GUPTA GARG & AGRAWAL
Chartered Accountants

G-55, Royal Palace, IInd Floor,
Laxmi Nagar, Vikas Marg,
Delhi – 110 092
Phone – 22502455 / 43016663

INDEPENDENT AUDITOR'S REPORT

To,

The Members of Kimaan Exports Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Kimaan Exports Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018 and the statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory Information.

Management's Responsibility for the Ind AS 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 Ind AS financial statement that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance), 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 Rule 7 of Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting fraud 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 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 Ind AS financial statements based on our audit. We have taken into account the provision of the Act, the accounting and auditing standards and matters which are required to be included in audit report under the provision of the Act and the Rules made there under.

We conducted our audit of the Ind AS 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 requirement and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatements.

An audit involves performing procedures to obtain the audit evidence about the amounts and the disclosure in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give 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 Ind AS financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 Ind AS financial statements gives 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 state of affairs (financial position) of the Company as at 31st March, 2018, its profits including other 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 sub-section (11) of section 143 of the Act, we give in the Annexure '1' a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by section 143 (3) of the Act, we report that :
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, the cash flow statement and statement of changes in equity dealt with by this report are in agreement with the books of account.

   d) In our opinion, the aforesaid Ind As financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e) On the basis of the written representation 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.

   f) With respect to the adequate internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report; and

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

      i) the Company does not have any pending litigations which would impact its financial position.

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

iii) there has been no amounts which are required to be transferred to the Investor Education and Protection Fund by the company.

For GUPTA GARG & AGRAWAL
CHARTERED ACCOUNTANTS
FRN 505762C

Amit 15/05/2018

(AMIT KUMAR JAIN)
PARTNER
M. No. 509349

Place: Noida
Date : 15.05.2018

RE: **Kimaan Exports Private Limited ('the Company')**

ANNEXURE "1" RFERRED TO IN PARAGRAPH OF OUR REPORT OF EVEN DATE

The comments are in seriatim of the order

(i) (a) The Company is maintaining proper records of its Fixed Assets showing full particulars including quantitative details and situation thereof.

(b) As per the information given by the management, the physical verification of fixed assets was carried out at the end of the financial year. No discrepancy on such verification noticed by the management and reported to us.

(c) As per records verified by us, the title deeds of the immovable property are in the name of the company.

(ii) The Company does not have any inventory; as such the clause is not applicable.

(iii) As per the information and explanations given to us and certified by the management and verified from the books of account, the company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained in pursuance of Section 189 of the Companies Act, 2013, as such there are no comments on sub clauses a), b) and c).

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of Section 185 and 186 of the Companies Act 2013 are applicable and hence there are no comments.

(v) The Company has not accepted any deposits from the public and as such the clause is not applicable.

(vi) To the best of our knowledge and as per information and explanations given to us by the management, the central government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for the products/services of the Company.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance fund, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance fund, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were outstanding at the period end, for a period of more than six months from the date they became payable.
(b) According to information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute.

(viii)The Company does not have any loan from Bank, Institutions or Debenture holders, and as such clause is not applicable.

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DELHI NOIDA
Chartered Accountants

(ix) As per the information and explanations given to us by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loan hence, there are no comments in this regard.

(x) To the best of our knowledge and according to the information and explanations given to us no fraud by the company and no material fraud on the company has been noticed and reported during the year.

(xi) In the absence of payment of managerial remuneration as per the provisions of Section 197 read with Schedule V of the Act, the clause is not applicable.

(xii) The clause is not applicable as the company is not a 'Nidhi Company'.

(xiii)Based on our audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.

(xiv) As per the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and as such there are no comments in this regard.

