Carol Info Services Limited

ANNUAL REPORT 2018-19

BOARD OF DIRECTORS

Dr. G. B. PARULKAR
Managing Director

NEERAJ JAIN
Non-Executive Director

AKHTAR SHAMSI
Chairman & Independent Director

STEPHEN D'SOUZA
Non-Executive Director

VIJAYA NAIR
Independent Director

BANKERS

Allahabad Bank
IDBI Bank Ltd.

AUDITORS

M P Chitale & Co.

REGISTERED OFFICE

Wockhardt Towers,
Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 051
Tel.: +91 22 2653 4444
Fax: +91 22 2652 3905
Email: investorrelations@carolinfoservices.com
CIN: U74999MH1979PLC021942
Website: www.carolinfoservices.com

REGISTRAR & TRANSFER AGENTS

Link Intime India Private Limited
Unit: Carol Info Services Limited
C-101, 247 Park, Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai - 400 083
Tel.: +91 22 4918 6270
Fax: +91 22 4918 6060
E-mail: carol@linkintime.co.in
Website: www.linkintime.co.in

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BOARD'S REPORT

Dear Members,

The Board of Directors take pleasure in presenting the Thirty Ninth Annual Report of the Company along with the Audited Financial Statements for the year ended 31st March, 2019.

FINANCIAL RESULTS AND HIGHLIGHTS

(₹ in Thousand)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Consolidated		
Revenue from Operations	**712,755**	670,101
Other Income	**563,871**	553,703
Total Revenue	**1,276,626**	1,223,804
Total Expenses	**692,200**	613,701
Profit Before Tax	**584,426**	610,103
Provision for Taxation (Expense)/Credit	**(59,943)**	(81,091)
Profit After Tax before Other Comprehensive Income	**524,483**	529,012
Other Comprehensive Income	**(1)**	312,915
Total Comprehensive Income	**524,482**	841,927
Standalone		
Revenue from Operations	**712,755**	670,101
Other Income	**929,675**	873,843
Total Revenue	**1,642,430**	1,543,944
Total Expenses	**690,063**	605,506
Profit Before Tax	**952,367**	938,438
Provision for Taxation (Expense)/Credit	**(332,463)**	(267,270)
Profit After Tax before Other Comprehensive Income	**619,904**	671,168
Other Comprehensive Income	**(1)**	312,915
Total Comprehensive Income	**619,903**	984,083

STATE OF COMPANY'S AFFAIRS

During the financial year ended 31st March, 2019, in consolidated financial results, the Company registered Total Revenue of ₹ 1,276,626 thousand, thereby showing an increase by 4.32% as compared to the previous year. The Total Comprehensive Income reduced from ₹ 841,927 thousand to ₹ 524,482 thousand, thereby registering a reduction of 37.70%.

During the financial year ended 31st March, 2019, in standalone financial results, the Company registered Total Revenue of ₹ 1,642,430 thousand, thereby showing an increase by 6.38% as compared to the previous year. The Total Comprehensive Income reduced from ₹ 984,083 thousand to ₹ 619,903 thousand, thereby registering a reduction of 37.01%.

DIVIDEND AND RESERVES

In order to conserve the resources, the Board has not recommended dividend on the equity shares of the Company for the financial year ended 31st March, 2019.

No amount is proposed to be transferred to the General Reserves of the Company out of the profits for the year.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In terms of the provisions of:

- Section 196 and other applicable provisions of the Act, Dr. G. B. Parulkar, Managing Director (DIN: 00015668) holds office upto 11th March, 2020 and being eligible, offers himself for re-appointment. Approval of shareholders for payment of remuneration to him is also upto 11th March, 2020. The Board recommends the resolution for his re-appointment for a further period of 3 (three) years from the expiry of his present term of office, that is, with effect from 12th March, 2020; and for fixation of his remuneration; and
- Section 149 and other applicable provisions of the Act, Mr. Akhtar Shamsi (DIN: 00045731) and Ms. Vijaya Nair (DIN: 01173582), Independent Directors of the Company, who holds office upto 19th March, 2020 and being eligible, offers themselves for re-appointment. Considering the performance evaluation, the resolutions for their re-appointment as recommended by the Nomination and Remuneration Committee and the Board for second term of five years i.e. upto 19th March, 2025, as Independent Directors are placed for the approval of members of the Company at the ensuing AGM.

In accordance with the provisions of Section 178 and other applicable provisions of the Act, if any, the Nomination and Remuneration Committee has considered and recommended the above re-appointments to the Board of Directors of the Company. A brief resume and other details of all the Directors seeking re-appointments are provided in the Notice of AGM.

Pursuant to the provisions of Section 152 of the Act, Mr. Stephen D'Souza, Director (DIN: 00045812) retires by rotation as Director at the ensuing AGM and being eligible, offers himself for re-appointment. The Board recommends his re-appointment. A brief resume and other details of Mr. Stephen D'Souza seeking re-appointment are provided in the Notice of AGM.

In accordance with the provisions of Sections 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Dr. G. B. Parulkar, Managing Director, Mr. Ravi Shekhar Mitra, Chief Financial Officer and Mr. Nikhil Malpani, Company Secretary are the Key Managerial Personnel ('KMP') of your Company. Mr. Akhtar Shamsi is appointed as the Chairman of the Board.

DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors have furnished Declaration of Independence stating that they meet the criteria of independence as provided under Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as Independent Directors during the year.

NUMBER AND DATES OF MEETINGS OF BOARD & BOARD COMMITTEES

The number and dates of meetings of the Board of Directors & Board Committees held during the financial year 2018-19 are as follows:

Type of Meeting	Number of Meetings	Dates of Meeting
Board	6	25th April, 2018, 21st August, 2018, 1st October, 2018, 31st October, 2018, 5th December, 2018 and 15th February, 2019
Audit Committee	4	25th April, 2018, 21st August, 2018, 31st October, 2018 and 17th January, 2019
Stakeholders Relationship Committee	4	5th April, 2018, 5th July, 2018, 5th October, 2018 and 4th January, 2019
Nomination and Remuneration Committee	1	25th April, 2018
Corporate Social Responsibility Committee	1	31st March, 2019

The above Board and Board Committee Meetings were attended by all the Directors and members concerned respectively except Mr. Shahnawaz Khan who could not attend the stakeholders relationship committee held on 5th April, 2018; board, audit, nomination and remuneration committee meetings held on 25th April, 2018; and Dr. G. B. Parulkar who could not attend the board meetings held on 5th December, 2018 and 15th February, 2019 and to whom leave of absence were granted.

Pursuant to Schedule IV to the Act, all Independent Directors met on 31st October, 2018 without the attendance of Non-Independent Directors and members of management.

AUDIT COMMITTEE

The Audit Committee comprises of Mr. Akhtar Shamsi, Chairman, Mr. Neeraj Jain and Ms. Vijaya Nair as its members. Majority of members of the Committee are Independent Directors and recommendations made by the Audit Committee were accepted by the Board of Directors of the Company. Further, the Committee has carried out the role assigned to it.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) of the Act, the Directors state that:

(a) in the preparation of Annual Accounts for the year ended 31st March, 2019, the applicable Accounting Standards have been followed and that no material departures have been made from the same;

(b) such Accounting Policies as mentioned in the Notes to the Financial Statements for the year ended 31st March, 2019 have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended 31st March, 2019;

(c) proper and sufficient care has been taken for the 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 fraud and other irregularities;

(d) the Annual Accounts for the year ended 31st March, 2019 have been prepared on a going concern basis;

(e) the internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and operating effectively; and

(f) proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems are adequate and operating effectively.

STATUTORY AUDITORS AND AUDITORS' REPORT

M. P. Chitale & Co., Chartered Accountants, were appointed as the Statutory Auditors of the Company at the AGM of the Company held on 30th September, 2014, for a term of five years i.e. till the conclusion of 39th AGM (to be held during calendar year 2019). As M. P. Chitale & Co. has already served as Statutory Auditors of the Company for two terms of five consecutive years, hence pursuant to Section 139 of the Companies Act, 2013, your Company is required to appoint new Statutory Auditors.

Pursuant to Section 139 and other applicable provisions of the Act, the resolution for appointment of Haribhakti & Co. LLP, Chartered Accountants as recommended by the Audit Committee and the Board, as Statutory Auditors of the Company to hold office for a term of 5 years i.e. from the conclusion of 39th AGM till the conclusion of 44th AGM (to be held during calendar year 2024), is placed for the approval of members of the Company at the ensuing AGM. Haribhakti & Co. LLP has provided a written consent and confirmed that they are eligible to act as Statutory Auditors of the Company.

The report of the Statutory Auditors on Standalone and Consolidated Financial Statements forms part of this Annual Report. The Auditors' Report does not contain any qualification, reservation, adverse remark, disclaimer or emphasis of matter.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, your Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

EXTRACT OF ANNUAL RETURN

As required under Section 134(3)(a) of the Act, the extract of the Annual Return is put on the Company's website and can be accessed at http://www.carolinfoservices.com/ExtractofAnnualReturn2018-2019.pdf

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the CSR Committee, the Board has approved CSR Policy and the same is available on the website of the Company at http://www.carolinfoservices.com/carol%20CSR%20policy_new.pdf

The Company has identified focus areas for CSR engagement which *inter alia* includes eradicating hunger, poverty and malnutrition; promoting education; empowering women; ensuring environment sustainability; promotion of rural sports; and slum area development etc.

The Company's CSR Committee complies with the requirements of the Act. CSR Policy contains the CSR activities which can be carried out by the Company.

The Annual Report on CSR activities as required under Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, is annexed as **Annexure I** to this Report.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

The Company has been following well laid down policy on appointment and remuneration of Directors, Senior Management and KMP.

The salient features of the Remuneration Policy on appointment and remuneration of Directors and KMP is provided below:

- The appointment of Directors/KMP shall be made pursuant to the recommendation of Nomination and Remuneration Committee ('NRC').
- The remuneration of Whole-time Director/Managing Director shall comprise of Basic Salary, Perquisites and Allowances as may be decided by the NRC/Board subject to overall ceiling as specified under the Act, Rules and Schedules made thereunder. Further, approval of shareholders shall be sought for the appointment and payment of remuneration to the Whole-time Director/ Managing Director.
- The remuneration to Non-Executive Directors comprises of sitting fees and commission, if any. During the year under review, the Company has not paid any commission to the Non-Executive Directors. Apart from above, Non-Executive Directors shall also be entitled to reimbursement of expenses incurred by them in connection with attending the Board meetings, committee meetings, general meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out-of-pocket expenses.
- The remuneration of KMP shall be such as decided by the NRC / Board from time to time.

