6,90,740)
Loss / (profit) on sale of investments (net)	-	(2,46,673)
Dividend income	(9,74,616)	(51,00,559)
Sundry balances written off / (back)	(53,448)	(17,609)
<b>Operating cash profit before working capital changes</b>	<b>11,90,550</b>	<b>60,958</b>
<b>Movement for working capital</b>		
Increase / (decrease) in trade payables	(22,20,533)	(5,09,068)
Increase / (decrease) in other liabilities	1,63,66,593	(20,58,20,250)
Increase / (decrease) in provisions	3,73,608	2,41,536
(Increase) / decrease in loans and advances	(69,32,092)	56,94,145
(Increase) / decrease in trade receivables	(24,32,570)	(21,91,979)
<b>Cash generated / (used) from operations</b>	<b>63,45,556</b>	<b>(20,25,24,659)</b>
Direct taxes (paid) / refund	(10,99,595)	(73,81,207)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>(A) 52,45,961</b>	<b>(20,99,05,866)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
(Acquisition) / sale of fixed assets / addition to capital work in progress (net)	(17,71,558)	(46,95,715)
Interest received	11,69,691	14,95,277
Dividend received	9,74,616	51,00,559
(Acquisition) / sale of investments (net)	-	2,46,673
(Increase) / decrease in other assets	(72,00,000)	1,62,00,000
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(B) (68,27,251)</b>	<b>1,83,46,794</b>

# Kingston Property Services Limited

		(in Rupees)	
Cash Flow Statement for the year ended March 31,		2015	2014
Net increase / (decrease) in cash and cash equivalents	(A+B)	(15,81,290)	(19,15,59,071)
Add: cash and cash equivalents at the beginning of the year		2,99,82,240	22,15,41,312
<b>Cash and cash equivalents at the end of the year</b>		<b>2,84,00,951</b>	<b>2,99,82,240</b>

## Components of cash and cash equivalents as at March 31,

		(in Rupees)	
		2015	2014
Cash on hand		35,000	35,000
Balance with banks in current accounts		1,00,00,489	1,29,47,240
Fixed deposits with banks, having original maturity of three months or less		1,83,65,462	1,70,00,000
<b>Cash and cash equivalents at the end of the year</b>		<b>2,84,00,951</b>	<b>2,99,82,240</b>

## Reconciliation statement of cash and bank balances as at March 31,

		(in Rupees)	
		2015	2014
Cash and cash equivalents at the end of the year as per above		2,84,00,951	2,99,82,240
Add: Fixed deposits with banks, having original maturity of more than twelve months		1,25,00,000	53,00,000
<b>Cash and bank balance as per balance sheet (refer note 12)</b>		<b>4,09,00,951</b>	<b>3,52,82,240</b>

Significant accounting policies (refer note 1)

The accompanying notes form an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors

**For P.RAJ & CO.**

**Chartered Accountants**

Firm Registration No. 108310W

**P. S. Shah**

Partner

Membership No.44611

Mumbai, April 29, 2015

**Vikas Oberoi**

Director

**Bindu Oberoi**

Director



# Kingston Property Services Limited

## Notes forming part of financial statements for the year ended March 31, 2015

### NATURE OF OPERATIONS

Kingston Property Services Limited (the 'Company' or 'KPSL'), a limited company, is engaged primarily in the business of property management and maintenance services.

#### 1. SIGNIFICANT ACCOUNTING POLICIES

##### A. Basis of preparation

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards notified by Companies (Accounts) Rules, 2014, (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis in accordance with the accounting principles generally accepted in India. The accounting policy has been consistently applied by the Company.

##### B. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events, plans and actions, actual results could differ from these estimates. Any revision to accounting estimates and assumptions are recognised prospectively.

##### C. Tangible assets, intangible assets and capital work in progress

Tangible assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable / allocable cost of bringing the asset to its working condition for its intended use. The cost also includes direct cost and other related incidental expenses. Revenues earned, if any during trial run of assets is adjusted against cost of the assets.

