

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, 2016, 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 provisions 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 judgment, 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. 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, 2016 and 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, 2016 ("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, a statement on the matters specified in the paragraph 3 and 4 of the order.
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 it 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 22. A to the financial statements;
 - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - 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.044611

Mumbai, April 28, 2016

Annexure - A to the Auditors' Report

The Annexure referred to in paragraph 1 under the heading Report on Other Legal and Regulatory Requirements of Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2016, we report that:

- (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.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) By virtue of the activity carried out, the company does not have any inventories. Accordingly paragraph 3 (ii) of the order is not applicable to the company.
- (iii) The Company has granted interest free unsecured loan to party covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
 - (a) In our opinion, terms and conditions of the grant of such loans were not prima facie prejudicial to the interest of the Company.
 - (b) In our opinion and according to the information and explanations given to us, the terms of arrangements do not stipulate any repayment schedule as loans are repayable on demand.
 - (c) There are no overdue amounts in respect of the loan granted to party 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, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed for the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (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 including provident fund, employees state insurance, income-tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues during the year with the appropriate authorities. As on March 31, 2016, there are no such undisputed dues payable for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no dues of provident fund, employees state insurance, income-tax, sales tax, duty of customs, value added tax, cess and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations

given to us, the following dues of Service 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 amount relates	Forum where dispute is pending
Service Tax	Service Tax, Interest and Penalty	5,86,94,946	2008-09 to 2011-12	Commissioner of Service Tax, Mumbai - II
Service Tax	Service Tax, Interest and Penalty	25,51,804	2011-12	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
Service Tax	Service Tax, Interest and Penalty	24,72,858	2012-13	Additional Commissioner of Service Tax, Mumbai –II
Service Tax	Service Tax, Interest and Penalty	59,38,274	2013-14	Additional Commissioner of Service Tax, Mumbai –II
Service Tax	Service Tax, Interest and Penalty	41,93,892	2014-15	Joint Commissioner of Service Tax, Mumbai –VI
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	31,43,728	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
Municipal Taxes	Property Tax	1,12,51,720	2015-16	The Assistant Assessor and Collector, Assessment Department, M.C.G.M

- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid or provided for managerial remuneration during the year. Accordingly, paragraph 3(xii) of the order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

FOR P. RAJ & CO.

Chartered Accountants

Firm Registration No. 108310W

P.S. Shah

Partner

Membership No. 044611

Mumbai, April 28, 2016

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Oberoi Mall Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR P. RAJ & CO.

Chartered Accountants

Firm Registration No. 108310W

P.S. Shah

Partner

Membership No. 044611

Mumbai, April 28, 2016

Oberoi Mall Limited

		(in Rupees)	
Balance Sheet as at March 31,	Note	2016	2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	9,00,000	9,00,000
Reserves and surplus	3	60,40,92,312	74,99,22,144
		60,49,92,312	75,08,22,144
Non-current liabilities			
Deferred tax liabilities	4	6,47,005	6,15,238
Other long-term liabilities	5	22,16,04,002	31,13,11,499
		22,22,51,007	31,19,26,737
Current liabilities			
Trade payables	6	43,68,196	19,44,853
Other current liabilities	7	49,93,99,914	37,91,73,783
Short-term provisions	8	-	72,84,66,795
		50,37,68,110	1,10,95,85,431
TOTAL		1,33,10,11,428	2,17,23,34,312
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	1,19,67,58,686	1,24,28,86,224
Intangible assets	9	6,349	36,842
Capital work in progress		2,13,87,634	69,15,177
Long-term loans and advances	10	1,47,96,880	1,17,32,586
		1,23,29,49,550	1,26,15,70,830
Current assets			
Trade receivables	11	2,71,45,897	2,86,80,804
Cash and bank balances	12	1,47,09,299	64,48,73,384
Short-term loans and advances	10	4,11,27,784	22,66,55,911
Other current assets	13	1,50,78,899	1,05,53,383
		9,80,61,879	91,07,63,482
TOTAL		1,33,10,11,428	2,17,23,34,312

