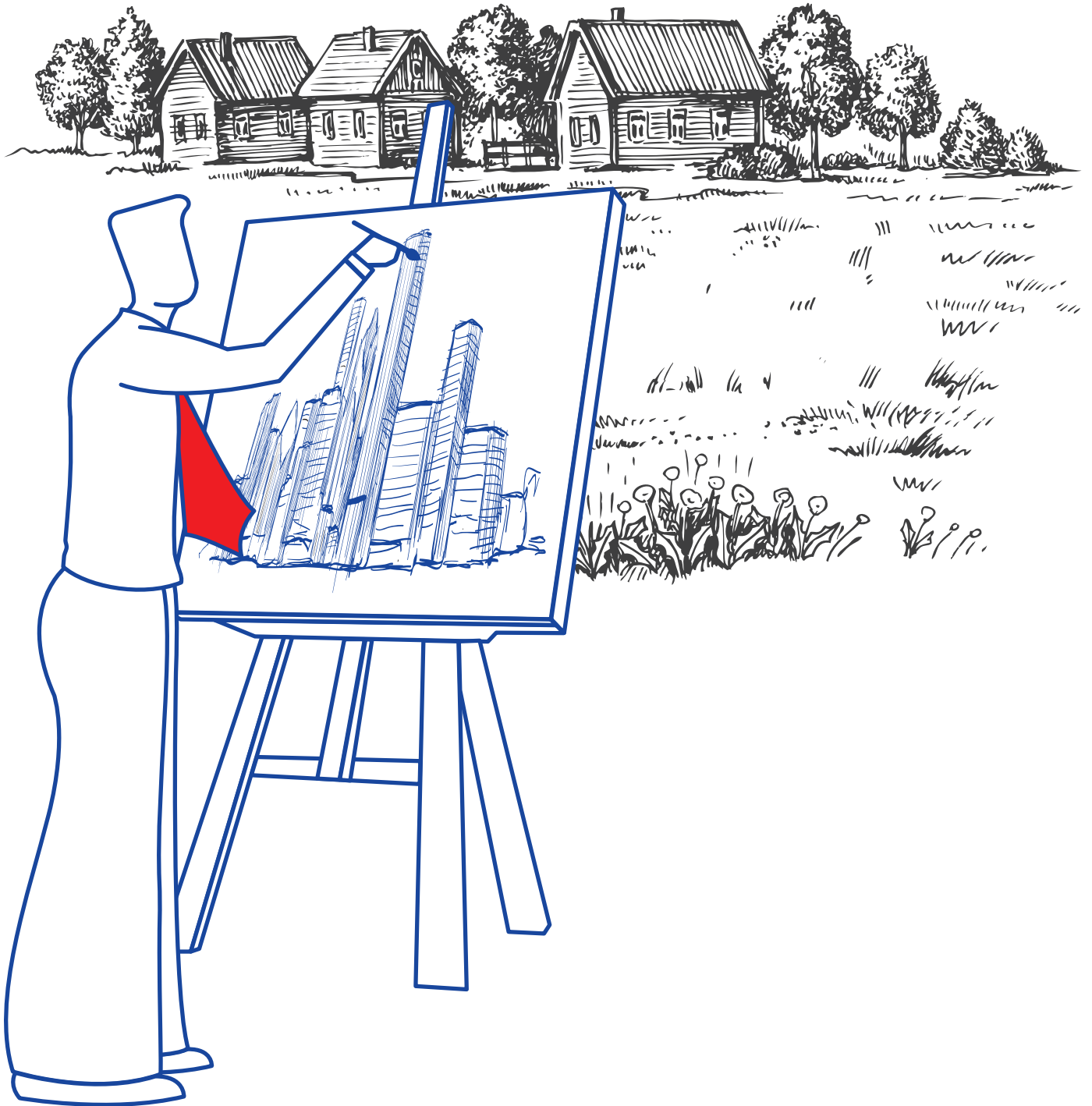


# **Towards Tomorrow**

**Expertise. Experience. Excellence.**



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. P K Choksi  
Mr. V Subramonian  
Ms. Madhu Dubhashi  
Mr. Ranganath Char

### AUDIT COMMITTEE

Mr. V Subramonian  
Mr. P K Choksi  
Ms. Madhu Dubhashi

### CHIEF FINANCIAL OFFICER

Mr. Rajkumar Agrawal

### COMPANY SECRETARY & MANAGER

Ms. Apoorvi Jasani

### BANKERS

HDFC Bank Limited  
Maneckji Wadia Bldg,  
Ground Floor, Nanik Motwani Marg,  
Fort, Mumbai - 400 001

### STATUTORY AUDITORS

M/s. Arun Arora & Co.  
304, Marine Chambers,  
New marine Lines,  
Mumbai - 400 020

