A. M. GHELANI & COMPANY
CHARTERED ACCOUNTANTS

224, Champaklal Industrial Estate
Sion-Koliwada Road, Sion (East),
Mumbai - 400 022.
Tel : 2402 4909 / 8739
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AJIT M. GHELANI
B.Com (Hons), F.C.A., GRAD. C.W.A.

CHINTAN A. GHELANI
B.Com (Hons), F.C.A., C.S

Independent Auditor's Report

To
The Members of Sparkle One Mall Developers Private Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Sparkle One Mall Developers Private Limited ("the Company"), which comprise the balance sheet as at 31st March 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

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 of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

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 standalone Ind AS 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 Ind AS 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 u/s 143(11) of the act.

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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the financial position of the Company as at 31st March, 2018, and its financial performance, total comprehensive income, its cash flows and the changes in equity 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 section 143(11) 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 including other comprehensive income, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

(d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

(e) on the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

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(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"

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigation as on reporting date.

ii. The Company did not have any long term contracts including derivative contracts that require provision under any law or accounting standards for which there were any material foreseeable losses.

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

For A.M. Ghelani & Company
Chartered Accountants
Registration No : 103173W

A. M. GHELANI & COMPANY
C.A.
MUMBAI

Chintan Ghelani
Partner
Membership No.: 104391

Place : Mumbai
Dated :

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Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March 2018, we report that:

(i) The In respect of company's fixed assets:-

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The Company has a program of physical verification of its fixed assets by which fixed assets are verified in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the immovable property viz Land mentioned in the financial statement has been shown as held by the Company based on the registered agreement to sale executed between the parties [Refer note no.20 of the Notes to financial statement].

(ii) The Company does not have any Inventory and hence the reporting under clause (ii) of the order is not applicable.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under section 189 of the Companies Act, 2013 ('the act'), hence the reporting under clause (iii) of the order is not applicable.

(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) According to the information and explanation given to us, the company has not accepted any deposits during the year and does not have any unclaimed deposits.

(vi) Having regard to the nature of the company's business/activities, the reporting of cost audit / records etc under clause (vi) of the order is not applicable.

(vii) According to the information and explanations given to us, in respect of Statutory Dues:

(a) The Company has generally been regular in depositing undisputed statutory dues including provident fund, income-tax, value added tax, service tax, Goods & Service Tax, cess and other material statutory dues, wherever applicable, to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of the above mentioned statutory dues as at 31st March, 2018 for a period of more than six months from the date they became payable.

(c) There were no disputed amounts payable in respect of the above mentioned statutory dues as at 31st March, 2018.

(viii) In our opinion and according to the information and explanations given to us, there are no borrowings from bank or financial institutions and the company has not issued any debentures.

(ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year and hence the reporting under clause (ix) of the Order is not applicable.

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(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 year.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration during the year under report.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, clause (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, the transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(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, clause (xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For A.M. Ghelani & Company
Chartered Accountants
Registration No : 103173W

A. M. GHELANI & COMPANY C.A. MUMBAI

Chintan Ghelani
Partner
Membership No.: 104391
Place : Mumbai
Dated :

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Annexure - B to the Independent 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 the Sparkle One Mall Developers Private Limited ("the Company") as of 31st March 2018 in conjunction with our audit of the standalone Ind AS 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 standalone Ind AS 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

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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 31st March 2018, 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 A.M. Ghelani & Company
Chartered Accountants
Registration No : 103173W

A. M. GHELANI & COMPANY MUMBAI

Chintan A. Ghelani
Partner
Membership No.: 104391

Place : Mumbai
Dated :

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Sparkle One Mall Developers Private Limited
Balance sheet as at 31st March, 2018

