

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Oberoi Mall Limited**

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

We have audited the accompanying standalone financial statements of Oberoi Mall 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 23. A. 2 to the financial statements.
    - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**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.
  - a. The Company has granted unsecured loans to companies, firms or other parties covered in the register maintained under Section 189 of the Act.
  - b. In our opinion and according to the information and explanations given to us, the receipt of principal and interest, wherever applicable, is regular.
  - c. There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
- 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, 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. However, according to information and explanations given to us, the following dues of service tax and property tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (in Rs.)	Financial Year to which the amount relates	Forum where dispute is pending
Service Tax	Disallowance of Cenvat Credit and Penalty	3,09,60,288	2008-09	CESTAT
Service Tax	Disallowance of Cenvat Credit and Penalty	64,48,222	2009-10	CESTAT

Name of the statute	Nature of dues	Amount (in Rs.)	Financial Year to which the amount relates	Forum where dispute is pending
Service Tax	Disallowance of Cenvat Credit and Penalty	31,22,302	2010-11	CESTAT
Service Tax	Disallowance of Cenvat Credit and Penalty	25,51,804	2011-12	CESTAT
Service Tax	Service Tax and Penalty	6,76,30,366	2008-09 to 2011-12	Commissioner of Service Tax
Service Tax	Disallowance of Cenvat Credit and Penalty	24,67,858	2012-13	Commissioner of Service Tax
Service Tax	Disallowance of Cenvat Credit and Penalty	59,33,274	2013-14	Commissioner of Service Tax
Municipal Taxes	Property Tax	15,49,869	2010-11	The Assistant Assessor and Collector, Assessment Department, M.C.G.M
Municipal Taxes	Property Tax	16,18,301	2011-12	The Assistant Assessor and Collector, Assessment Department, M.C.G.M
Municipal Taxes	Property Tax	23,81,016	2012-13	The Assistant Assessor and Collector, Assessment Department, M.C.G.M
Municipal Taxes	Property Tax	31,43,730	2013-14	The Assistant Assessor and Collector, Assessment Department, M.C.G.M
Municipal Taxes	Property Tax	31,43,728	2014-15	The Assistant Assessor and Collector, Assessment Department, M.C.G.M

- 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

# Oberoi Mall 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	74,99,22,144	83,42,85,244
		<b>75,08,22,144</b>	<b>83,51,85,244</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	4	6,15,238	6,15,149
Other long-term liabilities	5	31,13,11,499	33,67,53,709
		<b>31,19,26,737</b>	<b>33,73,68,858</b>
<b>Current liabilities</b>			
Trade payables	6	19,44,853	17,57,772
Other current liabilities	7	37,91,73,783	32,99,27,099
Short-term provisions	8	72,84,66,795	58,90,23,027
		<b>1,10,95,85,431</b>	<b>92,07,07,898</b>
<b>TOTAL</b>		<b>2,17,23,34,312</b>	<b>2,09,32,62,000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	9	1,24,28,86,224	1,29,94,53,874
Intangible assets	9	36,842	67,335
Capital work in progress		69,15,177	27,15,505
Long-term loans and advances	10	1,19,02,831	38,48,859
		<b>1,26,17,41,075</b>	<b>1,30,60,85,573</b>
<b>Current assets</b>			
Current investments	11	-	49,62,74,000
Trade receivables	12	2,86,80,804	2,71,23,504
Cash and bank balances	13	64,48,73,384	22,66,98,429
Short-term loans and advances	10	22,64,85,666	2,30,35,887
Other current assets	14	1,05,53,383	1,40,44,607
		<b>91,05,93,237</b>	<b>78,71,76,427</b>
<b>TOTAL</b>		<b>2,17,23,34,312</b>	<b>2,09,32,62,000</b>

Significant accounting policies 1  
The accompanying notes form an integral part of the financial statements.