### REGISTERED OFFICE

7th Floor, Cnergy,  
Appasaheb Marathe Marg,  
Prabhadevi,  
Mumbai – 400 025

### ***The red tie man,***

*is characterised as a visionary painter who can foresee the progress in the future. Despite the simple dwellings, he paints skyscrapers recognising the opportunities offered in the market just like the Company does. Moreover, the painting signifies the confidence and ability of JM Financial to make the most of the market opportunities with its expertise, experience and excellence. The Company is viewed as a trusted partner and advisor that consistently adds stakeholder value, just like the painting aims to do in sharp contrast to the actual settings.*

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF CR RETAIL MALLS (INDIA) LIMITED Report on the Financial Statements

We have audited the accompanying financial statements of CR RETAIL MALLS (INDIA) LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the 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 of these 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 prescribed under section 133 of the Act, as applicable.

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 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 thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements 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 financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 31st March, 2017, 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 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 financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
  - e) On the basis of the written representations received

## INDEPENDENT AUDITOR'S REPORT

from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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 does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and the same are in accordance with its books of accounts maintained.

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

**For Arun Arora and Co.**  
Chartered Accountants

Place: Mumbai  
Date: April 18, 2017

**Arun Arora**  
Proprietor  
(Membership No. A- 12018)

# INDEPENDENT AUDITOR'S REPORT

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

### Report on the Internal Financial Controls Over Financial Reporting 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 CR RETAIL MALLS (INDIA) LIMITED ("the Company") as of 31st March, 2017 in conjunction with our audit of the 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. 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.

### Auditor's 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

## INDEPENDENT AUDITOR'S REPORT

in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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 31st March, 2017, 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 **Arun Arora and Co.**  
Chartered Accountants

Place: Mumbai  
Date: April 18, 2017

**Arun Arora**  
Proprietor  
(Membership No. A- 12018)

# INDEPENDENT AUDITOR'S REPORT

## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

In our opinion and according to the information and explanations given to us, the nature of the Company's business/ activities/ results for the year are such that clauses (ii) and (vi), of the Order are not applicable. In respect of the other clauses, we report as under:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management. According to the information and explanation given to us, no major discrepancies were noticed on such verification.
- (c) On the basis of examination of the documents, we report that all the immovable property is in the name of the Company as at the balance sheet date.
2. The Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
  - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - (c) There is no amount overdue for more than 90 days at the balance sheet date.
3. The Company has complied with the provisions of section 185 and 186 of the Companies Act.
4. According to the information and explanations given to us, the Company has not accepted any deposit during the year.
5. According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities. There were no undisputed amounts payable in respect of the aforesaid dues in arrears as at 31st March, 2017 for a period of more than six months from the date of becoming payable.
  - (b) There are no dues of Income-tax, Sales Tax, Service Tax,

Customs Duty, Excise Duty and Value Added Tax as on 31st March, 2017.

6. The Company has not defaulted in repayment of dues for taken any loans or borrowings from financial institutions or banks or government or debentures holders.
7. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
8. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
9. In our opinion and according to the explanation given to us, the remuneration paid/provided to the manager is in accordance with the provision of Section 197 read with Schedule V of the Companies Act.
10. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
11. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
12. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
13. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
14. The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For **Arun Arora and Co.**  
Chartered Accountants

**Arun Arora**  
Proprietor  
(Membership No. A- 12018)

Place: Mumbai  
Date: April 18, 2017

# BALANCE SHEET

as at 31st March 2017

		(₹ in Lakh)	
Particulars	Note No.	As at 31st March 2017	As at 31st March 2016
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
a Share Capital	2.1	2,000.00	2,625.00
b Reserves and Surplus	2.2	1,036.34	707.52
		<b>3,036.34</b>	<b>3,332.52</b>
<b>2 Non-current liabilities</b>			
a Long-term borrowings	2.3	7,606.36	5,329.69
b Other Long-term liabilities	2.4	270.00	270.00
c Long-term provisions	2.5	0.11	0.12
		<b>7,876.47</b>	<b>5,599.81</b>
<b>3 Current liabilities</b>			
a Trade payables	2.6	3.50	45.46
b Other current liabilities	2.7	152.09	303.36
c Short-term provisions	2.8	0.21	0.27
		<b>155.80</b>	<b>349.09</b>
<b>Total</b>		<b>11,068.61</b>	<b>9,281.42</b>
<b>II ASSETS</b>			
<b>1 Non-current assets</b>			
a Fixed assets	2.9		
Tangible assets		7,401.23	7,874.22
b Non-current investments	2.10	67.50	920.19
c Deferred tax assets (net)	2.11	0.10	0.13
d Long-term loans and advances	2.12	244.32	389.86
		<b>7,713.15</b>	<b>9,184.40</b>
<b>2 Current assets</b>			
a Current investments	2.13	720.00	-
b Cash and bank balances	2.14	31.50	91.52
c Short-term loans and advances	2.15	2,603.77	5.49
d Other current assets	2.16	0.19	0.01
		<b>3,355.46</b>	<b>97.02</b>
<b>Total</b>		<b>11,068.61</b>	<b>9,281.42</b>
Significant accounting policies & notes to financial statements	1 & 2		