Particulars	Notes	As at 31st March, 2018
A. Assets		
Non current assets		
a) Property, Plant & Equipment	6	6,50,00,00,000
b) Capital Work-in-Progress	6	11,15,890
		6,50,11,15,890
Current Assets		
a) Financial Asset		
i) Cash and Cash Equivalents	7	1,00,80,020
		1,00,80,020
Total		**6,51,11,95,910**
B. Equity and Liabilities		
Equity		
a) Equity Share Capital	8	1,00,020
b) Other Equity	9	(15,900)
		84,120
Liabilities		
Current Liabilities		
a) Financial Liabilities		
i) Borrowings	10	1,00,00,00,000
ii) Trade Payables	11	5,900
ii) Other financial liabillties	12	5,51,11,05,890
		6,51,11,11,790
Total		**6,51,11,95,910**

Significant Accounting Policies and Notes on Financial Statements — 1 to 20

As per our Report of even date
For A. M. Ghelani & Company
Chartered Accountants
Firm Registration No.: 103173W

A. M. GHELANI & COMPANY C.A. MUMBAI

Chintan A. Ghelani
Partner
Membership No.: 104391
Place : Mumbai
Date : 04/05/2018

For and on behalf of the Board of Directors

Vidyasagar Pingali
Director
DIN No. 02710397

Pawan Kumar Kakumanu
Director
DIN No. 07584653

Sparkle One Mall Developers Private Limited

Sparkle One Mall Developers Private Limited
Statement of Profit and Loss for the year ended 31st March, 2018

(Amount in Rs.)

Particulars	Notes	For the financial year ended on 31st March 2018
Income		
Revenue From Operations		-
Total Revenue		-
Expenditure		
Other Expenses	13	15,900
Total Expenses		**15,900**
Profit/(Loss) Before Tax		(15,900)
Tax Expenses		-
Profit/(Loss) for the period		**(15,900)**
Earning Per Equity Share of face value of Rs. 10/- each Basic and Diluted EPS	14	(1.59)
Significant Accounting Policies and Notes on Financial Statement	1 to 20	

As per our Report of even date
For A. M. Ghelani & Company
Chartered Accountants
Firm Registration No.: 103173W

A. M. GHELANI & COMPANY
MUMBAI

Chintan A. Ghelani
Partner
Membership No.: 104391
Place : Mumbai
Date : 04/05/2018

For and on behalf of the Board of Directors

Vidyasagar Pingali
Director
DIN No. 02710397

Pawan Kumar Kakumanu
Director
DIN No. 07584653

Sparkle One Mall Developers Private Limited

Sparkle One Mall Developers Private Limited **Cash Flow Statement for the year ended 31st March 2018**	
Particulars	**For the financial year ended on 31st March 2018**
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit/(Loss) Before Tax as per Profit and Loss Account	(15,900)
Adjusted for:	
Operating Profit before Working Capital Changes	**(15,900)**
Change in Working Capital :	
Trade & Other Payables	5,51,01,15,489
Interest on Inter Corporate Deposit	9,96,301
Cash generated from Operations	**5,51,10,95,890**
Less: Tax paid (Net)	-
Net Cash generated from/(used in) Operating Activities	**5,51,10,95,890**
B. CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of Property Plant & Equipment & CWIP	(6,50,11,15,890)
Net Cash generated from/(Used in) from Investing Activities	**(6,50,11,15,890)**
C. CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from Issuance of shares	1,00,020
Proceeds from Inter Corporate Deposit	1,00,00,00,000
Net Cash Generated from / (Used in) Financing Activities	**1,00,01,00,020**
Net Increase/ (Decrease) in Cash and Cash Equivalents (A + B + C)	1,00,80,020
Cash and Cash Equivalents at the beginning of the year	-
Cash and Cash Equivalents at the end of the year (Refer note no. 7)	**1,00,80,020**
Notes to Cash Flow	
Components of cash and cash equivalents :	
Balance with Scheduled Bank	1,00,80,020
Cash and Cash equivalents at the end of the year (Refer note no. 7)	**1,00,80,020**

As per our Report of even date
For A. M. Ghelani & Company
Chartered Accountants
Firm Registration No.: 103173W

A. M. GHELANI & COMPANY MUMBAI

For and behalf of the Board of Directors

Chintan A. Ghelani
Partner
Membership No.: 104391
Place : Mumbai
Date : 04/05/2018