As per our report of even date  
**For P. RAJ & CO.**  
**Chartered Accountants**  
Firm Registration No. 108310W

For and on behalf of the Board of Directors

P. S. Shah  
Partner  
Membership No.44611  
Mumbai, April 29, 2015

**Bindu Oberoi**  
Director

**Saumil Daru**  
Director

# Oberoi Mall Limited

			(in Rupees)	
Statement of Profit and Loss for the year ended March 31,	Note	2015	2014	
<b>INCOME</b>				
Revenue from operations	15	94,03,83,873	87,37,65,432	
Other income	16	3,09,18,995	4,45,64,204	
<b>Total revenue</b>	<b>(A)</b>	<b>97,13,02,867</b>	<b>91,83,29,636</b>	
<b>EXPENSES</b>				
Other expenses	17	3,54,93,518	3,84,24,358	
<b>Total expenses</b>	<b>(B)</b>	<b>3,54,93,518</b>	<b>3,84,24,358</b>	
<b>Profit before interest, depreciation, amortisation and taxes (EBITDA)</b>	<b>(A-B)</b>	93,58,09,349	87,99,05,278	
Depreciation and amortisation	18	6,03,95,684	3,87,27,073	
Interest and finance charges	19	20,206	2,14,762	
<b>Profit before tax</b>		<b>87,53,93,459</b>	<b>84,09,63,443</b>	
<b>Tax expense</b>				
Current tax		22,94,83,000	21,47,14,000	
Deferred tax		2,03,419	61,850	
(Excess) / short provision of tax in earlier years		24,303	(3,723)	
<b>Profit after tax</b>		<b>64,56,82,736</b>	<b>62,61,91,316</b>	
<b>Earnings per equity share (face value of Rs.10)</b>	20			
- Basic		7,174.25	6,957.68	
- Diluted		7,174.25	6,957.68	

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

**Bindu Oberoi**  
Director

**Saumil Daru**  
Director

# Oberoi Mall 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>87,53,93,459</b>	<b>84,09,63,443</b>
<b>Adjustments for</b>			
Depreciation and amortisation		6,03,95,684	3,87,27,073
Interest income		(1,87,97,249)	(99,36,377)
Dividend income		(1,17,74,216)	(2,41,56,335)
Loss / (profit) on sale of investments (net)		(3,47,530)	(1,04,71,493)
Loss / (gain) on sale / discarding of fixed assets (net)		1,79,365	(81,423)
Sundry balances written off / (back)		(11,94,011)	(7,24,440)
<b>Operating cash profit before working capital changes</b>		<b>90,38,55,502</b>	<b>83,43,20,448</b>
<b>Movement for working capital</b>			
Increase / (decrease) in trade payables		9,00,887	(5,89,512)
Increase / (decrease) in other liabilities		2,38,04,474	2,28,95,104
(Increase) / decrease in loans and advances		(66,84,307)	(15,18,419)
(Increase) / decrease in trade receivables		(15,57,300)	1,09,40,597
<b>Cash generated / (used) from operations</b>		<b>92,03,19,256</b>	<b>86,60,48,218</b>
Direct taxes (paid) / refund		(23,13,95,423)	(22,73,10,997)
<b>Net cash inflow / (outflow) from operating activities</b>	(A)	<b>68,89,23,833</b>	<b>63,87,37,221</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>			
(Acquisition) / sale of fixed assets / addition to capital work in progress (net)		(94,78,746)	(81,66,798)
Interest received		1,90,94,205	1,34,86,266
Dividend received		1,17,74,216	2,41,56,335
Decrease / (increase) in loans and advances to holding company		(19,97,37,057)	-
(Acquisition) / sale of investments (net)		3,47,530	1,04,71,493
(Increase) / decrease in other assets		1,32,77,694	13,46,10,157
<b>Net cash inflow / (outflow) from investing activities</b>	(B)	<b>(16,47,22,158)</b>	<b>17,45,57,453</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>			
Dividend paid (including dividend distribution tax)		(58,90,23,027)	(58,90,23,027)
<b>Net cash inflow / (outflow) from financing activities</b>	(C)	<b>(58,90,23,027)</b>	<b>(58,90,23,027)</b>

## Oberoi Mall Limited

		(in Rupees)	
Cash Flow Statement for the year ended March 31,		2015	2014
Net increase / (decrease) in cash and cash equivalents	(A+B+C)	(6,48,21,351)	22,42,71,647
Add: cash and cash equivalents at the beginning of the year		70,03,39,662	47,60,68,015
<b>Cash and cash equivalents at the end of the year</b>		<b>63,55,18,311</b>	<b>70,03,39,662</b>