As per our attached reports of even date

**For Arun Arora & Co.**

Chartered Accountants

For and on behalf of the Board

**Arun Arora**

Proprietor

Membership No. A-12018

**Ranganath Char**

Director

DIN: 01723799

**V. Subramonian**

Director

DIN: 00508126

**Raj Agrawal**

Chief Financial Officer

**Apoorvi Jasani**

Company Secretary and Manager

Place : Mumbai

Date : April, 18 2017

Place : Mumbai

Date : April, 18 2017



# STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2017

		(₹ in Lakh)	
Particulars	Note No.	For the 12 months ended 31 March 2017	For the 12 months ended 31 March 2016
<b>I REVENUE FROM OPERATIONS</b>	2.17	1,403.73	1,330.44
<b>II OTHER INCOME</b>	2.18	601.59	20.95
<b>III Total Revenue (I + II)</b>		<b>2,005.32</b>	<b>1,351.39</b>
<b>IV EXPENSES</b>			
Employee benefits expense	2.19	14.15	14.11
Finance costs	2.20	903.90	695.53
Depreciation and amortization expense	2.9	473.00	488.78
Other expenses	2.21	113.42	106.39
Provision for diminution in value of investments		67.50	-
<b>Total expenses</b>		<b>1,571.97</b>	<b>1,304.81</b>
<b>V Profit before tax</b>		<b>433.35</b>	<b>46.58</b>
Tax expense			
Provision for current taxes		105.00	11.00
Excess/(short) provision for tax in respect of earlier year (net)		(0.50)	(0.54)
Deferred tax		0.03	(0.13)
		<b>104.53</b>	<b>10.33</b>
<b>VI Profit after tax for the year</b>		<b>328.82</b>	<b>36.25</b>
<b>VII Earnings per share</b>	2.22		
Basic		1.64	0.18
Diluted		1.64	0.14
Significant accounting policies & notes to financial statements	1 & 2		

As per our attached reports of even date

**For Arun Arora & Co.**

Chartered Accountants

**Arun Arora**

Proprietor

Membership No. A-12018

For and on behalf of the Board

**Ranganath Char**

Director

DIN: 01723799

**V. Subramonian**

Director

DIN: 00508126

**Raj Agrawal**

Chief Financial Officer

**Apoorvi Jasani**

Company Secretary and Manager

Place : Mumbai

Date : April, 18 2017

Place : Mumbai

Date : April, 18 2017

# CASH FLOW STATEMENT

as at 31st March 2017

Particulars	(₹ in Lakh)	
	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>A Cash flow from operating activities</b>		
Profit before tax	433.35	46.58
<b>Adjustment for:</b>		
Depreciation	472.99	488.78
(Profit)/loss on sale of investments	(207.74)	0.01
Provision for gratuity	(0.01)	0.12
Provision for/(reversal of) compensated absences	(0.06)	0.27
Provision for diminution in value of investments	67.50	-
Dividend income	(8.76)	(11.26)
Interest income	(377.05)	(9.69)
Finance costs	903.90	695.53
<b>Operating profit before working capital changes</b>	<b>1,285.12</b>	<b>1,210.34</b>
<b>Adjustment for:</b>		
(Increase)/decrease in short-term loans and advances	1.71	(3.65)
(Increase)/decrease in other current assets	(0.18)	0.02
Increase/(decrease) in trade payables	(41.95)	13.28
Increase/(decrease) in other current liabilities	(29.88)	25.99
<b>Cash generated from/(used in) operations</b>	<b>1,214.82</b>	<b>1,245.98</b>
Direct taxes paid	41.04	(95.27)
<b>Net cash from/(used in) operating activities</b>	<b>1,254.86</b>	<b>1,150.71</b>
<b>B Cash flow from investing activities</b>		
Purchase of non-current investments - Others	-	(135.00)
Purchase of current investments - Others	(45,072.00)	(682.25)
Sale of non-current investments - Others	967.47	-
Sale of current investments - Others	44,377.46	682.25
ICD received/(placed) - Subsidiaries	(2,300.00)	-
ICD received/(placed) - Others	(300.00)	-
Interest Income	284.94	0.09
Dividend Income	8.76	11.26
<b>Net cash from/(used in) investment activities</b>	<b>(2,033.37)</b>	<b>(123.65)</b>