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Cost comprises the acquisition price, development cost and any attributable / allocable incidental cost of bringing the asset to its working condition for its intended use.

Capital work in progress is stated at cost less impairment losses, if any. Cost comprises of expenditures incurred in respect of capital projects under development and includes any attributable / allocable cost and other incidental expenses. Revenues earned, if any, before capitalisation from such capital project are adjusted against the capital work in progress.

Borrowing costs relating to acquisition / construction / development of tangible assets, intangible assets and capital work in progress which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

# Kingston Property Services Limited

## Notes forming part of financial statements for the year ended March 31, 2015

### D. Depreciation and amortisation

#### i) Tangible assets

- (a) Depreciation is provided from the date the assets are ready to be put to use, on straight line method as per the useful life of the assets as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation method, useful life and residual value are reviewed periodically.

- (b) Assets individually costing less than or equal to Rs. 5,000 are fully depreciated in the year of purchase except under special circumstances.

#### ii) Intangible assets

Intangible assets are amortised using straight line method over the estimated useful life, not exceeding 5 years. Amortisation method, useful life and residual value are reviewed periodically.

- iii) Leasehold land and improvements are amortised on the basis of duration and other terms of lease.

### E. Impairment of tangible assets / intangible assets

The carrying amount of tangible assets / intangible assets is reviewed periodically for any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

### F. Investments

Investments are classified into long-term (non-current) and short-term (current) investments. Investments intended to be held for not more than a year are classified as short-term investments. All other investments are classified as long-term investments. Long-term investments are stated at cost less permanent diminution in value, if any. Short-term investments are stated at the lower of cost or fair value.

### G. Valuation of inventories

Inventories are valued at lower of cost or net realisable value.

### H. Segment reporting

The Company's reporting segments are identified based on activities, risk and reward structure, organisation structure and internal reporting systems. Segment revenue and expense include amounts which can be directly attributable to the segment and allocable on reasonable basis. Segment assets and liabilities are assets / liabilities which are directly attributable to the segment or can be allocated on a reasonable basis. Income / expenses / assets / liabilities relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated income / expenses / assets / liabilities.

# Kingston Property Services Limited

## Notes forming part of financial statements for the year ended March 31, 2015

### I. Revenue recognition

#### i) Revenue from projects

Revenue from property management service is recognised at value of service and is disclosed net of indirect taxes, if any.

#### ii) Other income

Dividend income is recognised when the right to receive dividend is established.

Other incomes are accounted on accrual basis, except interest on delayed payment by debtors and liquidated damages which is accounted on acceptance of the Company's claim.

### J. Foreign currency transactions

Foreign currency transactions are recorded in the reporting currency (Indian Rupee) by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of the transaction.

All monetary items denominated in foreign currency are converted into Indian rupees at the year-end exchange rate. The exchange differences arising on such conversion and on settlement of the transactions are recognised in the statement of profit and loss. Non-monetary items in terms of historical cost denominated in a foreign currency are reported using the exchange rate prevailing on the date of the transaction.

### K. Leases

#### i) Where the Company is the lessee

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating lease. Operating lease payments are recognised as an expense in the statement of profit and loss on straight line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the lease.

#### ii) Where the Company is the lessor

Assets representing lease arrangements given under operating leases are included in fixed assets. Lease income is recognised in the statement of profit and loss on straight line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the lease.

Initial direct costs are recognised immediately in the statement of profit and loss.

### L. Taxation

i) Provision for income tax is made under the liability method after availing exemptions and deductions at the rates applicable under the Income-tax Act, 1961.

ii) Deferred tax resulting from timing difference between book and tax profits is accounted for using the tax rates and laws that have been enacted as on the balance sheet date.

# Kingston Property Services Limited

## Notes forming part of financial statements for the year ended March 31, 2015

- iii) Deferred tax assets arising on the temporary timing differences are recognised only if there is reasonable certainty of realisation.
- iv) Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will be able to utilise the MAT Credit Entitlement within the period specified under the Income-tax Act, 1961.