The Remuneration Policy is available on the website of the Company http://www.carolinfoservices.com/RemunerationPolicy.pdf

NRC have also formulated criteria for determining qualifications, positive attributes and independence of a Director and the same have been annexed as part of **Annexure II** to this Report.

PERFORMANCE EVALUATION OF DIRECTORS

The Nomination and Remuneration Committee of the Board of Directors of the Company have laid down criteria of performance evaluation of the Board of Directors including Independent Directors. Pursuant to the requirement of the Act, the Board has carried out the annual performance evaluation for the financial year 2018-19 for entire Board, Committees and all the individual Directors including Independent Directors based on the parameters subject to the condition that the Director who is subject to evaluation should not participate. The parameters of performance evaluation were circulated to the Directors in the form of structured questionnaires.

The criteria for performance evaluation was based on parameters which *inter alia* included attendance of Directors, decision taken in the interest of the organization objectively; monitoring performance of organization based on agreed goals & financial performance; fulfillment of the independence criteria as prescribed and their independence from the management; and active participation in the affairs of the Company as Board/Committee members.

INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

The Company has adequate internal financial control procedures commensurate with its size and nature of business. These controls include well defined policies, guidelines, Standard Operating Procedures ('SOPs'), authorization & approval procedures and technology intensive processes. The internal financial controls of the Company are adequate to ensure the accuracy and completeness of the accounting records, timely preparation of reliable financial information, prevention and detection of frauds and errors, safeguarding of the assets and that the business is conducted in an orderly and efficient manner.

During the year under review, there were no instances of fraud reported by the Auditors under Section 143(12) of the Act to the Audit Committee or the Board of Directors.

RISK MANAGEMENT

The Company has defined and adopted a Risk Management Policy, which not only assesses the risks but also helps in timely ratification and minimization of these risks associated with strategic, operational, financial and compliance operations across all business operations. These control procedures and systems ensure that the Board is periodically informed on the material risks faced by the Company and the steps taken by the Company to alleviate those risks. At present, in the opinion of the Board of Directors, there are no risks which may threaten the existence of your Company.

PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided under Note No. 34 to the Standalone Financial Statement.

PARTICULARS OF CONTRACTS/ARRANGEMENT WITH RELATED PARTIES

All contracts, arrangements and transactions entered by the Company with related parties during financial year 2018-19 were in the ordinary course of business & on an arm's length basis and the same were reviewed and approved by the Audit Committee. No transaction with any related party was in conflict with the interest of the Company. The Company did not enter into any related party transaction with its KMP.

During the year under review, the Company did not enter into any contract, arrangement or transaction with related parties that could be considered material under the provisions of the Act. However, a transaction that may be considered material is disclosed in Form AOC-2 which is provided in **Annexure III** to this Report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN END OF FINANCIAL YEAR AND DATE OF REPORT

There are no material changes and commitments which have occurred after the end of the financial year till the date of this Report which may affect the financial position of the Company.

WHISTLE BLOWER/VIGIL MECHANISM

Pursuant to requirement laid down under Section 177 of the Act, the Company has well laid down Vigil Mechanism. The Whistle Blower Policy/Vigil Mechanism has been formulated for Directors and the Employees to communicate and report genuine concerns about unethical behavior or practices, actual or suspected fraud. The said Policy provides adequate safeguard against victimization of Directors/Employees who avail such mechanism and it also provides direct access to the Chairman of the Audit Committee in exceptional cases. Further, it is affirmed that no person has been denied access to the Audit Committee. The Whistle Blower Policy has been placed on the website of the Company www.carolinfoservices.com

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the requirement of Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, no employee of the Company is drawing remuneration in excess of the limits set out in the said Rules. However, pursuant to Rules 5(2)&(3) of the said Rules, the names and relevant information with respect to top 10 employees in terms of remuneration drawn forms part of this Report. Pursuant to the provisions of Section 136(1) of the Act, the Board's Report is being sent to the shareholders of the Company excluding the said information. Any shareholder interested in inspection or obtaining a copy of the statement may write to the Company Secretary and the same will be furnished on request.

The Company does not have any employee posted and working in a country outside India.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. CONSERVATION OF ENERGY

The Company is not engaged in manufacturing activity and thus its operations are not energy intensive. During the year, the Company is primarily engaged in renting its immovable property which does not result in consumption of power and energy. Hence, energy conservation measures are not relevant to the Company.

B. TECHNOLOGY ABSORPTION

During the year, the Company's main line of business is renting of its immovable property. There is no usage of any particular technology or process. Hence, the question of technology absorption and importation of any technology does not arise. Further, the expenditure on Research and Development is NIL.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no foreign exchange earnings and outgo during the financial year 2018-19.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANY

Banneret Trading Private Limited is a wholly owned subsidiary of the Company. However, during the year under review, the Company did not have any joint venture or associate company.

There were no companies who ceased to be subsidiaries of the Company during the financial year under review.

Pursuant to Section 129(3) of the Act, a statement containing salient features of the subsidiary of the Company is disclosed in Form AOC-1 which is provided in **Annexure IV** to this Report.

CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statement of your Company for the financial year 2018-19 are prepared in compliance with applicable provisions of the Act read with the Rules issued thereunder and applicable Accounting Standards.

A copy of the Audited Financial Statement of the subsidiary shall be made available for inspection at the Registered Office of the Company during business hours. The Audited Financial Statement of the Company including Consolidated Financial Statement and Financial Statement of its subsidiary are also available on the Company's website www.carolinfoservices.com. Further, any shareholder interested in obtaining a copy of the separate Financial Statement of the subsidiary shall make specific request in writing to the Company Secretary and the same shall be furnished on request.

DEPOSITS

During financial year 2018-19, the Company did not accept any deposit within the meaning of Sections 73 and 74 of the Act read together with the Companies (Acceptance of Deposits) Rules, 2014.

SIGNIFICANT AND MATERIAL ORDERS

During the year under review, no significant and material orders were passed by the Regulators or Courts or Tribunals which could impact the going concern status of the Company and its future operations.

GENERAL

1. During the year under review, share capital of the Company remains unchanged. Further, there was no issue of equity shares with differential voting rights as to divided, voting or otherwise and issue of sweat equity shares.
2. During the year under review, the provisions relating to requirement of Cost Audit and Secretarial Audit were not applicable to the Company.
3. Your Directors further state that during the year under review, there were no cases filed pursuant to The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company is in compliance of this Act.

ACKNOWLEDGEMENTS

The Directors also take this opportunity to place on record their appreciation to all the stakeholders of the Company for the support received from them during the year under review.

For and on behalf of the Board of Directors

Akhtar Shamsi
Chairman
DIN: 00045731

Place : Mumbai
Date : August 26, 2019

ANNEXURE I TO THE BOARD'S REPORT

REPORT ON CSR ACTIVITIES / INITIATIVES

[Pursuant to Section 135 of the Companies Act, 2013 and Rules made thereunder]

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programs.**

   Pursuant to the requirement of the Companies Act, 2013 ('Act') and the Rules made thereunder, the Company has framed a CSR Policy and the same is placed on the Company's website and a weblink thereto is: http://www.carolinfoservices.com/carol%20CSR%20policy_new.pdf

   The Company's CSR vision & mission is to contribute to the social, economic and environmental development of the community in which the Company operates. The Company may undertake any one or more CSR activities as specified in the CSR Policy.

2. **The Composition of the CSR Committee:** As on the date of this report, the CSR Committee comprises of:

   Dr. G. B. Parulkar – Chairman (Executive)

   Mr. Neeraj Jain – Member (Non-Executive Non-Independent)

   Mr. Akhtar Shamsi – Member (Non-Executive Independent)

   Ms. Vijaya Nair – Member (Non-Executive Independent)

3. **Average Net Profit of the Company for last 3 financial years:** Average Net Profit of the Company for the last three financial years as per Section 198 of the Companies Act, 2013 was ₹ 357,254,438#

4. **Prescribed CSR expenditure (2% of the amount as in item 3 above):** ₹ 7,145,089

5. **Details of CSR spent during the year:**

   a) **Total amount to be spent for the financial year:** ₹ 7,145,089

   b) **Amount un-spent, if any:** ₹ 7,145,089

   c) **Manner in which the amount spent during the financial year is detailed below:** N.A.

6. **In case the Company has failed to spend the 2% of the Average Net Profit of the last 3 financial years or any part thereof, reasons for not spending the amount in its Board's Report:**

   In terms of the provisions of Section 135 of the Companies Act, 2013 and the Rules made thereunder, the Company was required to constitute CSR Committee with at least one Independent Director which is in place.

   In view of the requirement of the funds for operational purposes and identification of specific areas for carrying out CSR activities, the amount required to be spent on CSR activities during financial year 2018-19 remained unspent as on 31st March 2019. However, the Company stands committed to spend the requisite amount on CSR activities in forthcoming years.

7. **Responsibility Statement**

   The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with CSR objectives and Policy of the Company.

   # Average Net Profit of the Company for the last 3 financial years as per Section 198 of the Companies Act, 2013 is calculated considering 'Previous GAAP' for the year ended 31st March 2016; and 'Ind-AS' for the year ended 31st March, 2017 & 31st March, 2018 (as defined in Notes to Financial Statements)

Neeraj Jain	**Dr. G. B. Parulkar**
Director	*Chairman of CSR Committee*
DIN: 08118877	DIN: 00015668

Place: Mumbai
Date: August 26, 2019

ANNEXURE II TO THE BOARD'S REPORT

Criteria for Determining Qualifications, Positive Attributes and Independence of Director

Qualifications:

a) The Director shall be free from any disqualifications as stipulated under the Companies Act, 2013 and rules made thereunder as amended from time to time;

b) The Director shall possess appropriate expertise, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or such other areas related to the Company's business as determined by Nomination and Remuneration Committee.

Positive Attributes:

The Director shall

a) uphold ethical standards of integrity and probity;

b) act objectively and constructively;

c) exercise responsibilities in a bona-fide manner in the interest of the Company; and

d) assist the Company in implementing the best corporate governance practices.

Independence Criteria:

a) An Independent Director shall meet the criteria of independence as stipulated under the Companies Act, 2013 and rules made thereunder as amended from time to time;

b) An Independent Director shall be under the obligation to inform the Board of Directors of any change in circumstances which may effect his/her independence.