# CASH FLOW STATEMENT

as at 31st March 2017

Particulars	(₹ in Lakh)	
	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>C Cash flow from financing activities</b>		
Redemption of preference share capital	(625.00)	-
Proceeds from long-term borrowings	2,300.00	5,600.00
Proceeds from short-term borrowings	50,150.00	3,500.00
Repayment of long-term borrowings	(144.72)	(3,449.00)
Repayment of short-term borrowings	(50,150.00)	(5,967.00)
Short term loans given	(49,999.83)	-
Short term loans repaid	49,999.83	-
Interest Income	92.11	-
Finance costs	(903.90)	(695.53)
<b>Net cash from/(used in) financing activities</b>	<b>718.49</b>	<b>(1,011.53)</b>
<b>Net increase/(decrease) in Cash and cash equivalents</b>	<b>(60.02)</b>	<b>15.53</b>
Cash & cash equivalents (opening)	91.52	75.99
Cash & cash equivalents (closing)	31.50	91.52
Note		
1 Previous year's figures have been regrouped and rearranged wherever necessary		

As per our attached reports of even date

**For Arun Arora & Co.**

Chartered Accountants

For and on behalf of the Board

**Arun Arora**

Proprietor

Membership No. A-12018

**Ranganath Char**

Director

DIN: 01723799

**V. Subramonian**

Director

DIN: 00508126

**Raj Agrawal**

Chief Financial Officer

**Apoorvi Jasani**

Company Secretary and Manager

Place : Mumbai

Date : April, 18 2017

Place : Mumbai

Date : April, 18 2017

# NOTES

to the Financial Statements

## 1 SIGNIFICANT ACCOUNTING POLICIES

### a. Nature of Operations

The Company is engaged in the business of giving and taking on lease, sub-lease in any manner whatsoever land, buildings, structures, properties including Multiplexes and Cinemas and to deal in real estate, land & buildings and other properties of all types wherever situated.

### b. Basis of preparation of financial statements

The financial statements of the Company have been prepared on accrual basis under the historical cost convention and in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable.

### c. Use of estimates

The preparation of financial statements is in conformity with Indian Generally Accepted Accounting Principles which require the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognised in the periods in which the results are known/materialised.

### d. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Amount of sales tax and service tax collected on generating operating revenue has been deducted from the respective operating revenue.

#### Interest Income

Interest revenue is recognised on accrual basis.

#### Dividend Income

Dividend income on Investment is accounted for when Company's right to receive dividend is established.

#### Rent Income

Revenue from rent is recognized based upon the contract/lease agreement, for the period the property and/or Furniture/Fixtures etc. has been let out.

### e. Fixed assets and depreciation

Fixed Assets are stated at Cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of qualifying Fixed Assets are also included to the extent they relate to the period till such assets are ready for their intended use.

Leasehold improvements represent expenses incurred towards civil works, interior furnishings, etc. on the leased premises.

#### Depreciation

Leasehold Improvements are amortized over the estimated useful life or unexpired period of lease (whichever is lower) on a straight line basis.

Depreciation on all other assets is provided on Straight-Line Method at the rates computed based on estimated useful life of the assets, which are equal to the corresponding rates prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to fixed assets is provided over the remaining useful life of the assets.

Assets costing ₹ 5,000 and below are fully depreciated in the year of acquisition.

#### Intangibles Assets

##### Software

Cost relating to purchased software's is capitalised and is amortised on a Straight-Line Basis over their estimated useful life.

Software licenses costing ₹ 5,000 and below are fully depreciated in the year of acquisition.

### f. Impairment of assets

An asset is considered as impaired when on the balance sheet date there are indications of impairment in the

# NOTES

to the Financial Statements

carrying amount of the assets, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the assets' net selling price and value in use). The carrying amount is reduced to the level of recoverable amount and the reduction is recognised as an impairment loss in the profit and loss account.

## g. Investments

Investments are classified as non-current/long-term or current. Non-current/long-term investments are carried at cost, however, provision for diminution in the value of non-current/long-term investments is made to recognise a decline, other than temporary, in the value of investments. The provision for diminution in the value of the quoted long-term investments is made to recognise the decline at lower of cost or market value, determined on the basis of the quoted prices of individual investment. Provision for diminution in the value of unquoted non-current/long-term investments is made as per the Management's estimate. Current investments are carried at lower of cost or fair value.

## h. Employee Benefits

### Defined contribution plan

The Company makes defined contribution to the provident fund, which is recognized in the profit and loss account on an accrual basis.

### Defined benefit plan

The Company's liabilities under the Payment of Gratuity Act are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Actuarial gains and losses are recognised in the statement of profit and loss account as income or expense respectively. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields on the date of balance sheet on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

### Short term employee benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and

loss account of the year in which the related services are rendered.

## i. Taxation

Tax expense comprises current tax and deferred tax.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the provisions of Income Tax Act, 1961.

Deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that apply substantively as on the date of balance sheet. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future.

## j. Foreign currency transactions

Transactions in foreign currency are recorded at rates of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using closing rate of exchange at the end of the year. The resulting exchange gain/loss is reflected in the profit and loss account. Other non-monetary items, like fixed assets, investments in equity shares, are carried in terms of historical cost using the exchange rate at the date of transaction.