Vidyasagar Pingali
Director
DIN No.02710397

Pawan Kumar Kakumanu
Director
DIN No. 07584653

Sparkle One Mall Developers Private Limited

SPARKLE ONE MALL DEVELOPERS PVT.LTD.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

A. EQUITY SHARE CAPITAL

Particulars	Opening balance as at 1st April, 2017	Changes in Equity share capital during the year	Closing Balance as at 31st March, 2018
Equity Share Capital	-	1,00,020	1,00,020

B. OTHER EQUITY

Particulars	Retained Earnings	Total Equity
Balance as at 1st April, 2017	-	-
Profit for the year/ (Loss)	(15,900)	(15,900)
Balance as at 31st March, 2018	(15,900)	(15,900)

As per our Report of even date
For A. M. Ghelani & Company
Chartered Accountants
Firm Registration No.: 103173W

Chintan A. Ghelani
Partner
Membership No.: 104391
Place : Mumbai
Date : 04/05/2018

For and on behalf of the Board of Directors

Vidyasagar Pingali
Director
DIN No. 02710397

Pawan Kumar Kakumanu
Director
DIN No. 07584653

A. M. GHELANI & COMPANY C.A. MUMBAI

Sparkle One Mall Developers Private Limited

Sparkle One Mall Developers Pvt. Ltd.

Notes on Financial Statement for the year ended 31st March 2018

1. Corporate Information:

The Company is a private limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at 2nd floor, R.R. Hosiery Building, off Dr. E Moses Road, Mahalaxmi (W), Mumbai – 400011.

The Company is engaged in Real Estate, Construction operation and management of mall. The principle place of business is at 2nd floor, R.R. Hosiery Building, off Dr. E Moses Road, Mahalaxmi (W), Mumbai – 400011.

These financial statements were approved and adopted by the board of directors of the Company in their meeting dated 4th May 2018

2. Basis of Preparation of Financial Statements:

The Financial Statements have been prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The Financial statements provide comparative information in respect of the previous year. The significant accounting policies used in preparing financial statements are set out in Note 3 of the Notes to Financial Statements and are applied consistently to all the periods presented.

3. Significant Accounting Policies:

a) Functional and presentation of currency:

The financial statements are presented in Indian Rupees, which is the Company's functional currency and all amounts are rounded to the nearest rupees.

b) Basis of measurement:

The Financial Statements have been prepared on historical cost basis, except the following:

- Certain financial assets and liabilities that are measured at fair value.
- Defined benefit plans – plan assets measured at fair value.

c) Property, Plant and Equipment:

Freehold land if any, is carried at historical cost. Capital work in progress, and all other items of property, plant and equipment are stated at historical cost net of accumulated depreciation and accumulated impairment losses, if any.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Such cost includes borrowing costs for long-term construction projects if the recognition criteria are met.

Sparkle One Mall Developers Private Limited

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The expenditure incurred in connection with the Development project which is incomplete, is included in Capital Work-in- Progress and will be capitalized in the year of completion.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the Written Down Value Method to allocate their cost, net of their residual values, over their estimated useful lives as specified by Schedule II to the Companies Act; 2013. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives and method of depreciation are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

d) <u>Intangible asset:</u>

Identifiable intangible assets, if any, are recognised when the Company controls the asset & it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation methods and periods

Estimated useful lives of Intangible assets are considered as 5 years. Intangible assets are amortised over its useful life using the straight-line method. The amortisation period and the amortisation method for an intangible asset are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

e) <u>Impairment of Non – Financial Asset:</u>

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Sparkle One Mall Developers Private Limited

In assessing the value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

f) Cash and cash equivalents:

Cash and cash equivalents includes cash on hand and at bank, deposits held with banks original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

g) Financial Instrument:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity. Classifications of financial instrument are in accordance with the substance of the contractual arrangement and as per the definitions of financial assets, financial liability and an equity instruments.