ANNEXURE III TO THE BOARD'S REPORT

Form No. AOC – 2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013
and Rule 8(2) of the Companies (Accounts) Rules, 2014)]

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis:** Nil

2. **Details of material contracts or arrangement or transactions at arm's length basis**

(a)	Name(s) of the related party and nature of relationship	Wockhardt Limited ('WL'), Enterprise over which individuals having direct or indirect control over the Company have significant influence/control (Please refer Note No. (i) below)
(b)	Nature of contracts/arrangements/transactions	Leasing of property
(c)	Duration of the contracts/arrangements/transactions	Continuous basis
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	During the year 2018-19, there was transaction relating to rent income from WL aggregating to ₹ 708,809 thousand
(e)	Date(s) of approval by the Board, if any	Please refer Note No. (ii) below
(f)	Amount paid as advances, if any	Nil

Notes:

(i) WL is not a related party of the Company pursuant to Section 2(76) of the Companies Act, 2013. However, it is termed as 'Enterprise over which individuals having direct or indirect control over the Company have significant influence/control' under Ind AS 24.

(ii) During the year 2018-19, transaction with WL may be considered material pursuant to Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014. However, no board's and shareholder's approval was required as the transaction was at arm's length basis and in the ordinary course of business.

For and on behalf of the Board of Directors

Akhtar Shamsi
Chairman
DIN: 00045731

ANNEXURE IV TO THE BOARD'S REPORT

Form No. AOC – 1

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of financial statement of Subsidiary

Part 'A': Subsidiaries

(Amount in ₹ thousand)

Name of Subsidiary	Banneret Trading Private Limited
The date since when Subsidiary was acquired	24th July, 2012
Reporting period for the Subsidiary concerned	Apr-Mar
Reporting currency for the Subsidiary concerned	INR
Exchange rate as on the last date of relevant financial year in the case of foreign Subsidiary	Not Applicable
Share Capital	100
Reserves and Surplus	(3,149,144)
Total Assets	3,531,566
Total Liabilities ^	6,680,610
Investments	2,325,210
Turnover	Nil
Profit/(Loss) before taxation	(367,943)
Provision for Taxation (Expense)/Credit	139,547
Profit/(Loss) after taxation/Total Comprehensive Income	(228,396)
Proposed dividend	–
% of shareholding	100

^ Includes Preference Shares

Notes:

a) The above statement also indicates highlights of performance of its subsidiary and its contribution to an overall performance of the Company during the financial year 2018-19.

b) Apart from the above, there are no subsidiaries, which are yet to commence operations or which are liquidated or sold during the year.

c) The Company does not have any Associate Company (includes a Joint Venture Company) as defined under Section 2(6) of the Companies Act, 2013 and hence Part 'B' of the Statement is not applicable.

For and on behalf of the Board of Directors

Dr. G. B. Parulkar
Managing Director
DIN: 00015668

Neeraj Jain
Director
DIN: 08118877

Stephen D'Souza
Director
DIN: 00045812

Nikhil Malpani
Company Secretary
M.No. A20869

Ravi Shekhar Mitra
Chief Financial Officer

Place : Mumbai
Date : August 26, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of CAROL INFO SERVICES LIMITED

Report on the Standalone Ind AS Financial Statements

1. Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of Carol Info Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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 significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the information other than the Standalone Financial Statements and Auditor's Report thereon. The Other Information comprises the Directors' Report including Annexures to Directors' Report (collectively called as "Other Information") but does not include the Standalone Financial Statements and our auditor's report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Other Information, if, we conclude that there is a material misstatement therein, we are required to communicate the matters to those charged with governance

3. Management's Responsibility for the Standalone 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 standalone Ind AS Financial Statements that give a true and fair view of the state of affairs (financial position), profit or loss (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 Companies (Indian Accounting Standards) Rules, 2015 (as amended).

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that 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.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

4. Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

5. Report on Other Legal and Regulatory Requirements

(i) 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 Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

(ii) As required by sub-section (3) of Section 143 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, 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 Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015;

(e) On the basis of written representations received from the Directors as on March 31, 2019 none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164(2) of the Act;

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

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

(h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS Financial Statements – Refer Note 35 to the standalone Ind AS Financial Statements;

(ii) The Company has made provision, as required under the applicable law or Indian Accounting Standards, for material forseeable losses, if any, on long term contracts including derivative contracts;

(iii) During the year there have been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

For M P Chitale & Co
Chartered Accountants
Firm Regn No. 101851W

Ashutosh Pednekar
Partner
ICAI M No. 41037
UDIN: 19041037AAAABG7681

Place : Mumbai
Date : August 26, 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF CAROL INFO SERVICES LIMITED

We report that:

i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of all Property, Plant and Equipment.