## k. Provisions, contingent liabilities and contingent assets

Contingent Liabilities are possible but not probable obligations as on the balance sheet date, based on the available evidence. Provisions are recognised when there is a present obligation as a result of past event; and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate required to settle the obligation at the balance sheet date. Contingent assets are not recognised in the financial statements.

# NOTES

to the Financial Statements

## 2.1 SHARE CAPITAL

	(₹ in Lakh)	
	As at 31 March 2017	As at 31 March 2016
<b>Authorised</b>		
2,25,00,000 (previous year: 2,25,00,000) Equity Shares of ₹ 10/- each	2,250.00	2,250.00
75,00,000 (previous year: 75,00,000) Preference Shares of ₹ 10/- each	750.00	750.00
	<b>3,000.00</b>	<b>3,000.00</b>
<b>Issued, Subscribed and Paid-up</b>		
2,00,00,000 (previous year: 2,00,00,000) Equity Shares of ₹ 10/- each	2,000.00	2,000.00
Nil (previous year: 62,50,000) 6% Optionally Convertible Non-Cumulative Redeemable Preference Shares of ₹ 10/- each	-	625.00
<b>Total</b>	<b>2,000.00</b>	<b>2,625.00</b>

### Note a.

#### Equity shares

The Company has equity shares having a Face Value of ₹ 10/-. Each, holder of equity shares is entitled to one vote per share.

#### Preference shares

62,50,000 6% Optionally convertible non-cumulative redeemable preference shares (OCPS) shall have option to convert all or part into fully equity shares at any time after completion of six months from date of allotment by giving to the Company thirty days notice in writing. On conversion OCPS holder would receive one Equity share of the Company for each OCPS presented for conversion. Company have a right to redeem OCPS either fully or partly in tranches any time within a period of 10 years by giving at least 30 days written notice. During the period Company has fully redeemed OCPS.

### Note b.

Particulars	Equity Shares			
	As at 31 March 2017		As at 31 March 2016	
	Number	₹ in Lakh	Number	₹ in Lakh
Shares outstanding at the beginning of the year	20,000,000	2,000.00	20,000,000	2,000.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	20,000,000	2,000.00	20,000,000	2,000.00

Particulars	Preference Shares			
	As at 31 March 2017		As at 31 March 2016	
	Number	₹ in Lakh	Number	₹ in Lakh
Shares outstanding at the beginning of the year	6,250,000	625.00	6,250,000	625.00
Shares Issued during the year	-	-	-	-
Shares redeemed during the year	(6,250,000)	(625.00)	-	-
Shares outstanding at the end of the year	-	-	6,250,000	625.00

### Note c.

Out of Equity shares & Preference shares issued by the Company, shares held by each shareholder including its holding company, ultimate holding company and their subsidiaries/associates, holding more than 5 percent shares specifying the number of shares held are as below:

Particulars	As at 31 March 2017		As at 31 March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares:</b>				
JM Financial Investment Managers Ltd. along with its nominees	20,000,000	100.00	20,000,000	100.00
<b>Preference Shares:</b>				
JM Financial Investment Managers Ltd.	-	-	6,250,000	100.00

## NOTES

to the Financial Statements

	(₹ in Lakh)	
	As at 31 March 2017	As at 31 March 2016
<b>2.2 RESERVES AND SURPLUS</b>		
<b>a. Surplus / (deficit) in profit and loss account:</b>		
Opening balance	707.52	671.27
Add:- Profit for the year	328.82	36.25
Less:- Transferred to Capital Redemption Reserve	(625.00)	-
Closing balance	411.34	707.52
<b>b. Capital Redemption Reserve</b>	625.00	-
<b>Total</b>	<b>1,036.34</b>	<b>707.52</b>

	(₹ in Lakh)	
	As at 31 March 2017	As at 31 March 2016
<b>2.3 LONG-TERM BORROWINGS</b>		
Secured Loan (refer note below)		
Loan from bank	7,606.36	5,329.69
<b>Total</b>	<b>7,606.36</b>	<b>5,329.69</b>

**Note:** Loan taken from bank secured against Mortgage of Property and Hypothecation of Rent receivable. Tenure of loan 120 months repayable vide monthly installments