(xv) As per the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi)As per the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For GUPTA GARG & AGRAWAL
CHARTERED ACCOUNTANTS
FRN 505762C

Gupta Garg & Agrawal Chartered Accountants DELHI NOIDA

Amit 15/05/2018

(AMIT KUMAR JAIN)
PARTNER
M. No. 509349

Place: Noida
Date: 15.05.2018

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF KIMAAN EXPORTS PRIVATE LIMITED

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

To the members of Kimaan Exports Private Limited

We have audited the internal financial controls over financial reporting of Kimaan Exports Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the 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. 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 the 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") and the Standards on Auditing as specified 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 judgement, including the assessment of the risks of material misstatement of the 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 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 Ind AS 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

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Kimaan Exports Private Limited
Regd Address:512-B, Modi Tower 98, Nehru Place, New Delhi-110 019
CIN: U51311DL2004PTC127784
Balance Sheet as at March 31, 2018

Particulars	Note No	Figures as at 31-03-2018 Rs.	Figures as at 31-03-2017 Rs.
Assets			
Non-current assets			
(a) Financial assets			
(i) Investment Property	3 & 3A	53,526,566	56,343,753
(ii) Other financial assets	4	2,577,187	2,577,187
(b) Other non current assets	5	26,874,644	27,217,961
		82,978,397	**86,138,901**
Current Assets			
(a) Financial Assets			
(i) Trade Recieivables	6	21,948,162	58,648,310
(ii)Cash and Cash equivalents	7	14,356	500,582
(b) Current tax assets (Net)	8	952,334	1,034,257
(c) Other current assets	9	54,344	29,400
		22,969,196	**60,212,549**
Total		**105,947,593**	**146,351,450**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	SOCE	200,000	200,000
Other equity	SOCE	94,707,017	73,493,641
		94,907,017	**73,693,641**
Non-current liabilities			
Other non current liabilities	10	10,449,025	10,339,735
		10,449,025	**10,339,735**
Current liabilities			
(a) Financial liabilities			
(i) Short-term borrowings	11	-	56,062,833
(ii) Trade and other payables	12	84,047	76,832
(iii) Other financial liabilities	13	-	5,550,218
Other current liabilities	14	507,504	628,191
		591,551	**62,318,074**
Total		**105,947,593**	**146,351,450**

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

For GUPTA GARG & AGRAWAL
Chartered Accountants
FRN: 505762C

Gupta Garg & Agrawal DELHI NOIDA Chartered Accountants

Amit

18/05/2018

(Amit Kumar Jain)
Partner
M. No. 509349

Place: Noida
Date: 15/05/2018

For and on behalf of the Board of Directors

(Madhusudan Venkatachary)
Director
DIN:02650160

(Sunil Kumar Kapoor)
Director
DIN:05322540

Kimaan Exports Private Limited
Regd Address:512-B, Modi Tower 98, Nehru Place, New Delhi-110 019
CIN: U51311DL2004PTC127784
Statement of profit & loss for the year ended March 31, 2018

Particulars	Note No	Figures for the year ended 31-Mar-18 Rs.	Figures for the year ended 31-03-2017 Rs.
Incomes :			
Revenue from operations	15	33,969,137	32,648,521
Other income	16	-	227,512
Total incomes		**33,969,137**	**32,876,033**
Expenses:			
Finance costs	17	3,320,891	6,948,910
Depreciation and amortization expense	18	3,160,505	3,308,778
Other expenses	19	568,025	1,294,605
Total expenses		**7,049,421**	**11,552,293**
Profit before exceptional items & tax		**26,919,716**	**21,323,740**
Exceptional items		-	-
Profit before tax		**26,919,716**	**21,323,740**
Tax expense:			
(1) Current tax		5,706,340	5,131,496
(2) Deferred tax		-	-
Profit (Loss) for the year		**21,213,376**	**16,192,244**
Other comprehensive income		-	-
Total comprehensive income for the period (comprising profit /(loss) and other comprehensive income for the period)		**21,213,376**	**16,192,244**
Earnings per Equity Share	20		
(1) Basic		1,060.67	809.61
(2) Diluted		1,060.67	809.61

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

For GUPTA GARG & AGRAWAL
Chartered Accountants
FRN: 505762C

Gupta Garg & Agrawal DELHI NOIDA Chartered Accountants

Amit 15/05/2018

(Amit Kumar Jain)
Partner
M. No. 509349

Place: Noida
Date: 15/05/2018

For and on behalf of the Board of Directors

(Madhusudan Venkatachary)
Director
DIN:02650160

(Sunil Kumar Kapoor)
Director
DIN:05322540

Kimaan Exports Private Limited
Regd Address:512-B, Modi Tower 98, Nehru Place, New Delhi-110 019
CIN: U51311DL2004PTC127784
Statement of cash flows for the year ended Mar 31, 2018