### M. Provisions and contingent liabilities

- i) A provision is recognised when:
  - (a) The Company has a present obligation as a result of a past event;
  - (b) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
  - (c) A reliable estimate can be made of the amount of the obligation.
- ii) A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably may not, require an outflow of resources. A contingent liability also arises in extreme cases where there is a probable liability that cannot be recognised because it cannot be measured reliably.
- iii) Where there is a possible obligation or a present obligation such that the likelihood of outflow of resources is remote, no provision or disclosure is made.

### N. Borrowing costs

Borrowing costs that are directly attributable to the acquisition / construction of qualifying assets or for long - term project development are capitalised as part of their costs.

Borrowing costs are considered as part of the asset cost when the activities that are necessary to prepare the assets for their intended use are in progress.

Other borrowing costs are recognised as an expense, in the period in which they are incurred.

### O. Employee benefits

#### i) Defined contribution plans

Retirement benefits in the form of contribution to provident fund and pension fund are charged to statement of profit and loss.

#### ii) Defined benefit plans

Gratuity is in the nature of a defined benefit plan.

# Kingston Property Services Limited

## Notes forming part of financial statements for the year ended March 31, 2015

Provision for gratuity is calculated on the basis of actuarial valuations carried out at balance sheet date and is charged to the statement of profit and loss. The actuarial valuation is performed using the projected unit credit method.

Actuarial gains and losses are recognised immediately in the statement of profit and loss.

### iii) **Other employee benefits**

Leave encashment is recognised as an expense in the statement of profit and loss as and when they accrue. The Company determines the liability using the projected unit credit method, with actuarial valuations carried out as at balance sheet date. Actuarial gains and losses are recognised immediately in the statement of profit and loss.

## **P. Earnings per share**

Basic earnings per share is calculated by dividing the net profit / (loss) for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or (loss) for the year attributable to equity shareholders and the weighted average numbers of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

# Kingston Property Services Limited

Notes forming part of financial statements for the year ended March 31,

## 2. SHARE CAPITAL

	(in Rupees)	
	2015	2014
<b>Authorised share capital</b>		
4,50,000 (4,50,000) equity shares of Rs. 10 (Rupees ten only) each	45,00,000	45,00,000
	<b>45,00,000</b>	<b>45,00,000</b>
<b>Issued, subscribed and paid up share capital</b>		
90,000 (90,000) equity shares of Rs. 10 (Rupees ten only) each fully paid up {Entire equity shares are held by Oberoi Realty Limited (holding company) along with its nominees}	9,00,000	9,00,000
	<b>9,00,000</b>	<b>9,00,000</b>

### A. Reconciliation of shares outstanding at the beginning and at the end of the year

#### Equity shares

	2015		2014	
	in No.	in Rupees	in No.	in Rupees
At the beginning of the year	90,000	9,00,000	90,000	9,00,000
Add: Issue of fresh shares	-	-	-	-
<b>At the end of the year</b>	<b>90,000</b>	<b>9,00,000</b>	<b>90,000</b>	<b>9,00,000</b>

### B. Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each shareholder of equity share is entitled to one vote per share. The Company declares dividends in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

## 3. RESERVES AND SURPLUS

	(in Rupees)	
	2015	2014
<b>Surplus in statement of profit and loss</b>		
Opening balance	2,20,67,002	1,79,91,882
Add: profit during the year as per statement of profit and loss	23,39,835	40,75,120
	<b>2,44,06,836</b>	<b>2,20,67,002</b>

# Kingston Property Services Limited

Notes forming part of financial statements for the year ended March 31,

## 4. DEFERRED TAX LIABILITIES

	(in Rupees)	
	2015	2014
<b>Deferred tax liabilities</b>		
On depreciation	3,42,593	3,03,213
<b>Deferred tax assets</b>		
On other expenses	55,203	55,656
<b>Deferred tax liabilities (net)</b>	<b>2,87,389</b>	<b>2,47,557</b>