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 28, 2016

Bindu Oberoi
Director

Saumil Daru
Director

Oberoi Mall Limited

			(in Rupees)		
Statement of Profit and Loss for the year ended March 31,	Note	2016	2015		
INCOME					
Revenue from operations	14	94,23,98,323	94,03,83,873		
Other income	15	53,22,809	3,09,18,995		
Total revenue	(A)	94,77,21,132	97,13,02,867		
EXPENSES					
Other expenses	16	4,93,02,871	3,54,93,518		
Total expenses	(B)	4,93,02,871	3,54,93,518		
Profit before interest, depreciation and amortisation and taxes (EBITDA)	(A-B)	89,84,18,261	93,58,09,349		
Depreciation and amortisation	17	5,97,26,661	6,03,95,684		
Interest and finance charges	18	26,145	20,206		
Profit before tax		83,86,65,455	87,53,93,459		
Tax expense					
Current tax		22,94,60,000	22,94,83,000		
Deferred tax		31,767	2,03,419		
Short provision of tax in earlier years		-	24,303		
Profit after tax		60,91,73,688	64,56,82,736		
Earnings per equity share (face value of Rs.10)					
	19				
- Basic		6,768.60	7,174.25		
- Diluted		6,768.60	7,174.25		

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 28, 2016

Bindu Oberoi
Director

Saumil Daru
Director

Oberoi Mall Limited

	(in Rupees)	
Cash Flow Statement for the year ended March 31,	2016	2015
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax as per statement of profit and loss	83,86,65,455	87,53,93,459
Adjustments for		
Depreciation and amortisation	5,97,26,661	6,03,95,684
Interest income	(28,42,526)	(1,87,97,249)
Dividend income	(2,84,516)	(1,17,74,216)
Loss / (profit) on sale of investments (net)	(21,95,767)	(3,47,530)
Loss / (gain) on sale / discarding of fixed assets	16,503	1,79,365
Sundry balances written off / (back)	(6,23,655)	(11,94,011)
Operating cash profit before working capital changes	89,24,62,155	90,38,55,502
Movement for working capital		
Increase / (decrease) in trade payables	24,39,344	9,00,887
Increase / (decrease) in other liabilities	3,05,18,633	2,38,04,474
(Increase) / decrease in loans and advances	(23,44,701)	(66,84,307)
(Increase) / decrease in trade receivables	15,34,907	(15,57,300)
Cash generated from operations	92,46,10,339	92,03,19,256
Direct taxes (paid) / refund	(23,05,99,712)	(23,13,95,423)
Net cash inflow / (outflow) from operating activities	(A) 69,40,10,627	68,89,23,833
CASH FLOW FROM INVESTING ACTIVITIES:		
(Acquisition) / sale of fixed assets / capital work in progress (net)	(3,06,00,775)	(94,78,746)
Interest received	29,97,038	1,90,94,205
Dividend received	2,84,516	1,17,74,216
Decrease / (increase) in loans and advances to holding company	18,44,19,057	(19,97,37,057)
Profit / (loss) on sale of investments (net)	21,95,767	3,47,530
(Increase) / decrease in other assets	(97,624)	1,32,77,694
Net cash inflow / (outflow) from investing activities	(B) 15,91,97,980	(16,47,22,158)
CASH FLOW FROM FINANCING ACTIVITIES:		
Dividend paid (including dividend distribution tax)	(1,48,34,70,315)	(58,90,23,027)
Net cash inflow / (outflow) from financing activities	(C) (1,48,34,70,315)	(58,90,23,027)

Oberoi Mall Limited

(in Rupees)

Cash Flow Statement for the year ended March 31,	2016	2015
Net increase / (decrease) in cash and cash equivalents	(A+B+C) (63,02,61,709)	(6,48,21,351)
Add: cash and cash equivalents at the beginning of the year	63,55,18,311	70,03,39,662
Cash and cash equivalents at the end of the year	52,56,602	63,55,18,311

Components of cash and cash equivalents as at March 31,

	2016	2015
Cash on hand	55,000	92,407
Balance with banks in current accounts	52,01,602	1,56,25,904
Fixed deposits with banks, having original maturity of three months or less	-	61,98,00,000
Cash and cash equivalents at the end of the year	52,56,602	63,55,18,311

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

	2016	2015
Cash and cash equivalents at the end of the year as per above	52,56,602	63,55,18,311
Add: Fixed deposit with banks, having original maturity for more than twelve months	94,52,697	93,55,073
Cash and bank balance as per balance sheet (as per note 12)	1,47,09,299	64,48,73,384

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 28, 2016

Bindu Oberoi
Director

Saumil Daru
Director

Oberoi Mall Limited

Notes forming part of financial statements for the year ended March 31, 2016

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, 2016

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, 2016

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, 2016

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, 2016

- 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.

2. SHARE CAPITAL

	2016	(in Rupees) 2015
Authorised share capital		
4,50,000 (4,50,000) equity shares of Rs. 10 (Rupees ten only) each	45,00,000	45,00,000
	45,00,000	45,00,000
Issued, subscribed and paid up share capital		
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
	9,00,000	9,00,000

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

Equity shares

	2016		2015	
	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	-	-	-	-
At the end of the year	90,000	9,00,000	90,000	9,00,000

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, the Board of Directors of the Company has declared and paid interim dividend of Rs. 6,970 per equity share for the financial year 2015-2016. The said interim dividend shall be considered as the final dividend for the said financial year. For the previous year the Board of Directors of the Company recommended and share holders approved dividend of Rs. 6,725 per equity share.