	(₹ in Lakh)	
	As at 31 March 2017	As at 31 March 2016
<b>2.4 OTHER LONG TERM LIABILITIES</b>		
Trade Payables		
- Others (Security deposit)	270.00	270.00
<b>Total</b>	<b>270.00</b>	<b>270.00</b>
<b>2.5 LONG-TERM PROVISIONS</b>		
For employee benefits - gratuity	0.11	0.12
<b>Total</b>	<b>0.11</b>	<b>0.12</b>
<b>2.6 TRADE PAYABLES</b>		
Trade Payables		
- Others	3.50	45.46
<b>Total</b>	<b>3.50</b>	<b>45.46</b>
<b>2.7 OTHER CURRENT LIABILITIES</b>		
Secured Loan (refer note below)		
Current maturities of long term borrowing	148.91	270.30
Statutory dues	0.63	26.06
Payable to employees	2.55	7.00
<b>Total</b>	<b>152.09</b>	<b>303.36</b>
<b>Note:</b> Loan taken from bank secured against Mortgage of Property and Hypothecation of Rent receivable. Tenure of loan 120 months repayable vide monthly installments		
<b>2.8 SHORT-TERM PROVISIONS</b>		
For employee benefits - compensated absences	0.21	0.27
For employee benefits - gratuity	0.00	0.00
<b>Total</b>	<b>0.21</b>	<b>0.27</b>

# NOTES

to the Financial Statements

## 2.9 FIXED ASSETS

(₹ in Lakh)

Description	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK		
	As at 1-Apr-16	Additions	Deductions / Adjustments	As at 31-Mar-17	As at 1-Apr-16	For the year	Deductions / Adjustments	As at 31-Mar-17	As at 31-Mar-17	As at 31-Mar-16
<b>i) TANGIBLE ASSETS:</b>										
Owned Assets:										
Office Premises	1,050.94	-	-	1,050.94	42.40	27.94	-	70.34	980.60	1,008.53
Leasehold Building (refer note below)	6,357.12	-	-	6,357.12	758.17	106.10	-	864.27	5,492.84	5,598.94
Leasehold Improvements	1,251.93	-	-	1,251.93	680.84	208.45	-	889.28	362.65	571.10
Plant & Machinery	1,315.27	-	-	1,315.27	663.36	90.10	-	753.46	561.81	651.90
Furniture & Fittings	307.83	-	-	307.83	264.08	40.41	-	304.49	3.33	43.75
<b>ii) INTANGIBLE ASSETS:</b>										
Software Development Cost	3.36	-	-	3.36	3.36	-	-	3.36	-	-
<b>Total</b>	<b>10,286.45</b>	<b>-</b>	<b>-</b>	<b>10,286.45</b>	<b>2,412.21</b>	<b>473.00</b>	<b>-</b>	<b>2,886.20</b>	<b>7,401.23</b>	<b>7,874.22</b>
Previous Year	10,286.44	-	-	10,286.44	1,923.43	488.78	-	2,412.21	7,874.22	-

Note: Leasehold Building mortgage against Term Loan taken from bank.

## 2.10 NON-CURRENT INVESTMENTS

	As at 31 March 2017		As at 31 March 2016	
	Nos. of Shares	₹ in Lakh	Nos. of Shares	₹ in Lakh
<b>OTHER THAN TRADE INVESTMENTS</b>				
<b>(a) Investment in equity instruments (at cost)</b>				
Quoted:				
In other companies				
Jai Corp Limited	-	-	1,200,000	621.00
(Equity Shares of ₹ 1/- each fully paid up)				
Nitesh Estates Limited	-	-	1,183,600	159.79
(Equity Shares of ₹ 10/- each fully paid up)				
Unquoted:				
In other companies				
Bran Engineering Private Limited	-	-	180,000	1.80
(Equity Shares of ₹ 10/- each fully paid up)				
Teracom Limited	-	-	260,000	2.60
(Equity Shares of ₹ 10/- each fully paid up)				
		-		785.19
<b>(b) Investment in preference instruments</b>				
(at Cost less provision for diminution in value)				
In other companies				
Sterling Buildcon Pvt. Ltd.	13,500	135.00	13,500	135.00
(0% Redeemable Preference Shares face value of ₹ 100)				
		135.00		135.00
<b>Less: Provision for diminution in the value of investments in respect of (b) above</b>		<b>67.50</b>		<b>-</b>
<b>Total</b>		<b>67.50</b>		<b>920.19</b>

**Note:**

1. The aggregate cost of unquoted investments is ₹ 135 Lacs (previous year ₹ 139.40 Lacs)



## NOTES

to the Financial Statements

	(₹ in Lakh)	
	As at 31 March 2017	As at 31 March 2016
<b>2.11 DEFERRED TAX ASSETS/ (LIABILITY)</b>		
Provision for Gratuity	0.03	0.04
Compensated Absences	0.07	0.09
<b>Total</b>	<b>0.10</b>	<b>0.13</b>
<b>2.12 LONG TERM LOANS AND ADVANCES</b>		
Unsecured, considered good		
Income Tax (net of provisions)	244.32	389.86
<b>Total</b>	<b>244.32</b>	<b>389.86</b>