## 5. OTHER LONG TERM LIABILITIES

	(in Rupees)	
	2015	2014
Trade deposits	41,34,718	-
	<b>41,34,718</b>	<b>-</b>

## 6. PROVISIONS

	(in Rupees)			
	Long term (non-current)		Short term (current)	
	2015	2014	2015	2014
<b>Provision for employee benefits</b>				
Provision for gratuity (refer note 22)	-	-	7,47,230	3,72,158
Provision for leave salary (refer note 22)	1,44,620	1,56,752	34,032	23,364
	<b>1,44,620</b>	<b>1,56,752</b>	<b>7,81,262</b>	<b>3,95,522</b>

## 7. TRADE PAYABLES

	(in Rupees)	
	2015	2014
Trade payables (refer note 25)	43,01,446	65,75,427
	<b>43,01,446</b>	<b>65,75,427</b>

## 8. OTHER CURRENT LIABILITIES

	(in Rupees)	
	2015	2014
Advance from customers	2,05,86,941	85,85,005
Trade deposits	-	19,86,157
Other payables (includes provision for expenses, statutory liabilities and others)	3,42,16,453	3,20,00,357
	<b>5,48,03,394</b>	<b>4,25,71,519</b>

**Kingston Property Services Limited**

Notes forming part of financial statements for the year ended March 31,

**9. Fixed Assets**

(in Rupees)

Particulars	Gross block			Accumulated depreciation and amortisation				Net block		
	As At 01-04-2014	Additions	Deductions	As At 31-03-2015	As At 01-04-2014	For the year	Deductions	As At 31-03-2015	As At 31-03-2015	As At 31-03-2014
<b>Tangible Assets</b>										
Furnitures and fixtures	6,83,309	45,000	-	7,28,309	5,58,369	17,213	-	5,75,583	1,52,726	1,24,940
Office equipments	1,30,273	-	-	1,30,273	55,666	57,693	-	1,13,360	16,913	74,606
Vehicles	-	8,200	-	8,200	-	8,200	-	8,200	-	-
Computer	22,08,273	37,829	-	22,46,102	6,53,865	6,84,514	-	13,38,379	9,07,723	15,54,409
Plant and machinery	10,64,301	29,89,842	-	40,54,143	1,60,419	1,11,779	-	2,72,198	37,81,944	9,03,882
<b>Total tangible assets (A)</b>	<b>40,86,155</b>	<b>30,80,871</b>	<b>-</b>	<b>71,67,026</b>	<b>14,28,319</b>	<b>8,79,400</b>	<b>-</b>	<b>23,07,719</b>	<b>48,59,307</b>	<b>26,57,836</b>
Previous year	9,95,086	30,91,069	-	40,86,155	4,15,916	10,12,404	-	14,28,319	26,57,836	5,79,170
<b>Intangible Assets</b>										
Computer software	18,04,765	-	-	18,04,765	5,67,350	2,74,898	-	8,42,247	9,62,518	12,37,416
<b>Total intangible assets (B)</b>	<b>18,04,765</b>	<b>-</b>	<b>-</b>	<b>18,04,765</b>	<b>5,67,350</b>	<b>2,74,898</b>	<b>-</b>	<b>8,42,247</b>	<b>9,62,518</b>	<b>12,37,416</b>
Previous year	3,42,393	14,62,372	-	18,04,765	3,24,801	2,42,549	-	5,67,350	12,37,416	17,592
<b>Total Assets (A+B)</b>	<b>58,90,921</b>	<b>30,80,871</b>	<b>-</b>	<b>89,71,792</b>	<b>19,95,669</b>	<b>11,54,298</b>	<b>-</b>	<b>31,49,967</b>	<b>58,21,825</b>	<b>38,95,252</b>
Previous Year	13,37,479	45,53,442	-	58,90,921	7,40,717	12,54,953	-	19,95,669	38,95,252	5,96,763