Financial Assets and investments

i) Initial recognition and measurement:

At initial recognition, the company measures a financial asset (other than financial asset at fair value through profit or loss) at its fair value plus or minus, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit & loss.

ii) Subsequent recognition and measurement:

Subsequent measurement of financial asset depends on the company's business model for managing the asset and the cash flow characteristics of the asset. For the purpose of subsequent recognition and measurement financial assets are classified in three categories:

- **Debt instrument at amortised cost:**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income fromthesefinancialassetsisincludedinfinanceincomeusingtheeffectiveinterestratemethod.

- **Debt instrument at fair value through other comprehensive income (FVOCI):**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue which are recognised in statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in

Sparkle One Mall Developers Private Limited

other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest ratemethod.

- **Debt instrument at fair value through profit and loss (FVTPL):**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit and loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

iii) De-recognition:

A financial asset is primarily derecognised i.e. removed from Company's financial statement when:

- The rights to receive cash flows from asset have expired or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under 'pass- through' arrangement and either;

  a) The Company has transferred substantially all the risks and rewards of the assets,
  b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

iv) Impairment of Financial asset:

The company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets carried at amortised cost;
- Financial asset measured at FVOCI debt instruments.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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The Company uses a provision matrix to determine impairment loss allowance on its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

v) Trade receivables:

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value less provision for impairment, if any.

Financial Liabilities:

a) Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

b) Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and has designated upon initial measurement recognition at fair value through profit or loss.

Sparkle One Mall Developers Private Limited

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and Borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit and when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Trade and other payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost.

c) De - recognition:

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

h) Classification of assets and liabilities as current and non – current:

The Company presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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All other assets are classified as non-current.

A liability is classified as current when:

a) It is expected to be settled in normal operating cycle,
b) It is held primarily for the purpose of trading,
c) It is due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

i) Equity share capital:

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

j) Revenue Recognition:

Revenue is recognised to the extent that it is probable that the future economic benefits will flow to the entity and it can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Interest income

Interest income from debt instrument is recognised using effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of financial asset to the gross carrying amount of financial asset. When calculating effective interest rate, the company expects cash flows by considering all contractual terms of financial instrument but does not consider the expected credit losses.

Dividends

Dividends are recognised when the right to receive the payment is established.

k) Borrowing Cost:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for such capitalisation.

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Other borrowing costs are expensed in the period in which they are incurred.Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds.

l) **Provisions and contingencies:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using the government securities interest rate for the equivalent period. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate. Provisions are not recognised for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the notes to the financial statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

m) **Income Taxes:**

Current Income Tax:

Current Income Tax liabilities are measured at the amount expected to be paid to the taxation authorities using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulation are subject to interpretation and creates provisions where appropriate.

Deferred Tax:

Deferred Tax is recognised using Balance sheet approach, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred Income Tax is determined using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period.

Deferred Tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the company has a legally enforceable right offset and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

n) Earnings per share:

Basic earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

4. Critical accounting estimates, assumptions and judgements:

The preparation of the financial statements requires management to make estimates, judgements and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses during the period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur

In the process of applying the Company's accounting policies, management has made the following estimates and judgements, which have significant effect on the amounts recognised in the financial statement:

(a) Depreciation and useful lives of Property, Plant and Equipment:

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be

Sparkle One Mall Developers Private Limited

recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

(b) Investment Property:

Management has assessed applicability of Ind AS 40- Investment property to the property held to earn income from licensee fees. In assessing such applicability, management has considered the ownership of assets, terms of license agreement, various services provided to the licensee etc. The Company considers these other services as significant in addition to the License fees charged. Based on such assessment, the management has considered the mall property as owner-occupied property and hence classified as Property, Plant & Equipment.

(c) Defined Benefit plans:

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

There are no employees during the financial year under report, hence actuarial valuation for employee benefit has not been conducted.

(d) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

(e) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Estimates and judgments are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. They are continuously evaluated.

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(f) Fair Value measurement:

The Company measures financial instrument such as certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or Liabilities

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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(g) Standards issued but not effective:

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2018.