Particulars	Notes	For the year ended 31-Mar-18 Rs.	For the year ended 31-Mar-17 Rs.
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES			
Profit (Loss) before taxation		**26,919,716**	**21,323,740**
Adjustments for :			
- Depreciation / amortisation		3,160,505	3,308,778
- Interest expense		3,320,891	6,948,910
- Interest income		-	(222,612)
Operating (loss) before working capital changes		**33,401,112**	**31,358,816**
Movements in working capital:			
(Increase) / Decrease in trade receivables		36,700,148	(24,746,920)
Decrease / (Increase) in non current - other financial assets		343,317	180,972
(Increase) / Decrease in current assets		(24,944)	62,854
Increase in trade payables		19,888	(2,650)
(Decrease) / Increase in other current liabilities		(133,362)	(677,742)
(Increase) / Decrease in Investment properties		(343,317)	(343,316)
Increase / (Decrease) in other non-current liabilities		109,291	21,908
Cash (used in) operations		**70,072,133**	**5,853,922**
Direct taxes paid (net of refunds)		**(5,624,417)**	**(5,175,188)**
Net cash (used in) operating activities	**(A)**	**64,447,716**	**678,734**
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES			
Interest received		-	225,375
Net cash from investing activities	**(B)**	**-**	**225,375**
CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES			
Proceeds from short term borrowings		(56,062,833)	5,062,833
Interest paid		(8,871,109)	(6,461,525)
Net cash (used in) financing activities	**(C)**	**(64,933,942)**	**(1,398,692)**
Net Increase in cash and cash equivalents (A + B + C)		(486,226)	(494,583)
Cash and cash equivalents at the beginning of the year		500,582	995,165
Cash and cash equivalents at the end of the year		**14,357**	**500,582**
Components of cash and cash equivalents:			
Cash on hand		-	-
With banks			
- on current accounts		14,356	500,582
Total cash and cash equivalents (note 7)		**14,356**	**500,582**

Notes:

1. Disclosure

As per Companies (Indian Accounting Standards) (Amendment) Rules, 2017, Ind AS 7 'Statement of Cash Flows' requires the entity to provide disclosure that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non cash changes. Rules also prescribe a way to fulfill the disclosure requirement by providing a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities. This amendment has become effective from 1st April, 2017.

Balance as on 01/04/2017		**Cash Flow Changes**	**Non Cash Changes**	**Balance as on 31/03/2018**
Current borrowings	5,60,62,833	(56,062,833)	-	-

2. Negative figures have been shown in brackets.

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For GUPTA GARG & AGRAWAL
Chartered Accountants
FRN: 505762C

Amit

(Amit Kumar Jain)
Partner
M. No. 509349

Gupta Garg & Agrawal DELHI NOIDA Chartered Accountants

15/05/2018

Place: Noida
Date: 15/05/2018

For and on behalf of the Board of Directors

(Madhusudan Venkatachary)
Director
DIN:02650160

(Sunil Kumar Kapoor)
Director
DIN:05322540

Kimaan Exports Private Limited
Regd Address:512-B, Modi Tower 98, Nehru Place, New Delhi-110 019
CIN: U51311DL2004PTC127784
Statement of changes in Equity as at 31 March 2018

Particulars	Figures as at 31 Mar 2018	Figures as at 31 Mar 2017
A.Equity		
No. of shares	20,000	20,000
Equity Share Capital	200,000	200,000
B. Other Equity		
Retained Earnings		
Balance as per last financial statements	73,493,641	57,301,397
Profit for the year	21,213,376	16,192,244
Total	94,707,017	73,493,641

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date
For GUPTA GARG & AGRAWAL
Chartered Accountants
FRN: 505762C

Amit

(Amit Kumar Jain)

Partner
M. No. 509349

Place: Noida
Date: 15/05/2018

Gupta Garg & Agrawal DELHI NOIDA Chartered Accountants

For and on behalf of the Board of Directors

(Madhusudan Venkatachary)
Director
DIN:02650160

(Sunil Kumar Kapoor)
Director
DIN:05322540

Kimaan Exports Private Limited
Regd Address:512-B, Modi Tower 98, Nehru Place, New Delhi-110 019
CIN: U51311DL2004PTC127784
Statement of changes in Equity as at 31 March 2018