# Kingston Property Services Limited

Notes forming part of financial statements for the year ended March 31,

## 10. LOANS AND ADVANCES (UNSECURED AND CONSIDERED GOOD)

	(in Rupees)			
	Long term (non-current)		Short term (current)	
	2015	2014	2015	2014
Capital advances	-	13,09,313	-	-
Advances to vendors	-	-	5,45,433	10,19,346
Deposits	14,45,838	50,000	-	-
Advances recoverable in cash or kind	-	-	22,70,008	17,81,986
	<b>14,45,838</b>	<b>13,59,313</b>	<b>28,15,441</b>	<b>28,01,331</b>
<b>Other loans and advances</b>				
Income tax (net of provisions)	-	-	1,72,70,735	1,65,07,523
Prepaid expenses	3,01,697	16,914	48,26,436	17,98,737
	<b>3,01,697</b>	<b>16,914</b>	<b>2,20,97,171</b>	<b>1,83,06,260</b>
	<b>17,47,535</b>	<b>13,76,227</b>	<b>2,49,12,612</b>	<b>2,11,07,592</b>

## 11. TRADE RECEIVABLES (UNSECURED AND CONSIDERED GOOD)

	2015	2014
Outstanding for a period exceeding six month from the date of becoming due for payment	14,28,080	55,589
Other receivables	84,39,281	73,79,202
	<b>98,67,361</b>	<b>74,34,791</b>

## 12. CASH AND BANK BALANCES

	(in Rupees)	
	2015	2014
<b>Cash and cash equivalents</b>		
Cash on hand	35,000	35,000
Balance with banks in current accounts	1,00,00,489	1,29,47,240
Fixed deposits with banks, having original maturity of three months or less	1,83,65,461	1,70,00,000
	<b>2,84,00,950</b>	<b>2,99,82,240</b>
<b>Other bank balances</b>		
Fixed deposit with banks, having original maturity for more than twelve months	1,25,00,000	53,00,000
	1,25,00,000	53,00,000
	<b>4,09,00,950</b>	<b>3,52,82,240</b>

## 13. OTHER ASSETS

	(in Rupees)	
	2015	2014
Interest accrued but not due	5,74,725	92,682
Others	59,34,658	37,24,995
	<b>65,09,383</b>	<b>38,17,677</b>

# Kingston Property Services Limited

Notes forming part of financial statements for the year ended March 31,

## 14. REVENUE FROM OPERATIONS

	2015	(in Rupees) 2014
<b>Revenue from operations</b>		
Maintenance and management income	36,32,33,361	32,20,88,327
Other operating revenue	16,84,078	44,73,347
	<b>36,49,17,439</b>	<b>32,65,61,674</b>

## 15. OTHER INCOME

	2015	(in Rupees) 2014
Interest income on		
Bank fixed deposits	11,61,252	6,90,740
Others	4,90,482	-
Dividend income on investments	9,74,616	51,00,559
Profit on sale of investments (net)	-	2,46,673
Other non-operating income	68,608	-
	<b>26,94,958</b>	<b>60,37,973</b>

## 16. OPERATING COSTS

	2015	(in Rupees) 2014
Advertisement and marketing expenses	1,70,90,559	1,90,78,945
Contract labour expenses	35,17,469	45,66,033
Customer services	3,11,136	3,52,314
Electricity charges	18,22,20,552	14,51,33,030
Facility management charges	1,08,79,443	1,01,54,285
Gas Charges	21,46,815	-
Hotel boarding and lodging charges	1,318	8,666
Housekeeping charges	2,19,45,882	2,24,86,771
HVAC works	29,79,009	30,71,885
Infodesk expenses	2,24,959	1,75,425
Insurance charges	1,69,177	2,08,806
Inspection charges	15,300	15,300
Kitchen and food audit fees	1,07,610	99,072
Landscaping and horticulture expenses	1,30,192	1,03,317
Materials and structural cost	1,32,49,923	1,18,82,583
Music licenses	5,36,678	5,33,088
Mystery audit fees	62,527	64,986
Parking expenses	1,53,07,061	1,58,05,513
Pest control expenses	5,67,187	5,43,971
Profit sharing	18,75,119	24,51,729
Repairs and maintenance		
Building	1,51,987	68,761
Plant and machinery	1,40,37,266	1,32,15,415
Others	56,11,555	31,80,940
Security expenses	3,04,65,075	2,88,58,741
Water charges	31,39,371	44,56,863
	<b>32,67,43,171</b>	<b>28,65,16,438</b>