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

		(in Rupees)	
		2015	2014
Cash on hand		92,407	1,05,000
Balance with banks in current accounts		1,56,25,904	4,14,60,662
Fixed deposits with banks, having original maturity of three months or less		61,98,00,000	16,25,00,000
Investment in certificate of deposits		-	49,62,74,000
<b>Cash and cash equivalents at the end of the year</b>		<b>63,55,18,311</b>	<b>70,03,39,662</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		63,55,18,311	70,03,39,662
Add: Fixed deposit with banks, having original maturity for more than twelve months		93,55,073	1,48,43,022
Add: Fixed deposits with banks (lien marked)		-	77,89,745
Less: Investment in certificate of deposits		-	(49,62,74,000)
<b>Cash and bank balance as per balance sheet (refer note 13)</b>		<b>64,48,73,384</b>	<b>22,66,98,429</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 P. RAJ & CO.**

**Chartered Accountants**

Firm Registration No. 108310W

For and on behalf of the Board of Directors

P. S. Shah

Partner

Membership No.44611

Mumbai, April 29, 2015

**Bindu Oberoi**  
Director

**Saumil Daru**  
Director

# Oberoi Mall Limited

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

### NATURE OF OPERATIONS

Oberoi Mall Limited (the 'Company' or 'OML'), is engaged primarily in the business of leasing of immovable property.

### 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.

# Oberoi Mall 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 except for the following class of assets where the management has estimated useful life which differs from the useful life prescribed under the Act.

Mobile handsets	3 years
Lessee specific assets and improvements	Over lease period or useful life as prescribed in Schedule II, whichever is lower

For these classes of assets, based on internal assessment, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives 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

#### i) Construction materials and consumables

The construction materials and consumables are valued at lower of cost or net realisable value. The construction materials and consumables purchased for construction work issued to the construction work in progress are treated as consumed.

# Oberoi Mall Limited

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

### ii) **Construction work in progress**

The construction work in progress is valued at lower of cost or net realisable value. Cost includes cost of land, development rights, rates and taxes, construction costs, borrowing costs, other direct expenditure, allocated overheads and other incidental expenses.

### **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.

### **I. Revenue recognition**

#### **I. Revenue from lease rentals and related income**

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. Revenue from lease rental is disclosed net of indirect taxes, if any.

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.

# Oberoi Mall Limited

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

### **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.
- 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.

# Oberoi Mall Limited

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

- 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.

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 / (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.

# Oberoi Mall 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.

During the year ended March 31, 2015, the amount of per share dividend recognised as proposed for distribution to equity shareholders is Rs. 6,725 (Rs. 5,594), which is subject to approval of shareholders in the ensuing Annual General Meeting.

# Oberoi Mall Limited

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

### 3. RESERVES AND SURPLUS

	2015	(in Rupees) 2014
<b>General reserve</b>		
Opening balance	25,94,00,000	19,67,00,000
Add: transferred during the year	-	6,27,00,000
Less: depreciation (net of taxes)	15,79,041	-
	<b>25,78,20,959</b>	<b>25,94,00,000</b>
<b>Surplus in statement of profit and loss</b>		
Opening balance	57,48,85,244	60,04,16,955
Add: profit during the year as per statement of profit and loss	64,56,82,736	62,61,91,316
<b>Less: Appropriations</b>		
Transfer to general reserve	-	6,27,00,000
Proposed dividend and dividend distribution tax (refer note 21)	72,84,66,795	58,90,23,027
	<b>49,21,01,185</b>	<b>57,48,85,244</b>
	<b>74,99,22,144</b>	<b>83,42,85,244</b>

### 4. DEFERRED TAX LIABILITIES

	2015	(in Rupees) 2014
<b>Deferred tax liabilities</b>		
On depreciation	6,15,238	5,98,167
<b>Deferred tax assets</b>		
On other expenses	-	(16,982)
<b>Deferred tax liabilities (net)</b>	<b>6,15,238</b>	<b>6,15,149</b>