Particulars	Figures as at 31 Mar 2018	Figures as at 31 Mar 2017
A. Share Capital		
Authorized 20,000 (Previous year 20,000) Equity Shares of Rs. 10 each	200,000	200,000
Issued, subscribed and fully paid-up 20,000 (Previous year 20,000) Equity Shares of Rs. 10 each	200,000	200,000

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year/period

Particulars	No. of shares	Amount Rs.	No. of shares	Amount Rs.
At the beginning of the year	20,000	200,000	20,000	200,000
Issued during the year	-	-	-	-
Issued during the year – Bonus issue	-	-	-	-
Issued during the year – ESOP	-	-	-	-
Outstanding at the end of the year	**20,000**	**200,000**	**20,000**	**200,000**

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.
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. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding company
Out of equity shares issued by the Company, shares held by its holding company are as below:

Particulars	No. of shares	Amount	No. of shares	Amount
20,000 (Previous year Nil) Equity Shares of Rs. 10/- each fully paid Spice Digital Limited, holding company *	20,000	200,000	-	-
* 200 Equity shares held by Mr. Adarsh Goyal as nominee of the Spice Digital Limited				
Nil (Previous year 20,000) Equity Shares of Rs. 10/- each fully paid Spice Mobility Limited, holding company	-	-	20,000	200,000

(d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31 Mar 2018		As at 31 Mar 2017	
	Nos.	% holding in the class	Nos.	% holding in the class
Equity shares of Rs. 10 each fully paid				
Spice Digital Limited, the holding company *				
20,000 (Previous year Nil) Equity Shares of Rs. 10/- each fully paid	20000	100.00%	-	-
* 200 Equity shares held by Mr. Adarsh Goyal as nominee of the Spice Digital Limited				
Spice Mobility Limited, the holding company				
Nil (Previous year 20,000) Equity Shares of Rs. 10/- each fully paid	-	-	20000	100.00%

(e) The above information (from (a) to (d)) is as per records of the company, including its register of shareholders/ members. The above shareholding represents legal ownerships of shares.

Gupta Garg & Agrawal
DELHI NOIDA
Chartered Accountants

Kimaan Exports Private Limited
Regd Address:512-B, Modi Tower 98, Nehru Place, New Delhi-110 019
CIN: U51311DL2004PTC127784
Notes to Financial Statements as at 31 March 2018

Statement of Compliance:

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ('referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1,2016. Previous year figures in the financial statements have been restated to Ind AS. In accordance with Ind AS-101 First-time adoption of Indian Accounting Standards, the company has presented a reconciliation from the presentation of financial statements under accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ('Previous GAAP) to Ind AS as at March 31, 2016 and April 1, 2015.

1. Corporate information

Kimaan Exports Pvt Ltd ("the Company") is a private Company domiciled in India and incorporated under the provisions of the Companies Act, 1956 and Company owns commercial building and has rental income by letting it to Spice Mobility Limited. Kimaan Exports Pvt Ltd is step down subsidiary of Spice Mobility Limited and the subsidiary of Spice Digital Limited.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Rule 3. These financial statements for the year ended 31 March 2017 are the first the Company has prepared in accordance with Ind AS.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

The financial statements are presented in INR on actual value.

2.2 Summary of significant accounting policies

A. Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

B. Fair value measurement

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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External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Comapny decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

C. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. 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 is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Rental income

Rental income arising from investment properties is accounted for on a straight-line basis over the lease terms unless the payments by the lessee are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

D. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India, where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

E. Investment properties

The Company has elected to continue with the carrying value for all of its investment property as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1 April 2015.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Company depreciates building component of investment property over 60 years from the date of original purchase.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

F. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that retains substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

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G. Impairment of non-financial assets

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. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

When 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a 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 transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

H. Provisions

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. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

I. Financial instruments

Financial assets:

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities :

Initial recognition and measurement

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

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 financial liabilities designated upon initial recognition as at fair value through profit or loss. 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 profit or loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss 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.