# Kingston Property Services Limited

Notes forming part of financial statements for the year ended March 31,

## 17. EMPLOYEE BENEFITS EXPENSE

	(in Rupees)	
	2015	2014
Employee costs	2,62,19,083	2,55,48,899
Contribution to provident fund, gratuity and others	20,10,037	16,05,942
Staff welfare expenses	11,35,413	11,20,308
	<b>2,93,64,533</b>	<b>2,82,75,150</b>

## 18. OTHER EXPENSES

	(in Rupees)	
	2015	2014
Communication expenses	2,13,820	3,74,555
Contribution towards corpus	85,071	42,04,215
Conveyance and travelling expenses	49,957	25,682
Information technology expenses	8,15,140	8,68,614
Legal and professional charges	35,92,569	40,05,585
Membership and subscription charges	3,331	3,040
Miscellaneous expenses	9,66,290	5,08,697
Office expenses	7,60,237	5,81,629
Printing and stationery expenses	3,82,505	3,33,574
Payment to auditor	1,50,000	1,50,000
Rent	6,36,000	6,36,000
	<b>76,42,748</b>	<b>1,16,91,591</b>

### Payment to auditor

	(in Rupees)	
	2015	2014
<b>As auditor</b>		
Statutory audit fees	1,00,000	1,00,000
Tax audit fees	50,000	50,000
	<b>1,50,000</b>	<b>1,50,000</b>

## 19. DEPRECIATION AND AMORTISATION

	(in Rupees)	
	2015	2014
Depreciation on tangible assets	8,79,400	10,12,404
Amortisation of intangible assets	2,74,898	2,42,549
	<b>11,54,298</b>	<b>12,54,953</b>

# Kingston Property Services Limited

Notes forming part of financial statements for the year ended March 31,

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## 20. INTEREST AND FINANCE CHARGES

	(in Rupees)	
	<u>2015</u>	<u>2014</u>
Bank and finance charges	(8,401)	(72)
	<u><b>(8,401)</b></u>	<u><b>(72)</b></u>

## 21. EARNINGS PER SHARE (EPS)

	(in Rupees)	
	<u>2015</u>	<u>2014</u>
Profit after tax as per statement of profit and loss	23,39,835	40,75,120
Weighted average number of equity shares for basic & diluted EPS (in No.)	90,000	90,000
Face value of equity share (Rs.)	10	10
<b>Basic and diluted earnings per share (Rs.)</b>	<u><b>26.00</b></u>	<u><b>45.28</b></u>

# Kingston Property Services Limited

## Notes forming part of financial statements for the year ended March 31,

### 22. EMPLOYEE BENEFITS

	(in Rupees)	
	2015	2014
<b>A. Defined contribution plans</b>		
Employer's contribution to provident fund	9,59,882	10,09,765
Employer's contribution to pension fund	3,00,073	2,22,363
Labour welfare fund contribution for workmen	1,584	1,656