# NOTES

to the Financial Statements

	(₹ in Lakh)	
	For the 12 months ended 31 March 2017	For the 12 months ended 31 March 2016
<b>2.17 REVENUE FROM OPERATIONS</b>		
Rent Income on Furniture & Fixtures	20.92	20.32
Rent Income on Premises	1,382.81	1,310.12
<b>Total</b>	<b>1,403.73</b>	<b>1,330.44</b>
<b>2.18 OTHER INCOME</b>		
Interest Income	385.09	9.69
Dividend	8.76	11.26
Profit on sale of Investments	207.74	-
<b>Total</b>	<b>601.59</b>	<b>20.95</b>
<b>2.19 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Bonus and Allowances	13.59	13.54
Contribution to Provident Fund and Other Funds	0.57	0.32
Gratuity	(0.01)	0.12
Staff Welfare	-	0.13
<b>Total</b>	<b>14.15</b>	<b>14.11</b>
<b>2.20 FINANCE COSTS</b>		
Interest Expense	903.40	635.01
Other Borrowing Cost	0.50	60.52
<b>Total</b>	<b>903.90</b>	<b>695.53</b>
<b>2.21 OTHER EXPENSES</b>		
Rates and taxes	10.65	3.04
Repairs and maintenance	1.31	0.82
Insurance expenses	5.56	4.80
Legal and professional fees	5.30	8.02
Auditors' remuneration	-	-
Statutory audit	0.50	0.30
Taxation matter	0.40	1.40
Other services	1.38	0.33
Reimbursement of expenses	0.05	0.05
Property tax	82.81	82.81
Director sitting fees	3.40	3.00
Loss on sale of investments	-	0.01
Miscellaneous expenses	2.06	1.81
<b>Total</b>	<b>113.42</b>	<b>106.39</b>

## NOTES

to the Financial Statements

**2.22 EARNING PER SHARE**

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, as under:

Particulars	(₹ in Lakh)	
	Current year	Previous year
Profit/ (loss) after tax (₹)	328.82	36.25
Profit attributable to the equity shareholders for the purpose of basic & diluted earnings per share (₹)	328.82	36.25
Weighted average number of equity shares outstanding during the year for basic earnings per share	20,000,000	20,000,000
Weighted average number of equity shares outstanding during the year for diluted earnings per share	20,000,000	26,250,000
Basic earnings per share - ₹	1.64	0.18
Diluted earnings per share - ₹	1.64	0.14
Nominal value per share - ₹	10	10

**2.23 SEGMENT REPORTING**

## a) Primary Segment:

The Company is solely engaged in the business of giving & taking on lease, sub-lease in any manner whatsoever land, buildings, structures, properties including Multiplexes and Cinemas. The entire operations are governed by the same set of risk and returns, hence, the same has been considered as representing a single primary segment. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standard – 17 on Segment Reporting.

## b) Secondary Segment (by Geographical segments):

The Company operates within India with Nil income from overseas market and does not have any operations in economic environments with different set of risks and returns. Hence, it is considered operating in a single geographical segment.

**2.24 SPECIFIED BANK NOTES (SBN)**

Details of Specified Bank Notes (SBN) held and transacted during the period 8th November, 2016 to 30th December, 2016 as provided in the Table below:

Particulars	SBNs	Other denomination	Total
Closing cash in hand as on 08.11.2016	Nil	Nil	Nil
(+) Permitted receipts	Nil	Nil	Nil
(-) Permitted payments	Nil	Nil	Nil
(-) Amount deposited in Banks	Nil	Nil	Nil
Closing cash in hand as on 30.12.2016	Nil	Nil	Nil

**2.25 LEASES**

Rental income in respect of operating leases are recognized as an income in the Profit and Loss.

## Operating Lease (for assets given on lease)

The Company has given multiplex under operating lease agreements. Details of rent income as under:

Particulars	(₹ in Lakh)	
	For the year ended 31st March 2017	For the year ended 31st March 2016
Minimum Lease Rent Receipts :		
Not Later than one year	1,480.03	1,403.73
Later than one year but not later than five years	5,155.09	6,410.61
Later than five years	-	224.50
<b>Total</b>	<b>6,635.11</b>	<b>8,039.85</b>
Lease rent receipts for the year recognized in Profit and Loss Account	1,403.73	1,330.44

# NOTES

to the Financial Statements

## 2.26 EMPLOYEE BENEFITS

### A. Defined benefit plans a) Gratuity

(₹ in Lakh)

Amount recognised in the balance sheet with respect to gratuity	For the year ended 31st March 2017	For the year ended 31st March 2016
Present value of the unfunded obligations at the year end	0.11	0.12
Fair value of plan assets	-	-
Net liability	0.11	0.12

(₹ in Lakh)

Amount recognised in salary, wages and employee benefits in the profit and loss account with respect to gratuity	For the year ended 31st March 2017	For the year ended 31st March 2016
Current service cost	0.12	0.12
Interest on defined benefit obligations	0.02	-
Expected return on plan assets	-	-
Net actuarial (gain) /loss recognised during the year	(0.15)	-
Past service cost	-	-
Net gratuity cost	(0.01)	0.12

(₹ in Lakh)