### 5. OTHER LONG TERM LIABILITIES

	2015	(in Rupees) 2014
Trade deposits	31,13,11,499	33,67,53,709
	<b>31,13,11,499</b>	<b>33,67,53,709</b>

# Oberoi Mall Limited

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

### 6. TRADE PAYABLES

	(in Rupees)	
	2015	2014
Trade payables (refer note 24)	14,64,648	16,35,761
Others	4,80,205	1,22,011
	<b>19,44,853</b>	<b>17,57,772</b>

### 7. OTHER CURRENT LIABILITIES

	(in Rupees)	
	2015	2014
Advance from customers	2,98,13,991	2,34,62,674
Trade deposits	32,88,96,614	26,19,74,930
Other payables (includes provision for expenses, statutory liabilities and others)	2,04,63,178	4,44,89,495
	<b>37,91,73,783</b>	<b>32,99,27,099</b>

### 8. PROVISIONS

	(in Rupees)	
	2015	2014
Proposed equity dividend	60,52,50,000	50,34,60,000
Provision for dividend distribution tax	12,32,16,795	8,55,63,027
	<b>72,84,66,795</b>	<b>58,90,23,027</b>

**OBEROI MALL 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	Transferred to Reserves and Surplus**	As At 31-03-2015	As At 31-03-2015	As At 31-03-2014
<b>Tangible Assets</b>											
Land - freehold	15,66,71,903	-	-	15,66,71,903	-	-	-	-	-	15,66,71,903	15,66,71,903
Residential building*	72,09,720	-	-	72,09,720	8,34,864	1,20,517	-	-	9,55,381	62,54,339	63,74,856
Buildings	92,53,77,475	-	-	92,53,77,475	9,40,27,117	1,71,13,295	-	5,74,282	11,17,14,693	81,36,62,781	83,12,82,654
Plant and machinery	29,59,57,534	49,01,776	2,63,450	30,05,95,860	7,79,45,096	2,29,95,697	71,689	-	10,08,69,104	19,97,26,756	23,16,15,135
Electrical installations	8,01,84,565	-	9,214	8,01,75,351	2,26,16,149	1,37,72,871	3,833	-	3,63,85,187	4,37,90,164	4,45,67,024
Furnitures and fixtures	4,34,86,790	8,75,280	20,452	4,43,41,618	1,55,57,798	62,38,065	20,452	-	2,17,75,410	2,25,66,207	2,36,27,633
Office equipments	11,91,741	-	-	11,91,741	3,18,644	88,992	-	6,09,883	10,17,519	1,74,222	51,99,685
Computer	22,22,909	-	-	22,22,909	15,49,096	35,754	-	5,98,206	21,83,057	39,852	1,14,984
Vehicles	51,221	-	-	51,221	51,221	-	-	-	51,221	-	-
<b>Total tangible assets (A)</b>	<b>1,51,23,53,858</b>	<b>57,77,055</b>	<b>2,93,116</b>	<b>1,51,78,37,798</b>	<b>21,28,99,984</b>	<b>6,03,65,191</b>	<b>95,974</b>	<b>17,82,371</b>	<b>27,49,51,573</b>	<b>1,24,28,86,224</b>	<b>1,29,94,53,874</b>
Previous year	1,50,50,04,207	85,42,832	11,93,181	1,51,23,53,858	17,54,16,625	3,86,76,540	11,93,181	-	21,28,99,984	1,29,94,53,874	1,32,95,87,582
<b>Intangible Assets</b>											
Computer software	7,85,921	-	-	7,85,921	7,18,586	30,493	-	-	7,49,079	36,842	67,335
<b>Total intangible assets (B)</b>	<b>7,85,921</b>	<b>-</b>	<b>-</b>	<b>7,85,921</b>	<b>7,18,586</b>	<b>30,493</b>	<b>-</b>	<b>-</b>	<b>7,49,079</b>	<b>36,842</b>	<b>67,335</b>
Previous year	7,85,921	-	-	7,85,921	6,68,053	50,533	-	-	7,18,586	67,335	1,17,868
<b>Total Assets (A+B)</b>	<b>1,51,31,39,779</b>	<b>57,77,055</b>	<b>2,93,116</b>	<b>1,51,86,23,719</b>	<b>21,36,18,570</b>	<b>6,03,95,684</b>	<b>95,974</b>	<b>17,82,371</b>	<b>27,57,00,652</b>	<b>1,24,29,23,066</b>	<b>1,29,95,21,209</b>
Previous year	1,50,57,90,128	85,42,832	11,93,181	1,51,31,39,779	17,60,84,678	3,87,27,073	11,93,181	-	21,36,18,570	1,29,95,21,209	1,32,97,05,450