(a) Issue of Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

(b) Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards:

i) Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
ii) Ind AS 40 - Investment Property (Not applicable to the company)
iii) Ind AS 12 - Income Taxes
iv) Ind AS 28 - Investments in Associates and Joint Ventures and
v) Ind AS 112 - Disclosure of Interests in Other Entities

Application of above standards are not expected to have any significant impact on the Company's Financial Statements

5. The company has been incorporated on 29th August, 2017 and these are the first financial statements of the company. The statement of Profit & Loss and the respective notes are for the period from 29th August, 2017 to 31st March, 2018. There is, accordingly, no comparative information for the previous accounting period /year.

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Notes to financial statements for the year ended 31st March 2018
Note 6: Property, Plant & Equipment

Particulars	Tangible Assets		Capital Work in Progress
	Land	Total Tangible Assets	
Gross Block			
As at April 1, 2017	-	-	-
Additions	6,50,00,00,000	6,50,00,00,000	11,15,890
Deduction/Adjustment	-	-	-
As at 31st March, 2018	**6,50,00,00,000**	**6,50,00,00,000**	**11,15,890**
Accumulated Depreciation			
As at April 1, 2017	-	-	-
Charge for the period	-	-	-
Deduction/Adjustment	-	-	-
As at 31st March, 2018	-	-	-
Net carrying amount			
As at 31st March, 2018	**6,50,00,00,000**	**6,50,00,00,000**	**11,15,890**

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Notes to financial statements as at 31st March 2018

Notes	Particulars	As at 31st March, 2018
7	**Cash & Cash Equivalents :**	
	Balances with Banks	1,00,80,020
	Cash on hand	-
		1,00,80,020
8	**Share Capital**	
	Authorised	
	10,002 Equity Shares of Rs.10/- each fully paid up	1,00,020
		1,00,020
	Issued, Subscribed and paid up	
	10,002 Equity Shares of Rs.10/- each fully paid up	1,00,020
		1,00,020
	a) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period	**No. of Shares**
	Shares outstanding at the beginning the year	-
	Shares Issued during the year	10,002
	Shares outstanding at the end of the year	10,002
	b) Shares held by Holding Company/Ultimate Holding Company	
	Equity Share Capital - Island Star Mall Developers Private Ltd. 10,000 equity shares of Rs 10 each fully paid	1,00,000
	Equity Share Capital- The Phoenix Mills Ltd. 2 equity shares of Rs 10 each fully paid	20

c) Details of shareholders holding more than 5% Shares in the company	March 31, 2018	
Equity Shares of Rs. 10 each fully paid	Number of shares	% of Holdings
Island Star Mall Developers Pvt. Ltd., holding company	10,000	99.98

d) Terms of Issue

The Company has only one class equity shares having face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. Equity share holder are also entitled to dividend as and when proposed by the Board of Director and approved by Share holders in Annual General Meeting. In the event of liquidation of the company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all Preferential amounts which shall be in proportion to the number of shares held by the Shareholders.

Notes	Particulars	As at March 31, 2018
9	**Other Equity**	
	Profit and Loss Accounts	
	Opening Balance	-
	Add:- Net Profit/(Loss) for the current year	(15,900)
	Closing Balance	**(15,900)**
10	**Borrowings**	
	(Unsecured)	
	Inter Corporate Deposit from Related Party- (Holding Company)	1,00,00,00,000
		1,00,00,00,000
11	**Trade Payables**	
	Micro and Small Enterprises	-
	Others	5,900
		5,900

* The Company has not received the required information from vendors regarding their status under the Micro and Small Enterprises Development Act, 2006. Hence, disclosure relating to amounts unpaid as at the year end together with interest paid/ payable if any, as required under the said Act could not be made.

Notes	Particulars	Amount
12	**Other Financial Current Liabilities**	
	Statutory Dues	6,51,09,589
	Creditor for Capital Items	5,44,50,00,000
	Provisions for Expenses	9,96,301
		5,51,11,05,890

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Notes to financial statements for the year ended on 31st March, 2018

(Amount in Rs.)