Actual return on plan assets	For the year ended 31st March 2017	For the year ended 31st March 2016
Expected return on plan assets	-	-
Actuarial gain/(loss) on plan assets	-	-

(₹ in Lakh)

Reconciliation of present value of the obligation and the fair value of the plan assets:	For the year ended 31st March 2017	For the year ended 31st March 2016
Opening defined benefit obligation	0.12	-
Current service cost	0.12	0.12
Interest cost	0.02	-
Actuarial (gain)/loss	(0.15)	-
Past service cost	-	-
Liability assumed on acquisition/(settled on divestiture)	-	-
Benefits paid	-	-
Closing defined benefit obligation	(0.11)	0.12

(₹ in Lakh)

Change in fair value of plan assets	For the year ended 31st March 2017	For the year ended 31st March 2016
Opening fair value of the plan assets	-	-
Expected return on plan assets	-	-
Actuarial (gain)/loss	-	-
Assets acquired on acquisition/ (Distributed on divestiture)	-	-
Contributions by the employer	-	-
Benefits paid	-	-
Closing fair value of the plan assets	-	-

## NOTES

to the Financial Statements

	(₹ in Lakh)	
Investment details of plan assets	For the year ended 31st March 2017	For the year ended 31st March 2016
Investment details of plan assets	-	-

## Valuation assumptions

For the purpose of arriving at the liability, the following assumptions have been considered:

Change in fair value of plan assets	2016-17	2015-16
Retirement Age	60 years	60 years
Salary Escalation (over a long term.)	7.00%	7.00%
Rate of Discounting	7.20%	7.95%
Mortality Table	Under the Indian Assured Lives Mortality (2006-08) Ult table	Under the Indian Assured Lives Mortality (2006-08) Ult table

## Withdrawal Rates : Age related

- The estimates of future salary increases, takes into account inflation, seniority, promotion and other relevant factors in the employment market.
- The above information is certified by the actuary.

## b) Compensated absences

As per companies policy, provision for compensated absence as at March 31, 2017 is ₹ 0.21 lakh (previous year ₹ 0.27 lakh).

## B. Defined contribution plans

Amount recognised as an expense and included in the Note 2.19 – 'Contribution to provident fund' ₹ 0.57 lakh (previous year ₹ 0.32 lakh).

## 2.27 DISCLOSURE IN RESPECT OF RELATED PARTIES PURSUANT TO ACCOUNTING STANDARD 18:

## I. Names of related parties and description of relationship where control exists

## A. Holding Company

JM Financial Investment Managers Limited

## B. Ultimate Holding Company

JM Financial Limited

## C. Fellow Subsidiaries

JM Financial Products Limited  
JM Financial Institutional Securities Limited  
JM Financial Services Limited  
JM Financial Properties and Holdings Limited  
Infinite India Investment Management Limited

## D. Individual exercising control or significant influence by way of voting power in reporting enterprise and relatives of such person.

## Individual exercising control or significant influence

Mr. Nimesh Kampani

# NOTES

to the Financial Statements

- II. Related party relationship have been identified by the management and relied upon by the auditors. Following transactions were carried out with the related parties in the ordinary course of business

		(₹ in Lakh)	
Particulars	Nature of Transaction	2016-2017	2015-2016
<b>Holding Company</b>			
JM Financial Investment Managers Limited	(i) Redemption of Preference shares	625.00	-
<b>Fellow Subsidiary Company</b>			
JM Financial Products Limited	(i) Inter Company loan taken	150.00	3,500.00
	(ii) Inter Company loan repaid	150.00	3,500.00
	(iii) Interest paid	0.36	45.38
JM Financial Institutional Securities Limited	(i) Inter Company loan repaid	-	2,100.00
	(ii) Interest paid	-	218.54
	(iii) Telephone expenses	0.12	0.04
	(iv) Sale of equity shares	4.40	-
JM Financial Services Limited	(i) Demat charges paid	0.01	0.01
	(ii) Brokerage paid	3.34	-
JM Financial Properties and Holdings Limited	(i) Inter Company loan given	2,300.00	-
	(ii) Interest received	222.32	-
	(iii) Inter Company loan receivable	2,300.00	-
Infinite India Investment Management Limited	(i) Inter Company loan taken	-	30.00
	(ii) Inter Company loan repaid	-	30.00
	(iii) Interest paid	-	0.12

No amount is written off or written back during the year in respect of debts due from or to related parties.

**2.28** Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

**For Arun Arora & Co.**

Chartered Accountants

**Arun Arora**

Proprietor

Membership No. A-12018

For and on behalf of the Board

**Ranganath Char**

Director

DIN: 01723799

**V. Subramonian**

Director

DIN: 00508126

**Raj Agrawal**

Chief Financial Officer

**Apoorvi Jasani**

Company Secretary and Manager

Place : Mumbai

Date : April, 18 2017

Place : Mumbai

Date : April, 18 2017





7<sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India