(b) The Company has in place a planned program of verifying all the Property, Plant and Equipment and Investment Properties once in three years. In our opinion, such physical verification program, is reasonable having regard to the size of the Company and the nature of its assets. The physical verification of PPEs and Investment Property was done during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the title deeds of immovable properties, are held in the name of the Company, except for the following:

i. Leasehold land (gross block ₹ 154,998 thousands, net block ₹ 144,455 thousands), Building (gross block ₹ 518,075 thousands, net block ₹ 470,165 thousands) Freehold land (gross block ₹ 274 thousands, net block ₹ 274 thousand). These properties are held in the erstwhile name of the Company; and

ii. Building (gross block ₹ 20,743 thousands, net block ₹ 18,681 thousands).

ii) The Company does not hold inventory and hence clauses regarding inventory are not applicable.

iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships and other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, paragraphs 3(iii) (a), (b) and (c) of the Order are not applicable to the company and hence not commented upon.

iv) According to the records of the Company and information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.

v) According to the information and explanations given to us, the Company has not accepted deposits from the public in terms of provisions of Sections 73 to 76 of the Companies Act, 2013.

vi) The Company does not have any manufacturing activity during the year and hence, according to the information and explanations given to us, maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 are not applicable to the Company.

vii) (a) According to the records of the Company and information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales-Tax, Service tax, Goods and Service Tax, Customs Duty, Excise Duty, value added tax and cess etc. with the appropriate authorities. Further, no undisputed statutory dues were in arrears, as of March 31, 2019 for a period of more than six months from the date they became payable.

(b) As at the year-end according to the records of the Company and information and explanations given to us, there are no disputed dues on account of income tax, sales tax, service tax, goods and service tax, customs duty, excise duty, value added tax, cess, and any other statutory dues which have not been deposited with respective authorities except as under:

Name of the statute	Nature of the dues	Amount (₹ In thousands)	Period to which the amount relates	Forum where dispute is pending
Kerala General Sales Tax Act, 1963	Sales Tax Dues	410.00	A.Y. 94-95	Appellate Tribunal
Income Tax Act, 1961	Income Tax Dues	0.58	A.Y. 95-96	Pending with Assessing officer
		816.48	A.Y. 06-07	Pending with Assessing officer
		5.74	A.Y. 09-10	Pending with Assessing officer
		3,285.15	A.Y. 11-12	Pending with Assessing officer
		16.18	A.Y. 12-13	Pending with Assessing officer
		76,220.87	A.Y. 14-15	Pending with Income-tax Appellate Tribunal
		1,04,793.67	A.Y. 15-16	Pending with Income-tax Appellate Tribunal
		1,15,149.26	A.Y. 16-17	Pending with Commissioner of Income-tax (Appeals)
	TDS Dues	0.24	A.Y. 13-14	Pending with Commissioner of Income-tax (Appeals)
		3.10	A.Y. 16-17	Pending with Assessing officer
		133.58	A.Y. 18-19	Pending with Assessing officer
		5.08	A.Y. 19-20	Pending with Assessing officer
Punjab Tax on Entry of Goods into Local Areas Act, 2000	Entry Tax dues	6,735.58	01.04.2011 to 25.07.2012	Pending with Punjab and Haryana High court

viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to banks, as at the balance sheet date and has not issued any debentures.

ix) The term loan taken by the Company from a bank has been used for the purpose for which it was obtained. The Company has not raised moneys by way of initial public offer/ further public offer (including debt instruments).

x) According to the information and explanations given to us and on the basis of representation of the management which we have relied upon, no 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, managerial remuneration has been paid in accordance with the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

xii) Since the Company is not the Nidhi company, therefore the provisions of clause are not applicable to the Company.

xiii) According to the information and explanations given to us, the Company is in compliance with Section 188 and Section 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

xiv) The Company has not made any preferential allotment or private placement of shares/debentures during the year.

xv) As per the books and records maintained by the Company and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.

xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and therefore registration need not be obtained.

For M P Chitale & Co
Chartered Accountants
Firm Regn No. 101851W

Ashutosh Pednekar
Partner
ICAI M No. 41037
UDIN: 19041037AAAABG7681

Place : Mumbai
Date : August 26, 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF CAROL INFO SERVICES LIMITED

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 Carol Info Services Limited ("the Company") as of March 31, 2019 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 (the "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. 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 were 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 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 the standalone 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 the standalone Ind AS 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 standalone Ind AS 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, maintained adequate internal financial controls over financial reporting as of March 31, 2019, 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 M P Chitale & Co
Chartered Accountants
Firm Regn No. 101851W

Ashutosh Pednekar
Partner
ICAI M No. 41037
UDIN: 19041037AAAABG7681

Place : Mumbai
Date : August 26, 2019

BALANCE SHEET AS AT MARCH 31, 2019

(All amounts in Thousand of Indian Rupees unless otherwise stated)

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	2	**154,491**	162,101
Capital work-in-progress	2	–	–
Investment Property	3	**658,717**	674,960
Financial Assets			
Investment in subsidiary	4	**100**	100
Other Investments	4	**5,984,588**	3,984,865
Loans	5	**2,550,613**	5,564,307
Others	6	–	131,900
Deferred tax assets (net)	25	**76,858**	296,860
Non-current tax assets (net)		**488,716**	452,567
Other non-current assets	7	**6,163**	5,193
		9,920,246	11,272,853
CURRENT ASSETS			
Financial Assets			
Trade receivables	8	**25,155**	268,067
Cash and cash equivalents	8a	**32,220**	809,696
Bank balances (other than above)	8b	**185,086**	976,426
Loans Given	9	**3,681,682**	–
Others	10	**4,313**	10,317
Other current assets	11	**6,966**	6,853
		3,935,422	2,071,359
TOTAL		**13,855,668**	13,344,212
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	**354,365**	354,365
Other equity		**9,693,374**	9,073,471
		10,047,739	9,427,836
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	13	**2,610,000**	2,820,000
Provisions	14	**81**	63
		2,610,081	2,820,063
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	15	**54,690**	–
Trade payables	16		
Due to Micro enterprises and Small enterprises		–	–
Due to Others		**2,411**	3,439
Other financial liabilities	17	**820,527**	782,414
Other current liabilities	18	**13,431**	11,914
Liabilities for current tax (net)		**306,786**	298,543
Provisions	19	**3**	3
		1,197,848	1,096,313
(5) Liabilities associated with group(s) of assets held for disposal			
TOTAL		**13,855,668**	13,344,212
Significant accounting policies	1(C)		