Notes	Particulars	For the financial year ended on 31st March 2018
13	**Other Expenses**	
	Legal and Professional Expenses	5,900
	Payment to Auditor	
	Audit Fees	10,000
		15,900

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Notes on Financial Statements for the year ended 31st March, 2018

14 Earnings per Share (EPS)

(Amount in Rs.)

Sr.No.	Particulars	As at 31st March 2018
i)	Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	(15,900)
ii)	Weighted Average number of equity shares used as denominator for calculating EPS	10,020
iii)	Basic Earnings per share	(1.59)
iv)	Diluted Earnings per share	(1.59)
v)	Face Value per equity share	10.00

15 Fair Value of Financial assets and Liabilities:

Set out below is the comparison by class of carrying amounts and fair value of Company's financial instruments that are reognised in the financial statements.

(Amount in Rs.)

Particulars	As at March 31, 2018	
	Carrying Value	Fair Value
Financial assets designated at amortised cost		
Cash and Cash Equivalents	1,00,80,020	1,00,80,020
Total	**1,00,80,020**	**1,00,80,020**
Financial liabilities designated at amortised cost		
Trade payables and others	5,900	5,900
Borrowing Cost	1,00,00,00,000	1,00,00,00,000
Other Financial Liabilites	5,51,11,05,890	5,51,11,05,890
Total	**6,51,11,11,790**	**6,51,11,11,790**

Fair valuation techniques:

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The following methods and assumptions were used to estimate the fair values

1 Fair value of Long term borrowings is calculated based on the discounted cash flow.

2 Fair value of Financial Assets & Financial Liability(except long term borrowings) are carried at amortised cost is not materially different from it's carrying cost.

Fair Value hierarchy:

The following table provides the fair value measurement hierarchy of Company's set and liabilities, grouped into Level 1 to Level 3 as described below:

Level 1: Quoted prices / published NVA (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). It includes fair value of the financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

16 Financial risk Management:

The Company's financial liabilities comprise , trade payables, borrowings and other payables. The main purpose of managing financial liabilities is to manage finances for the Company's operations. The Company has loan and other receivables, that arise directly from its operations.

The Company's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risks which the entity is exposed to and how it mitigates that risk.

Sparkle One Mall Developers Private Limited

- **Market risk:**

  Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and investments in securities.

- **Interest rate risk**

  Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as the Company does not have borrowings as at the respective reporting dates.

- **Credit Risk**

  Credit risk is the risk of financial loss to the Company that a customer or counter party to a financial instrument fails to meet its obligations. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks, mutual funds and financial institutions and other financial instruments.

  Trade and other recivables:

  The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers.

  The Company is not exposed to credit risk as the Company does not have Trade & other Receivables as at the respective reporting dates.

  Cash and cash equivalents an other investments

  The Company is exposed to counter party risk relating to medium term deposits with banks and investment in mutual funds. The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations.

  Exposure to credit risk

  The gross carrying amount of financial assets, net of impairment losses recognised represents the maximum credit exposure. The maximum exposure to credit risk as at March 31.2018 is as follows:

  Financial assets for which loss allowances is measured using 12 months Expected Credit Losses (ECL):

(Amount in Rs.)

Particulars	As at March 31,2018
Cash and cash equivalents	1,00,80,020

- **Liquidity risk**

  Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

  The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current borrowings are sufficient to meet its short to medium term expansion needs. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

  The Company is required to maintain ratios (such as debt service coverage ratio and secured coverage ratio) as mentioned in the loan agreements at specified levels. In the event of failure to meet any of these ratios these loans become callable to the extent

(Amount in Rs.)

Particulars	As at March 31, 2018					
	Carrying Amount	On Demand	Less than 12 months	1 - 5 Years	>5 years	Total
Borrowings	1,00,00,00,000	1,00,00,00,000	-	-	-	1,00,00,00,000
Other Financial Liabilities	5,51,11,05,890	5,51,11,05,890	-	-	-	5,51,11,05,890
Trade and other payables	5,900	-	5,900	-	-	5,900

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- **Capital management**

The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended March 31, 2018 •

For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, less cash and short term deposits.