	(in Rupees)			
	Gratuity		Leave encashment	
<b>B. Defined benefit plans</b>	2015	2014	2015	2014
<b>i) Change in present value of obligations</b>				
Present value obligation at the beginning of the year	17,08,878	12,86,574	1,80,116	1,96,982
Interest cost	1,39,596	1,02,050	12,960	15,877
Service cost	8,31,869	5,12,463	5,45,864	5,50,786
Past Service Cost -(vested benefits)	4,87,769	-	-	-
Benefit paid	(1,90,093)	(40,881)	(60,588)	-
Actuarial (gains) / losses	(5,94,616)	(1,51,328)	(4,99,700)	(5,83,529)
<b>Present value obligation at the end of the year</b>	<b>23,83,403</b>	<b>17,08,878</b>	<b>1,78,652</b>	<b>1,80,116</b>
<b>ii) Change in fair value of plan assets</b>				
Fair value of plan assets at the beginning of the year	13,36,720	11,72,818	-	-
Adjustment to opening balance	10,758	-	-	-
Expected return on plan assets	1,14,701	96,233	-	-
Contribution	3,62,668	1,01,077	60,588	-
Benefit paid	(1,90,093)	(40,881)	(60,588)	-
Actuarial gains / (losses)	1,419	7,473	-	-
<b>Closing balance of fair value of plan assets</b>	<b>16,36,173</b>	<b>13,36,720</b>	<b>-</b>	<b>-</b>
<b>iii) Experience history</b>				
(Gains) / losses on obligation due to change in assumption	95,815	(1,42,862)	8,899	(17,415)
Experience (gains) / losses on obligation	(6,90,431)	(8,466)	(5,08,599)	(5,66,114)
Actuarial gains / (losses) on plan assets	1,419	7,473	-	-
<b>iv) Amount recognised in the balance sheet</b>				
Present value of obligation at the end of year	23,83,403	17,08,878	1,78,652	1,80,116
Fair value of plan assets at the end of the year	16,36,173	13,36,720	-	-
Funded status	(7,47,230)	(3,72,158)	(1,78,652)	(1,80,116)
<b>Net assets / (liability) recognised in the balance sheet</b>	<b>(7,47,230)</b>	<b>(3,72,158)</b>	<b>(1,78,652)</b>	<b>(1,80,116)</b>

# Kingston Property Services Limited

## Notes forming part of financial statements for the year ended March 31,

### v) Expense recognised in statement of profit and loss

Current service cost	8,31,869	5,12,463	5,45,864	5,50,786
Interest cost	1,39,596	1,02,050	12,960	15,877
Past Service Cost- (vested benefits)	4,87,769	-	-	-
Expected return on plan assets	(1,14,701)	(96,233)	-	-
Net actuarial (gains) / losses recognised for the year	(5,96,035)	(1,58,801)	(4,99,700)	(5,83,529)
<b>Expenses recognised in statement of profit and loss</b>	<b>7,48,498</b>	<b>3,59,479</b>	<b>59,124</b>	<b>(16,866)</b>

### vi) Movement in the liability recognised in balance sheet

Opening net liability	3,72,158	1,13,756	1,80,116	1,96,982
Adjustment to opening balance	(10,758)	-	-	-
Expenses as above	7,48,498	3,59,479	59,124	(16,866)
Contribution paid	(3,62,668)	(1,01,077)	(60,588)	-
<b>Closing net liability</b>	<b>7,47,230</b>	<b>3,72,158</b>	<b>1,78,652</b>	<b>1,80,116</b>

### vii) Classification of defined benefit obligations

Non-current portion	-	-	1,44,620	1,56,752
Current portion	7,47,230	3,72,158	34,032	23,364

### Actuarial assumptions

	Gratuity		Leave encashment	
	2015	2014	2015	2014
Interest / discount rate	8.00%	8.65%	8.00%	8.65%
Expected return of return on plan assets	8.00%	8.00%	0.00%	0.00%
Annual expected increase in salary cost	10.00%	10.00%	10.00%	10.00%

## C. General Description of significant defined plans

### Gratuity plan

Gratuity is payable to all eligible employees of the company on death or on resignation, or on retirement after completion of five years of service.

### Leave plan

Eligible employees can carry forward leave in month of April of every year during tenure of service or encash the same on death, permanent disablement or resignation.