3. RESERVES AND SURPLUS

	(in Rupees)	
	2016	2015
General reserves		
Opening balance	25,78,20,959	25,94,00,000
Less: depreciation (net of taxes)	-	15,79,041
	25,78,20,959	25,78,20,959
Surplus in statement of profit and loss		
Opening balance	49,21,01,185	57,48,85,244
Add: profit during the year as per statement of profit and loss	60,91,73,688	64,56,82,736
Less: Appropriations		
Interim dividend	62,73,00,000	-
Final dividend	-	60,52,50,000
Dividend distribution tax	12,77,03,520	12,32,16,795
	34,62,71,353	49,21,01,185
	60,40,92,312	74,99,22,144

4. DEFERRED TAX LIABILITIES

	(in Rupees)	
	2016	2015
Deferred tax liabilities		
On depreciation	6,47,005	6,15,238
Deferred tax liabilities	6,47,005	6,15,238

5. OTHER LONG-TERM LIABILITIES

	(in Rupees)	
	2016	2015
Trade deposits	22,16,04,002	31,13,11,499
	22,16,04,002	31,13,11,499

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

6. TRADE PAYABLES

	(in Rupees)	
	2016	2015
Trade payables (refer note 23)		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises.	32,80,336	14,64,648
Others		
Total outstanding of micro enterprises and small enterprises	-	12,555
Total outstanding dues of creditors other than micro enterprises and small enterprises.	10,87,860	4,67,650
	43,68,196	19,44,853

7. OTHER CURRENT LIABILITIES

	(in Rupees)	
	2016	2015
Advance from customers	4,74,22,859	2,98,13,991
Trade deposits	41,91,80,450	32,88,96,614
Other payables		
Provision for expenses	2,75,89,896	1,56,02,515
Statutory dues	36,98,937	48,35,029
Others	15,07,773	25,635
	49,93,99,914	37,91,73,783

8. PROVISIONS

	(in Rupees)	
	2016	2015
Proposed equity dividend	-	60,52,50,000
Provision for dividend distribution tax	-	12,32,16,795
	-	72,84,66,795

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 01-04-2015	Additions	Deductions	As At 31-03-2016	As At 01-04-2015	For the year	Deductions	Transfer to Reserves and Surplus**	As At 31-03-2016	As At 31-03-2016	As At 31-03-2015
Tangible Assets											
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	9,55,381	1,20,517	-	-	10,75,898	61,33,822	62,54,339
Buildings	92,53,77,475	-	-	92,53,77,475	11,19,63,092	1,66,92,390	-	-	12,86,55,482	79,67,21,992	81,34,14,383
Plant and machinery	30,05,95,860	1,26,72,792	31,168	31,32,37,484	10,08,59,515	2,36,68,385	12,532	-	12,45,15,368	18,87,22,116	19,97,36,345
Electrical installations & equipment	8,01,75,351	1,05,880	-	8,02,81,231	3,63,84,854	1,36,28,273	-	-	5,00,13,127	3,02,68,104	4,37,90,497
Furnitures and fixtures	4,43,41,618	7,02,311	-	4,50,43,929	2,15,36,935	54,63,888	-	-	2,70,00,823	1,80,43,106	2,28,04,683
Office equipments	11,91,741	1,06,284	-	12,98,025	10,17,519	88,488	-	-	11,06,008	1,92,017	1,74,222
Computers	22,22,909	-	-	22,22,909	21,83,057	34,226	-	-	22,17,283	5,626	39,852
Vehicles	51,221	-	-	51,221	51,221	-	-	-	51,221	-	-
Total tangible assets (A)	1,51,78,37,798	1,35,87,266	31,168	1,53,13,93,896	27,49,51,573	5,96,96,168	12,532	-	33,46,35,210	1,19,67,58,686	1,24,28,86,224
Previous year	1,51,23,53,858	57,77,055	2,93,116	1,51,78,37,798	21,28,99,984	6,03,65,191	95,974	17,82,371	27,49,51,573	1,24,28,86,224	1,29,94,53,874
Intangible Assets											
Computer softwares	7,85,921	-	-	7,85,921	7,49,079	30,493	-	-	7,79,572	6,349	36,842
Total intangible assets (B)	7,85,921	-	-	7,85,921	7,49,079	30,493	-	-	7,79,572	6,349	36,842
Previous year	7,85,921	-	-	7,85,921	7,18,586	30,493	-	-	7,49,079	36,842	67,335
Total Assets (A + B)	1,51,86,23,719	1,35,87,266	31,168	1,53,21,79,817	27,57,00,652	5,97,26,661	12,532	-	33,54,14,781	1,19,67,65,035	1,24,29,23,066
Previous year	1,51,31,39,779	57,77,055	2,93,116	1,51,86,23,719	21,36,18,570	6,03,95,684	95,974	17,82,371	27,57,00,652	1,24,29,23,066	1,29,95,21,209