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Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised 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 derecognition 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.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

J. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above as they are considered an integral part of the Company's cash management.

K. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. 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

Judgements

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

Operating lease commitments – Company as lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Estimates and assumptions

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.

L. Changes in Accounting policies

The accounting policies adopted are consistent with those of previous financial year. The management assures that there has been no change in accounting policies as compared to that of previous year which would have any significant effect on these financials.

M. Events occurring after the reporting period

Adjustments to assets and liablities are made for events occurring after the reporting period to provide additional information materially affecting the determination of the amounts of assets or liabilities relating to conditions existing at the reporting date.

N. Earnings per equity share

Basic earnings per equity share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.The Company did not have any potentially dilutive securities in any of the periods presented.

O. Cash flow statement

Cash flows are reported using indirect method, whereby profits for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

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Notes to financials statements as at Mar 31, 2018

3A Investment Property

Particulars	Building	Capital Work in Progress	Total
At 31 Mar 2016			
Transfered from Held for sale	62,430,753	-	62,430,753
Additions	-	-	-
Disposals	-	-	-
At 31 Mar 2017	-	-	-
Additions	62,430,753	-	62,430,753
Disposals	-	-	-
At 31 Mar 2018	-	-	-
	62,430,753	**-**	**62,430,753**
Depreciation and Impairment			-
At 31 Mar 2016			-
Charge for the year *	3,121,538	-	3,121,538
At 31 Mar 2017	2,965,461	-	2,965,461
Charge for the year *	6,086,999	-	6,086,999
At 31 Mar 2018	2,817,188	-	2,817,188
	8,904,187		**8,904,187**
Net Book Value			
At 31 Mar 2016			
At 31 Mar 2017	59,309,215	-	59,309,215
At 31 Mar 2018	56,343,754	-	56,343,754
	53,526,566	-	53,526,566

* Due to adjustment of leasehold land as per Ind AS, this amount will not match with depreciation amount in statement of profit & loss

Information regarding income and expenditure of Investment property

	As at 31 Mar 2018	As at 31 Mar 2017
Rental income derived from investment properties	33,969,137	32,648,521
Direct operating expenses (including repairs and maintenance) generating rental income	96,744	973,262
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	**33,872,393**	**31,675,259**
Less - Depreciation	3,160,505	3,308,778
Profit arising from investment properties before indirect expenses	**30,711,888**	**28,366,481**

The Company's investment properties as on 31 March, 2018 consist of one office property in India. The management has determined that the investment properties based on the nature, characteristics and risks of each property.

Investment property with a carrying amount of Rs.5,35,26,566 (31 March 2017: Rs. 5,63,43,754) were subject to a first charge to secure subsidiary's bank loans.

As at 31 March 2018 and 31 March 2017, the fair values of the properties are Rs. 63,05,00,000. These valuations are based on valuations performed by accredited independent valuer. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties.

Fair value hierarchy disclosures for investment properties have been provided in Note 22

Reconciliation of fair value:

Opening balance as at 31 Mar 16	
Fair Value Difference	**630,500,000**
Transfer from held for sale	-
Sales	-
At 31 Mar 2017	-
Fair Value Difference	**630,500,000**
Transfer from held for sale	-
Sales	-
At 31 Mar 2018	-
	630,500,000

Description of valuation techniques used and key inputs to valuation on investment properties:

Investment properties	Valuation technique	Significant unobservable Inputs	Range	
			31-Mar-18	31-Mar-17
Office properties	Market Approach	Reference pricing	Rs.1,40,000/-per sq.yard and Rs. 918 per sq. feet	Rs.1,40,000/-per sq.yard and Rs. 918 per sq. feet

The market approach uses prices and other relevant information generated by market transactions involving identical or complete assets. Valuation techniques consistent with the market approach often use market multiples derived from a set of comparables. Multiples might be in ranges with a different multiple for each comparable. The selection of the appropriate multiple within the range requires judgement, considering qualitative and quantitative factors specific to the reasurement.