\* Premises includes 5 Shares of Rs. 10 each of a housing society, which is pending for transfer.

\*\* As per para 7 (b) of Notes to Part C of Schedule II to the Companies Act, 2013, where the remaining useful life of an asset as on the effective date i.e. April 1, 2014 is nil, the carrying amount of the asset (net of taxes) is recognised in opening balance of retained earnings i.e. General Reserve.

**OBEROI MALL LIMITED**

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

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**A. Assets given on operating lease**

The Company has entered into commercial property leases, the details of which are as under. Leases include a clause to enable revision of the rental charges from time to time.

**Class of Assets: Commercial Premises**

	<b>2015</b>	<b>(in Rupees) 2014</b>
Gross block	1,35,16,82,045	1,34,70,01,405
Accumulated depreciation	27,17,61,915	21,07,09,274
Depreciation for the year	6,02,08,920	3,83,31,436

	<b>2015</b>	<b>(in Rupees) 2014</b>
<b>B. Future minimum lease payments receivables under non-cancellable operating lease</b>		
Not later than one year	45,90,93,497	51,49,48,229
Later than one year and not later than five years	37,80,39,875	60,36,91,611
Later than five year	-	-
Lease income recognised during the year in statement of profit and loss	74,89,71,247	69,04,69,835

# Oberoi Mall 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
Advances to vendors	73,150	-	-	2,02,860
Deposits	1,11,11,216	24,25,406	-	-
Advances recoverable in cash or kind	6,70,245	14,09,095	12,43,257	20,20,845
Loans and advances to related parties (refer note 22)	-	-	19,97,37,057	-
Income tax (net of provisions)	-	-	1,80,98,546	1,62,10,426
	<b>1,18,54,611</b>	<b>38,34,501</b>	<b>21,90,78,859</b>	<b>1,84,34,131</b>
<b>Other loans and advances</b>				
Prepaid expenses	48,220	14,358	74,06,807	46,01,756
	<b>48,220</b>	<b>14,358</b>	<b>74,06,807</b>	<b>46,01,756</b>
	<b>1,19,02,831</b>	<b>38,48,859</b>	<b>22,64,85,666</b>	<b>2,30,35,887</b>

### 11. CURRENT INVESTMENTS

	(in Rupees)	
	2015	2014
<b>Current investments (valued at lower of cost or fair value)</b>		
<b>Investment in Certificate of Deposits</b>		
Fully paid-up (unquoted)		
Unit of face value Rs. 1,00,000 each		
Nil (2500) Allahabad Bank	-	24,79,72,000
Nil (2500) Oriental Bank of Commerce	-	24,83,02,000
	<b>-</b>	<b>49,62,74,000</b>
<b>Aggregate amount of</b>		
Book value of unquoted investments	-	49,62,74,000

# Oberoi Mall Limited

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

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

	(in Rupees)	
	2015	2014
Outstanding for a period exceeding six months from the date of becoming due for payment	2,37,73,453	1,19,88,985
Other receivables	49,07,351	1,51,34,519
	<b>2,86,80,804</b>	<b>2,71,23,504</b>

### 13. CASH AND BANK BALANCES

	(in Rupees)	
	2015	2014
<b>Cash and cash equivalents</b>		
Cash on hand	92,407	1,05,000
Balance with banks in current accounts	1,56,25,904	4,14,60,662
Fixed deposits with banks, having original maturity of three months or less	61,98,00,000	16,25,00,000
	<b>63,55,18,311</b>	<b>20,40,65,662</b>
<b>Other bank balances</b>		
Fixed deposit with banks, having original maturity for more than twelve months	93,55,073	1,48,43,022
Fixed deposits with banks (lien marked)	-	77,89,745
	<b>93,55,073</b>	<b>2,26,32,767</b>
	<b>64,48,73,384</b>	<b>22,66,98,429</b>