(Amount in Rs.)

Particulars	As at March 31,2018
Loans and Borrowings	1,00,00,00,000
Less: Cash and cash equivalents + Bank Deposits	1,00,80,020
Net Debt	98,99,19,980
Total Capital	84,120
Capital+Net Debt	99,00,04,100
Gearing Ratio	1.00

17 Related party Disclosure:

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods, are:

a) Related Party with whom transactions have been taken place and relationships:

Name of the party	Relationship
Island Star Mall Developers Pvt. Ltd.	Holding Company

b) Transactions during the year:

(Amount in Rs.)

Sr. No.	Nature of Transaction	Island Star Mall Developers Pvt.Ltd.
1	ICD Received	1,00,00,00,000
2	Interest on ICD/OCD	10,95,890

c) Balance with related party as at 31st March 2018:

(Amount in Rs.)

Sr. No.	Nature of Transaction	Island Star Mall Developers Pvt.Ltd.
1	ICD	1,00,00,00,000
2	Interest Payable	9,86,301

1. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
2. Review of outstanding balances is undertaken each financial year through examining the financial position of the related party and the market in which related party operates. These balances are unsecured and their settlement occurs through Banking channel.

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Notes on Financial Statements for the year ended 31st March, 2018

(Amount in Rs.)

	Particulars	2017-18
18	**Taxation**	
	Income tax related to items charged or credited to profit or loss during the year:	
	A Statement of Profit or Loss	
	1 Current Income Tax	-
		-
	2 Adjustments in respect of Income Tax of previous year	
	Current Income Tax	-
	Deferred Tax	-
		-
	Total Income tax Expenses (1 to 2)	-
	B Reconciliation of Current Tax expenses:	
	Profit /(Loss) from Continuing operations	-
	Applicable Tax Rate	25.00%
	Computed tax expenses	-
	Additional allowances for tax purpose	-
	Additional allowances for capital gain	-
	Income not allowed/exempt for tax purposes	-
		-

19 Segment reporting:

The Company is mainly engaged in Real Estate, Construction Operation and Management of mall. Considering the nature of the company's business and operations, there are no separate reportable segments (business and/or geographical) in accordance with the requirements of Indian Accounting Standard (IND AS)108 –'Segment Reporting'.

20 Company has purchased an undivided share of 53,001.73 sq. mtrs. of land situated at Byatarayanapura, Yelahanka Hobli, Yelahanka Taluk Bengaluru from Larsen and Turbro Construction Equipment Limited vide sale agreement dated 21.4.2018 at consideration of Rs.650 crores. The Deputy Commissioner (Stamps) and District Registrar vide its Order dated 4.6.2018 have determined the market value of the property for the purpose of payment of stamp duty at Rs.750.86 crores based on the guidelines market price of the area of location of the property. The consideration of Rs.650 crore has been agreed with the vendor after intense negotiation which included factors like restricted access on two sides of land, market downturn, large size of property, purchase in nature of Undivided share out of larger parcel of land as against the free hold nature, non usability of certain portion of land which are earmarked for parks and open spaces, surface parking, relinquishment in favour of Bangalore Development Authority etc. Company believes the consideration determined is fair and arm's length price representing the true market value. Accordingly, the provision for current tax has been made without considering the higher value determined by Deputy Commissioner (Stamps) and District Registrar.

As per our Report of even date
For A. M. Ghelani & Company
Chartered Accountants
Firm Registration No.: 103173W

Chintan A Ghelani
Partner
Membership No.: 104391
Place : Mumbai
Date : 04/05/2018

For and on behalf of the Board of Directors

Vidyasagar Pingali
Director
DIN No. 02710397

Pawan Kumar Kakumanu
Director
DIN No. 07584653

A. M. GHELANI & COMPANY C.A. MUMBAI

Sparkle One Mall Developers Private Limited