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Notes to financial statements as at 31 Mar 2018

Note No.	Particulars	Figures as at 31-03-2018 (Rs.)	Figures as at 31-03-2017 (Rs.)
3	**Investment property**		
	Investment Property (Gross)	62,430,752	62,430,752
	Depreciation	8,904,187	6,086,999
	Net Block	**53,526,566**	**56,343,753**
4	**Other financial assets**		
	Security Deposits	2,577,187	2,577,187
		2,577,187	**2,577,187**
5	**Other non-current assets**		
	Prepaid expenses	26,874,644	27,217,961
		26,874,644	**27,217,961**
6	**Trade receivables**		
	Unsecured	21,948,162	58,648,310
	Considered doubtful	-	-
		21,948,162	**58,648,310**
	Less : Provision for doubtful debts	-	-
	Net balance	**21,948,162**	**58,648,310**
		21,948,162	**58,648,310**
7	**Cash & cash equivalents**		
	Cash and cash equivalents		
	Balance with Banks - on current accounts	14,356	500,582
		14,356	**500,582**
8	**Current tax assets (Net)**		
	Advance Income-Tax (net of provision for income tax)	952,334	1,034,257
		952,334	**1,034,257**
9	**Other current assets**		
	Prepaid expenses	54,344	29,400
		54,344	**29,400**
10	**Other non-current liabilities**		
	Security Deposits	8,760,486	7,891,103
	Rent Received in Advance	1,688,539	2,448,632
		10,449,025	**10,339,735**
11	**Short-term borrowings**		
	Unsecured from related party		
	Spice Digital Limited	-	56,062,833
		-	**56,062,833**
12	**Trade & other payables**		
	Audit fee payable	22,500	35,175
	Others	61,547	41,657
		84,047	**76,832**
13	**Other financial liabilities**		
	Interest Accrued & Due on borrowings	-	5,550,218
		-	**5,550,218**
14	**Other current liabilities**		
	TDS payable	20,100	628,191
	GST payable	487,404	-
		507,504	**628,191**

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Note No.	Particulars	Figures for the year ended 31-03-2018 (Rs.)	Figures for the year ended 31-03-2017 (Rs.)
15	**Revenue from Operation**		
	Rental Income	33,969,137	32,648,521
		33,969,137	**32,648,521**
16	**Other Income**		
	Interest income		
	On Bank Deposits	-	222,612
	Reversal of Provisions	-	4,900
		-	**227,512**
17	**Finance costs**		
	Interest Cost	3,320,891	6,948,910
		3,320,891	**6,948,910**
18	**Depreciation and amortization expense**		
	Depreciation of tangible assets	3,160,505	3,308,778
		3,160,505	**3,308,778**
19	**Other expenses**		
	Auditor Remuneration	40,075	35,175
	Filing Fees	-	300
	Rates and taxes	40,130	23,167
	Insurance	96,744	66,262
	Repair & Maintenance-Buildings	-	907,000
	Legal and professional fees	221,275	261,476
	Rent-Expenses	120,000	-
	Bank charges	64	174
	Postage & Courier	350	-
	Miscellaneous expenses	49,387	1,050
		568,025	**1,294,604**

20 Earnings per share (EPS)
The following reflects the profit and share data used in the basic and diluted EPS computations:

	Loss for the period/year	21,213,376	16,192,244
	Weighted average number of equity shares in calculating basic EPS	20,000	20,000
	Basic earning per share	**1,060.67**	**809.61**
	Weighted average number of equity shares in calculating dilluted EPS	20,000	20,000
	Dilluted earning per share	**1,060.67**	**809.61**

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21. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2018:

Fair value measurement using

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Assets for which fair values are disclosed:					
Investment properties:					
Office Properties	31-Mar-18	630,500,000	-	-	630,500,000
Loan and receivables					
Loans	31-Mar-18	-	-	-	-
Other Assets	31-Mar-18	24,539,705	-	-	#
There have been no transfers between Level 1 and Level 2 during the period.					

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2018:

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Libilities measured at fair value:					
Borrowings					
Short term borrowings	31-Mar-18	-	-	-	-
Other financial liabilities	31-Mar-18	84,047	-	-	84,047
There have been no transfers between Level 1 and Level 2 during the period.					