### 14. OTHER ASSETS

	(in Rupees)	
	2015	2014
Interest accrued but not due	4,57,799	7,54,755
Others	1,00,95,584	1,32,89,852
	<b>1,05,53,383</b>	<b>1,40,44,607</b>

# Oberoi Mall Limited

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

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### 15. REVENUE FROM OPERATIONS

	<b>2015</b>	<b>(in Rupees) 2014</b>
<b>Revenue from operations</b>		
Rental and other related revenues	93,24,13,444	86,15,08,575
Other operating revenue	79,70,429	1,22,56,857
	<b>94,03,83,873</b>	<b>87,37,65,432</b>

### 16. OTHER INCOME

	<b>2015</b>	<b>(in Rupees) 2014</b>
Interest income on		
Bank fixed deposits	1,87,71,167	99,35,291
Others	26,082	1,086
Dividend income on investments	1,17,74,216	2,41,56,335
Profit on sale of investments (net)	3,47,530	1,04,71,493
	<b>3,09,18,995</b>	<b>4,45,64,204</b>

# Oberoi Mall Limited

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

### 17. OTHER EXPENSES

	(in Rupees)	
	2015	2014
Advertising and marketing expenses	76,84,008	1,11,56,462
Conveyance and travelling expenses	12,174	22,746
Communication expenses	-	11,909
Corporate social responsibility expenses	13,00,724	-
Donations	1,52,381	1,00,000
Electricity charges	10,26,390	8,26,484
Hire charges	-	13,996
Information technology expenses	11,92,377	10,66,327
Insurance charges	24,78,679	25,28,459
Legal and professional charges	33,81,617	42,55,129
(Gain) / loss on sale / discarding of fixed assets (net)	1,79,365	(81,423)
Membership and subscription charges	71,427	86,020
Miscellaneous expenses	(11,51,059)	(4,99,292)
Payment to auditor	10,50,000	10,50,000
Printing and stationery expenses	11,499	3,080
Rates and taxes	93,89,325	94,15,404
Repairs and maintenance		
Building	2,61,445	14,76,288
Plant and machinery	62,441	38,872
Others	83,90,726	69,53,897
	<b>3,54,93,518</b>	<b>3,84,24,358</b>

#### Payment to auditor

	(in Rupees)	
	2015	2014
<b>As auditor</b>		
Statutory audit fees	7,50,000	7,50,000
Tax audit fees	1,50,000	1,50,000
<b>In other capacity</b>		
Taxation matters	1,50,000	1,50,000
	<b>10,50,000</b>	<b>10,50,000</b>

### 18. DEPRECIATION AND AMORTISATION

	(in Rupees)	
	2015	2014
Depreciation on tangible assets	6,03,65,191	3,86,76,540
Amortisation of intangible assets	30,493	50,533
	<b>6,03,95,684</b>	<b>3,87,27,073</b>

# Oberoi Mall Limited

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

### 19. INTEREST AND FINANCE CHARGES

	(in Rupees)	
	2015	2014
Bank and finance charges	20,206	2,14,762
	<b>20,206</b>	<b>2,14,762</b>

### 20. EARNINGS PER SHARE (EPS)

	(in Rupees)	
	2015	2014
Profit after tax as per the statement of profit and loss	64,56,82,736	62,61,91,316
Weighted average 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>	<b>7,174</b>	<b>6,958</b>

### 21. PROPOSED DIVIDEND AND DIVIDEND DISTRIBUTION TAX

	(in Rupees)	
	2015	2014
<b>Proposed dividend</b>		
Equity shares	60,52,50,000	50,34,60,000
	<b>60,52,50,000</b>	<b>50,34,60,000</b>
<b>Dividend distribution tax</b>		
Equity shares	12,32,16,795	8,55,63,027
	<b>12,32,16,795</b>	<b>8,55,63,027</b>
	<b>72,84,66,795</b>	<b>58,90,23,027</b>