Note:

*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,

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

	2016	(in Rupees) 2015
Gross block	1,36,52,38,143	1,35,16,82,045
Accumulated depreciation	33,12,90,808	27,17,61,915
Depreciation for the year	5,95,41,425	6,02,08,920

	2016	(in Rupees) 2015
Future minimum lease payments receivables under non-cancellable operating lease		
Not later than one year	28,23,06,939	45,90,93,497
Later than one year and not later than five years	32,19,73,036	37,80,39,875
Later than five year	-	-
Lease income recognised during the year in statement of profit and loss	87,10,18,945	88,08,82,417

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)	
	2016	2015	2016	2015
Capital advances	31,50,839	-	-	-
Advances to vendors	-	73,150	2,20,000	-
Deposits	1,11,46,041	1,11,11,216	-	-
Advances recoverable in cash or kind	5,00,000	5,00,000	7,31,601	14,13,502
Loans and advances to related parties (refer note 21)	-	-	1,53,18,000	19,97,37,057
	1,47,96,880	1,16,84,366	1,62,69,601	20,11,50,559
Other loans and advances				
Income tax (net of provisions)	-	-	1,92,38,258	1,80,98,546
Prepaid expenses	-	48,220	56,19,925	74,06,807
	-	48,220	2,48,58,183	2,55,05,353
	1,47,96,880	1,17,32,586	4,11,27,784	22,66,55,911

11. TRADE RECEIVABLES (UNSECURED AND CONSIDERED GOOD)

	(in Rupees)	
	2016	2015
Outstanding for a period exceeding six months from the date of becoming due for payment	2,39,88,650	2,37,73,453
Other receivables	31,57,247	49,07,351
	2,71,45,897	2,86,80,804

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

12. CASH AND BANK BALANCES

	2016	(in Rupees) 2015
Cash and cash equivalents		
Cash on hand	55,000	92,407
Balance with banks in current accounts	52,01,602	1,56,25,904
Fixed deposits with banks, having original maturity of three months or less	-	61,98,00,000
	52,56,602	63,55,18,311
Other Bank Balances		
Fixed deposit with banks, having original maturity for more than twelve months	94,52,697	93,55,073
	94,52,697	93,55,073
	1,47,09,299	64,48,73,384

13. OTHER ASSETS

	2016	(in Rupees) 2015
Interest accrued but not due	3,03,287	4,57,799
Others	1,47,75,612	1,00,95,584
	1,50,78,899	1,05,53,383

14. REVENUE FROM OPERATIONS

	2016	(in Rupees) 2015
Revenue from operations		
Rental and other related income	93,16,80,092	93,24,13,444
Other operating revenue	1,07,18,231	79,70,429
	94,23,98,323	94,03,83,873

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

15. OTHER INCOME

	2016	(in Rupees) 2015
Interest income on		
Bank fixed deposits	22,25,933	1,87,71,167
Others	6,16,593	26,082
Dividend income on investments	2,84,516	1,17,74,216
Profit on sale of investments (net)	21,95,767	3,47,530
	53,22,809	3,09,18,995

16. OTHER EXPENSES

	2016	(in Rupees) 2015
Advertising and marketing expenses	1,08,19,940	76,84,008
Conveyance and travelling expenses	22,052	12,174
Corporate social responsibility expenses	7,89,467	13,00,724
Donations	37,547	1,52,381
Electricity charges	14,06,102	10,26,390
Information technology expenses	12,71,491	11,92,377
Insurance charges	25,81,325	24,78,679
Legal and professional charges	15,07,727	33,81,617
Loss / (gain) on sale / discarding of fixed assets (net)	16,503	1,79,365
Membership and subscription charges	1,58,620	71,427
Miscellaneous expenses	11,383	(11,51,059)
Payment to auditor (refer below note)	10,50,000	10,50,000
Printing and stationery expenses	6,437	11,499
Rates and taxes	1,09,23,581	93,89,325
Repairs and maintenance		
Building	26,99,841	2,61,445
Plant and machinery	-	62,441
Others	1,60,00,854	83,90,726
	4,93,02,871	3,54,93,518