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2017:

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Assets for which fair values are disclosed:					
Investment properties :					
Office properties	31-Mar-17	630,500,000			630,500,000
Investment in equity instruments	31-Mar-17	0	-	-	-
Loan and receivables					
Loans	31-Mar-17	0	-	-	-
Other Assets	31-Mar-17	61,726,079	-	-	61726079
There have been no transfers between Level 1 and Level 2 during the period.					

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2017:

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Libilities measured at fair value:					
Borrowings					
Short term Borrowings	31-Mar-17	56,062,833	-	-	56,062,833
Other financial liabilities	31-Mar-17	5,627,050	-	-	5,627,050
There have been no transfers between Level 1 and Level 2 during the period.					

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22. Financial risk management objectives and policies

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTPL investments .

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management advises on financial risks and the appropriate financial risk governance framework. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees on policies for managing each of these risks, which are summarised below.

1)Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments. Company is not effected by commodity risk.

The sensitivity analyses in the following sections relate to the position as at 31 March 2018, 31 March 2017
The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt instruments are all constant .
The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post- retirement obligations, provisions.
The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.This is based on the financial assets and financial liabilities held at 31 March 2018,31 March 2017.

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-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's exposure to the risk of changes in market interest rates relates primarily to the loan given, Security deposits received/paid and borrowing.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	Effect on profit before tax
31-Mar-18		
Rs.	50	12,466
Rs.	-50	(12,466)
31-Mar-17		
Rs.	50	(267,435)
Rs.	-50	267,435

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

-Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities expense are incurred in a foreign currency and the Company's net investments in foreign subsidiaries.

Foreign currency sensitivity

The Company's exposure to foreign currency fluctuation is not material.

-Equity price risk

The Company's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company don't engage in active trading of equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to listed equity securities at fair value was Rs. Nil. A decrease/increase would not have an material impact on profit or loss.

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2)Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

-Trade receivables

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and limits are defined in accordance with this assessment. At 31 March 2018, the Company had net outstanding of Rs. 2,19,48,162 (31 March 2017: 5,86,48,310).

-Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and based on the Investment Policy of the Company. All investments are reviewed by the Company's Board of Directors on a quarterly basis.

3)Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a low debt exposure. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual payments.

Year ended	On Demand	Less than 3 Months	3-12 Months	1-5 Years	> 5 years	Total
31-Mar-18						
Borrowings	-	-	-	-	-	-
Other financial liabilities(non-current)	-	-	-	-	-	-
Other financial liabilities(current)	-	-	-	-	-	-
Trade and other payables	-	84,047	-	-	-	84,047
Total	-	**84,047**	-	-	-	**84,047**

* Based on the maximum amount that can be called for under the financial guarantee contract.

Year ended	On Demand	Less than 3 Months	3-12 Months	1-5 Years	> 5 years	Total
31-Mar-17						
Borrowings	-	-	56,062,833	-	-	56,062,833
Other financial liabilities(non-current)	-	-	-	-	-	-
Other financial liabilities(current)	-	5,550,218	-	-	-	5,550,218
Trade and other payables	-	76,832	-	-	-	76,832
Total	-	**5,627,050**	**56,062,833**	-	-	**61,689,883**

* Based on the maximum amount that can be called for under the financial guarantee contract.

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-Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

23. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.
The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

	As at 31 Mar 2018 Rs.	As at 31 Mar 2017 Rs.
Borrowings	-	56,062,833
Trade payables/Other payables	84,047	5,627,050
Less: cash and cash equivalents	14,356	500,582
Net debt	69,691	61,189,301
Equity	200,000	200,000
Reserve	94,707,017	73,493,641
Total capital	94,907,017	73,693,641
Capital and net debt	94,976,708	134,882,942
Gearing ratio	0.07%	45%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.
No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

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Kimaan Exports Private Limited
CIN: U51311DL2004PTC127784
Regd Address:512-B, Modi Tower 98, Nehru Place, New Delhi-110 019
Notes to financials statements as at March 31, 2018

24 Previous year figures have been regrouped/re-classified wherever considered to make comparable with the current year figures.