# Oberoi Mall Limited

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

### 22. 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	Oberoi Constructions Limited Kingston Property Services Limited
Entities where key management personnel have significant influence	Oasis Realty (AoP) Oberoi Foundation

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

Key management personnel and their relatives	Vikas Oberoi Bindu Oberoi Santosh Oberoi
Entities where key management personnel have significant influence	Oberoi Foundation

#### B. Related party transactions

Name and relationship	Nature of transaction	(in Rupees)	
		2015	2014
<b>Holding company</b>			
Oberoi Realty Limited	Loan accepted	-	86,00,000
	Loan repaid	-	86,00,000
	Loan given	1,00,42,68,000	-
	Loan received back	80,47,00,000	-
	Purchase of material	9,815	-
	Dividend paid	50,34,60,000	50,34,60,000
<b>Fellow subsidiary</b>			
Kingston Property Services Limited	Reimbursement of expenses	26,74,388	9,68,704
	Profit sharing	1,55,611	-
	Amount received on behalf by	17,19,327	10,58,673
	Amount received on behalf of	22,19,016	27,38,665

# Oberoi Mall Limited

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

### Entities where key management personnel have significant influence

Oberoi Foundation	Amount received on behalf of	-	1,472
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### Key management personnel and their relatives

Santosh Oberoi	Amount recovered	-	87,198
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### C. Closing balances of related parties

Name and relationship	(in Rupees)	
	2015	2014
<b>Holding company</b>		
Oberoi Realty Limited	19,95,68,000	-
<b>Fellow subsidiary</b>		
Kingston Property Services Limited	1,54,863	9,713

## 23. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

A. Summary of contingent liabilities	(in Rupees)	
	2015	2014
1. Bank guarantees net of margin (gross Rs. Nil, previous year Rs.76,68,000)	-	-
2. Litigations		
a) Service tax matters in dispute	11,91,14,114	7,48,97,947
3. Certain other additional matters which are under dispute but which are not acknowledged as debt by the Company	Amounts not ascertainable	Amounts not ascertainable
<b>B. Capital commitments</b>		
Capital contracts (net of advances)	16,19,761	16,19,554

# Oberoi Mall Limited

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

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

	<u>2015</u>	<u>(in Rupees)</u> <u>2014</u>
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount	12,555	-
- 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.

## 25. VALUE OF IMPORTS (ON C. I. F. BASIS)

	<u>2015</u>	<u>(in Rupees)</u> <u>2014</u>
Capital goods	11,30,787	8,39,700
	<u>11,30,787</u>	<u>8,39,700</u>

## 26. EXPENDITURE IN FOREIGN CURRENCY (ON PAYMENT BASIS)

	<u>2015</u>	<u>(in Rupees)</u> <u>2014</u>
Professional fees	95,500	-
	<u>95,500</u>	<u>-</u>

# Oberoi Mall Limited

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

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### 27. OTHER NOTES

- A. Since the operations of the company involves only real estate segment and one geographical segment, the segment information as required by Accounting Standard - 17 "Segment Reporting" is not disclosed.
- B. Since the company does not have any employee for the year ended March 31, 2015, the disclosure pursuant to Accounting Standard – 15 (Revised) 'Employee Benefits' is not applicable.
- C. 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.
- D. Balance of trade receivables, trade payables and loans and advances are subject to confirmation from respective parties and reconciliation, if any.
- E. As per section 135 of the Companies Act, 2013 read with relevant rules thereon, the Company was required to spend Rs. 1,56,22,763 on Corporate social responsibility (CSR) activities during FY2014-15, against which the Company has spent Rs. 13,00,724 during the year under review majorly towards maintaining green initiatives and beautification of public spaces.
- F. The company's normal operating cycle in respect of operations relating to the leasing of immovable property is based on 12 months period. Assets and liabilities have been classified into current and non-current based on the operating cycle.
- G. Previous year figures have been regrouped, re-arranged and re-classified wherever necessary to conform to current year's classification.
- H. 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

**Oberoi Mall Limited**

**Bindu Oberoi**

Director

**Saumil Daru**

Director