# Kingston Property Services Limited

## Notes forming part of financial statements for the year ended March 31,

### D. Broad category of plan assets relating to gratuity as a percentage of total plan assets as on March 31,

	2015	2014
Government of India securities	NIL	NIL
High quality corporate bonds	NIL	NIL
Equity shares of listed companies	NIL	NIL
Property	NIL	NIL
Policy of insurance	100%	100%
	<u>100%</u>	<u>100%</u>

## 23. RELATED PARTY DISCLOSURES

### A. Name of related parties and related party relationship

#### i) Related parties where control exists

Holding company	Oberoi Realty Limited
Fellow subsidiary company	Oberoi Mall Limited
Associates / entities where key management personnel have significant influence	Oasis Realty

#### ii) Related parties with whom transactions have taken place during the year

Key management personnel	Vikas Oberoi Bindu Oberoi
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### B. Related party transactions

Name and relationship	Nature of transaction	(in Rupees)	
		2015	2014
<b>Holding company</b>			
Oberoi Realty Limited	Reimbursement of expenses	8,72,549	-
	Profit sharing	19,51,274	23,79,019
	Recovery of expenses	2,48,20,024	2,12,10,061
	Amount received on behalf by	7,62,781	84,968
	Amount received on behalf of	5,86,932	64,771
	Purchase of Material	1,55,250	-
<b>Fellow subsidiary companies</b>			
Oberoi Mall Limited	Recovery of expenses	26,74,390	9,68,704
	Profit sharing	1,55,611	-
	Amount received on behalf by	22,19,016	27,38,665
	Amount received on behalf of	17,19,327	10,58,673

# Kingston Property Services Limited

## Notes forming part of financial statements for the year ended March 31,

### Associates / entities where key management personnel have significant influence

Oasis Realty	Amount received on behalf of	-	768
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### Closing balances of related parties

Name and relationship	(in Rupees)	
	2015	2014
<b>Holding company</b>		
Oberoi Realty Limited	42,10,915	15,68,634
<b>Fellow subsidiary companies</b>		
Oberoi Mall Limited	1,54,863	9,713

## 24. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

A. Summary details of contingent liabilities	(in Rupees)	
	2015	2014
Contingent liabilities not acknowledged as debts	-	-
<b>B. Capital commitments</b>		
Capital contracts (net of advances)	-	17,48,907

## 25. DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

	(in Rupees)	
	2015	2014
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount	1,33,956	1,24,224
- Interest amount	-	-

The amount of interest due and payable for the year due to delay in making payment under Micro, Small and Medium Enterprise Development Act, 2006 is Rs.Nil (Rs.Nil). No interest is accrued / unpaid for the current year.

Disclosure of trade payables under current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006.



# Kingston Property Services Limited

## Notes forming part of financial statements for the year ended March 31,

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### 26. OTHER NOTES

A. Since the operations of the Company involves only property management and maintenance and one geographical segment, therefore, the segment information as required by Accounting Standard 17 "Segment Reporting" is not disclosed.

B. In our opinion, all current assets appearing in the balance sheet as at March 31, 2015 have a value on realisation in the ordinary course of the Company's business at least equal to the amount at which they are stated in the balance sheet.

C. Balance of trade receivables, trade payables and loans and advances are subject to confirmation from respective parties and reconciliation, if any.

D. The company's normal operating cycle in respect of operations relating to the maintenance of real estate projects is based on 12 months period. Assets and liabilities have been classified into current and non-current based on the operating cycle.

E. Previous year figures have been regrouped, re-arranged and re-classified wherever necessary to conform to current year's classification.

F. Figures have been rounded off to the nearest rupee.

As per our report of even date

**For P.RAJ & CO.**

**Chartered Accountants**

Firm Registration No. 108310W

**P. S. Shah**

Partner

Membership No.44611

Mumbai, April 29, 2015

For and on behalf of the Board of Directors

**Vikas Oberoi**

Director

**Bindu Oberoi**

Director