The accompanying notes form an integral part of these Financial Statements

As per our attached report of even date

For and on behalf of the Board of Directors

For M. P. Chitale & Co.
Chartered Accountants

Dr. G. B. Parulkar
Managing Director
DIN: 00015668

Neeraj Jain
Director
DIN: 08118877

Stephen D'Souza
Director
DIN: 00045812

Ashutosh Pednekar
Partner

Nikhil Malpani
Company Secretary
M.No. A20869

Ravi Shekhar Mitra
Chief Financial Officer

Place : Mumbai
Date : August 26, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in Thousand of Indian Rupees unless otherwise stated)

	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
REVENUE			
Revenue from operations	20	**712,755**	670,101
Other income	21	**929,675**	873,843
TOTAL		**1,642,430**	1,543,944
EXPENSES			
Employee Benefits Expenses	22	**881**	795
Finance costs	23	**258,776**	256,957
Depreciation and Impairment expense	2,3	**23,853**	22,277
Other Expenses	24	**406,553**	325,477
TOTAL		**690,063**	605,506
PROFIT BEFORE TAX		**952,367**	938,438
Tax expense:	25		
Current tax – MAT payable		**(126,122)**	(111,231)
– Tax balances written off (net)		–	(960)
Deferred tax credit/(charge)		**(206,341)**	(155,079)
PROFIT AFTER TAX BEFORE OTHER COMPREHENSIVE INCOME		**619,904**	671,168
Other Comprehensive Income			
Items that will not be reclassified to profit or loss – (charge)/credit			
– Re-measurement of net defined benefit (liability)/asset		**(2)**	(1)
Tax on the above		**1**	–
– Fair value gain/(loss) on equity instruments		–	409,036
Tax on the above		–	(96,120)
		(1)	312,915
TOTAL COMPREHENSIVE INCOME		**619,903**	984,083
Earnings per equity share of face value of ₹ 10 each			
Basic and diluted earnings per share in ₹	26	**17.49**	18.94
Significant accounting policies	1(C)		

The accompanying notes form an integral part of these Financial Statements

As per our attached report of even date

For and on behalf of the Board of Directors

For M. P. Chitale & Co.
Chartered Accountants

Dr. G. B. Parulkar
Managing Director
DIN: 00015668

Neeraj Jain
Director
DIN: 08118877

Stephen D'Souza
Director
DIN: 00045812

Ashutosh Pednekar
Partner

Nikhil Malpani
Company Secretary
M.No. A20869

Ravi Shekhar Mitra
Chief Financial Officer

Place : Mumbai
Date : August 26, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in Thousand of Indian Rupees unless otherwise stated)

Equity Share Capital

	As at April 01, 2017	Changes in equity share capital during the year	As at March 31, 2018	Changes in equity share capital during the year	As at March 31, 2019
	354,365	–	354,365	–	**354,365**

Other Equity

	Other Reserves				Other Comprehensive Income		
	Securities Premium Account	Capital Redemption Reserve	General Reserve	Surplus (Profit and loss balance) – Refer note 1 below	Re-measurement of net defined benefit (liability)/ asset	Net gain/ (loss) on Fair value of equity instruments	Total Equity
Balance at April 01, 2017	**2,716,000**	**297,500**	**1,216,889**	**3,573,765**	**–**	**285,234**	**8,089,388**
Profit for the year	–	–	–	671,168	–	–	671,168
Other comprehensive income for the year	–	–	–	–	(1)	312,916	312,915
Total comprehensive income for the year	–	–	–	**671,168**	**(1)**	**312,916**	**984,083**
Balance at March 31, 2018	**2,716,000**	**297,500**	**1,216,889**	**4,244,933**	**(1)**	**598,150**	**9,073,471**
Profit for the year	–	–	–	619,904	–	–	619,904
Other comprehensive income for the year	–	–	–	–	(1)	–	(1)
Total comprehensive income for the year	–	–	–	**619,904**	**(1)**	–	**619,903**
Balance at March 31, 2019	**2,716,000**	**297,500**	**1,216,889**	**4,864,837**	**(2)**	**598,150**	**9,693,374**

Notes:

1) Surplus (Profit and loss balance) as on March 31, 2019 and March 31, 2018 includes ₹ 13,757 thousand being the difference between interest free loan taken from an entity over which Individuals having direct or indirect control over the Company, have significant influence/ control, and the fair value at inception with reference to the market rate.

2) Nature and purpose of reserves:

Securities premium

Securities premium is used to record the premium received on issue of shares. It shall be utilised in accordance with the provisions of the Companies Act, 2013.

Capital Redemption Reserve

Capital redemption reserve was created during redemption of preference shares out of the profits of the Company in accordance with the requirements of relevant statute.