25 Income Taxes

Income tax expense in the statement of profit & loss comprises :

Tax Expenses	For the year ended 31/03/18	For the year ended 31/03/17
(i) Current Tax	5,706,340	5,131,496
(ii) Tax adjustment of earlier years	-	-

The following table provides the detail of income tax assets and income tax liabilities as of 31st March, 2018 and 31st March,2017

Particulars	As at	
	31/03/2018	31/03/2017
Income tax assets	952,334	1,034,257
Current income tax liabilities	-	-
Net Total	**952,334**	**1,034,257**

26 Related Party Disclosures

a) Name of the Related Parties
i) Ultimate Holding Company
Smart Global Corporate Holding Pvt. Ltd.
(Holding Company of Spice Connect Private Limited)

ii) Holding Companies
Spice Connect Private Limited
(Holding Company of Spice Mobility Limited)
Spice Mobility Limited
(Holding Company of Spice Digital Limited)
Spice Digital Limited (w.e.f 30.03.2018)
(Holding Company of Kimaan Exports Private Limited)

iii) Other related parties with whom transaction have taken place during the year
Fellow Subsidiaries :
Spice Digital Limited (till 29.03.2018)
New Spice Sales & Solutions Limited

b) Related party transactions attached as Annexure-1

As per our attached report of even date.

For Gupta Garg & Agrawal
Chartered Accountants
FRN : 505762C

Gupta Garg & Agrawal DELHI NOIDA Chartered Accountants

(Amit Kumar Jain)
Partner
M. No. 509349

Place : Noida
Date: 15/05/2018

For and on behalf of the Board of Directors

(Madhusudan Venkatachary)
Director
DIN:02650160

(Sunil Kumar Kapoor)
Director
DIN:05322540

Kimaan Exports Private Limited

Regd Address:512-B, Modi Tower 98, Nehru Place, New Delhi-110 019

CIN: U51311DL2004PTC127784

Notes to Financial Statements as at 31 March 2018

Annexure-1

Related Party Transactions

Particulars		Holding Company		Fellow Subsidiary		Total amount involved in transactions	
		For the Period Ended Mar 31, 2018	For the Year Ended March 31, 2017	For the Period Ended Mar 31, 2018	For the Year Ended March 31, 2017	For the Period Ended Mar 31, 2018	For the Year Ended March 31, 2017
I) Transactions							
i)	**Rental Income**						
	Spice Mobility Limited	30,134,044	28,813,428	-	-	30,134,044	28,813,428
ii)	**Interest on Loan**						
	Spice Digital Ltd	-	-	2,451,508	6,166,909	2,451,508	6,166,909
iii)	**Security Received**						
	Spice Mobility Limited	-	100,000	-	-	-	100,000
iv)	**Security Returned**						
	Spice Mobility Limited	-	100,000	-	-	-	100,000
v)	Loan Repayment	-	-	56,062,833	-	56,062,833	-
vi)	Interest paid	-	-	8,001,728	-	8,001,728	-
II) Balances at the year end							
i)	**Receivables**						
	Spice Mobility Limited	21,948,162	58,648,310	-	-	21,948,162	58,648,310
ii)	**Payable**						
	Spice Mobility Limited (Security Deposit along with Rent in advance)	-	9,334,189	-	-	-	9,334,189
	Spice Digital Ltd	-	-	61,613,051	-	-	61,613,051
	New Spice Sales & Solutions Limited	-	-	-	-	-	-

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26 Reconciliation of effective tax rate

		For the year ended 31 March 2018		For the year ended 31 March 2017
		INR		
		26,919,715		21,323,741
	27.55%	7,417,054	33.06%	7,050,268
Permanent differences related to Fixed Assets	0.00%	-	0.00%	
Diminishing in Value of investment	0.00%	-	0.00%	
Amount not eligile of CSR				
Standard deduction related to Property on rental	-10.16%	(2,735,053)	-11.75%	(3,162,981)
Permanent differences in earlier years regarding 80IC				
Others	6.31%	1,699,789	16.38%	3,493,003
Interest on Loan		(675,452)		(2,038,965)
Changes in estimates related to prior years				(209,824)
Unrecognised Tax losses		-	0.00%	
Differences in tax rates for dividend received from foreign subsidiaries		-		
Effective tax rate	21.20%	5,706,339	24.06%	5,131,500.45

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