Note : Payment to auditor

	2016	(in Rupees) 2015
As auditor		
Statutory audit fees	7,50,000	7,50,000
Tax audit fees	1,50,000	1,50,000
In other capacity		
Taxation matters	1,50,000	1,50,000
	10,50,000	10,50,000

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

17. DEPRECIATION AND AMORTISATION

	(in Rupees)	
	2016	2015
Depreciation on tangible assets	5,96,96,168	6,03,65,191
Amortisation of intangible assets	30,493	30,493
	5,97,26,661	6,03,95,684

18. INTEREST AND FINANCE CHARGES

	(in Rupees)	
	2016	2015
Bank and finance charges	26,145	20,206
	26,145	20,206

19. EARNINGS PER SHARE (EPS)

	(in Rupees)	
	2016	2015
Profit after tax as per the statement of profit and loss	60,91,73,688	64,56,82,736
Weighted average of equity shares for basic & diluted EPS (In No.)	90,000	90,000
Face value of equity share (Rs.)	10	10
Basic and diluted earnings per share (Rs.)	6,769	7,174

20. PROPOSED DIVIDEND AND DIVIDEND DISTRIBUTION TAX

	(in Rupees)	
	2016	2015
Proposed dividend		
Proposed dividend on equity shares	-	60,52,50,000
	-	60,52,50,000
Dividend distribution tax		
Dividend distribution tax	-	12,32,16,795
	-	12,32,16,795
	-	72,84,66,795

21. RELATED PARTY DISCLOSURES**A. Name of related parties and related party relationship****i) Related parties with whom control exists**

Holding company Oberoi Realty Limited

ii) Other party with whom transactions have taken place during the year

Fellow subsidiary Kingston Property Services Limited

B. Related party transactions**(in Rupees)**

Nature of transaction	Name	Holding company		Fellow subsidiary	
		2016	2015	2016	2015
Loan given	Oberoi Realty Limited	1,58,02,00,000	1,00,42,68,000	-	-
Loan received back	Oberoi Realty Limited	1,76,44,50,000	80,47,00,000	-	-
Amount received on behalf by	Kingston Property Services Limited	-	-	9,47,763	17,19,327
Amount received on behalf of	Kingston Property Services Limited	-	-	41,32,821	22,19,016
Dividend paid	Oberoi Realty Limited	1,23,25,50,000	50,34,60,000	-	-
Profit sharing	Kingston Property Services Limited	-	-	15,92,296	1,55,611
Purchase of materials	Oberoi Realty Limited	-	9,815	-	-
Reimbursement of expenses	Kingston Property Services Limited	-	-	18,07,211	26,74,388

C. Closing balances of related parties**(in Rupees)**

Nature of transaction	Name	Holding company		Fellow subsidiary	
		2016	2015	2016	2015
Loan given	Oberoi Realty Limited	1,53,18,000	19,95,68,000	-	-
Profit sharing	Kingston Property Services Limited	-	-	-	1,52,498
Reimbursement of expenses	Kingston Property Services Limited	-	-	-	16,559

Oberoi Mall Limited

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

22. CONTINGENT LIABILITIES, CAPITAL AND OTHER COMMITMENTS

	(in Rupees)	
A. Summary of contingent liabilities	2016	2015
Litigations		
a) Legal cases against the Company not acknowledged as debts	Amounts not ascertainable	Amounts not ascertainable
b) Service tax matters in dispute	8,50,40,113	11,91,14,114
B. Capital commitments		
Capital contracts (net of advances)	2,57,05,815	16,19,761

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

	(in Rupees)	
	2016	2015
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

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 payable 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.

24. VALUE OF IMPORTS DURING THE YEAR (C. I. F. BASIS)

	(in Rupees)	
	2016	2015
Capital goods	-	11,30,787
	-	11,30,787
	-	11,30,787

Oberoi Mall Limited

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

25. EXPENDITURE IN FOREIGN CURRENCY (ON PAYMENT BASIS)

	2016	(in Rupees) 2015
Professional fees	-	95,500
	-	95,500

26. 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, 2016, 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 of March 31, 2016 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. 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.

F. As per section 135 of the Companies Act, 2013 read with relevant rules thereon, the Company was required to spend Rs. 1,64,88,337 on Corporate social responsibility (CSR) activities during FY2015-16, against which the Company has spent Rs. 7,89,467 during the year under review majorly towards maintaining green initiatives and beautification of public spaces.

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 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 28, 2016

Bindu Oberoi

Director

Saumil Daru

Director