General Reserve

General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.

As per our attached report of even date

For and on behalf of the Board of Directors

For M. P. Chitale & Co.
Chartered Accountants

Ashutosh Pednekar
Partner

Place : Mumbai
Date : August 26, 2019

Dr. G. B. Parulkar
Managing Director
DIN: 00015668

Neeraj Jain
Director
DIN: 08118877

Stephen D'Souza
Director
DIN: 00045812

Nikhil Malpani
Company Secretary
M.No. A20869

Ravi Shekhar Mitra
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in Thousand of Indian Rupees unless otherwise stated)

	For the year ended March 31, 2019	For the year ended March 31, 2018
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:		
Profit before tax	**952,367**	938,438
Adjustments for		
Depreciation and impairment expense	**23,853**	22,277
Liabilities no more payable	**(43)**	(1,105)
Advances no more recoverable	**1,539**	190
Provision for doubtful debts	**12**	187
Finance costs	**258,776**	256,957
Interest Income	**(759,717)**	(659,798)
Profit on sale of fixed assets	**(102)**	–
Measurement of debentures at fair value	**(142,003)**	(212,940)
Fair valuation of Optionally Convertible Cumulative Redeemable Preference Shares	**(27,701)**	–
Loss on conversion of Optionally Convertible Redeemable Debentures	**357,192**	281,008
Operating profit before Working Capital changes	**664,173**	625,214
Movement in working capital:		
(Increase)/Decrease in Trade Receivables	**242,900**	(30,225)
(Increase)/Decrease in Loans and Advances and Other assets	**(1,997)**	13,260
Increase/(Decrease) in Liabilities and Provisions	**15,805**	8,036
Cash Generated from Operations	**920,881**	616,285
Income taxes paid	**(140,965)**	(188,072)
Net cash from Operating Activities (A)	**779,916**	428,213
CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:		
Purchase of Fixed Assets and Additions to Capital work-in-progress	**(625)**	(123)
Proceeds from sale of Fixed assets	**102**	–
Purchase of Investments	**(2,169,600)**	–
Repayment by/(Loans to) companies net	**(300)**	–
Fixed deposits with maturity of more than 3 months and other bank balances	**923,240**	(428,619)
Interest received	**80,418**	55,610
Net cash used in Investing Activities (B)	**(1,166,765)**	(373,132)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES:		
Proceeds from borrowings	–	3,000,000
Repayment of borrowings	**(154,886)**	(2,040,586)
Finance costs paid	**(235,741)**	(240,895)
Dividend pertaining to earlier years paid	–	(754)
Net cash from/(used in) Financing Activities (C)	**(390,627)**	717,765
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(777,476)**	772,846
CASH AND CASH EQUIVALENTS, at beginning of year	**809,696**	36,850
CASH AND CASH EQUIVALENTS, at end of year	**32,220**	809,696
Component of Cash and Cash equivalents, at end of year		
Balance with banks:		
In current account	**32,067**	59,643
Deposit with maturity period less than 3 months	–	750,000
Cash in hand	**153**	53
Total	**32,220**	809,696

Notes:

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (Ind AS) 7 – "Cash Flow Statements".
2. All figures in bracket are outflow.
3. Income taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

As per our attached report of even date

For and on behalf of the Board of Directors

For M. P. Chitale & Co.
Chartered Accountants

Ashutosh Pednekar
Partner

Place : Mumbai
Date : August 26, 2019

Dr. G. B. Parulkar
Managing Director
DIN: 00015668

Neeraj Jain
Director
DIN: 08118877

Stephen D'Souza
Director
DIN: 00045812

Nikhil Malpani
Company Secretary
M.No. A20869

Ravi Shekhar Mitra
Chief Financial Officer

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in Thousand of Indian Rupees unless otherwise stated)

1A. BACKGROUND

Carol Info Services Limited ('CISL' or 'the Company') is a subsidiary of Khorakiwala Holdings and Investments Private Limited. The Company is engaged in renting of immovable property.

1B. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

I. Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

II. Basis of preparation

The Financial Statements have been prepared on accrual basis under the historical cost convention except that certain financial assets and liabilities that are measured at fair value in the statement of financial position.

III. Use of Estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires the management to make judgements and estimates about the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the judgements and estimates used in preparation of the Financial Statements are prudent and reasonable.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies:

The following are the critical judgements, apart from those involving estimations, that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(i) Leasehold land:

The Company has entered into arrangements for lease of land from Government entities and other parties. Significant judgement is involved in assessing whether such arrangements are in the nature of finance or operating lease. In making such an assessment, the Company considers various factors which includes whether the present value of minimum lease payments amounts to at least substantially all of the fair value of lease assets, renewal terms, purchase option, sub-lease options etc. Based on evaluation of above factors, leases are evaluated on case to case basis for the purpose of classification as finance or operating lease.

Key sources of estimation uncertainty:

(i) Impairment of trade receivables:

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

(ii) Legal and other disputes:

The Company provides for anticipated settlement costs where an outflow of resources is considered probable and a reliable estimate may be made of the likely outcome of the dispute and legal and other expenses arising from claims against the Company. These estimates take into account the specific circumstances of each dispute and relevant external advice are inherently judgemental and could change substantially over time as new facts emerge and each dispute progresses.

1C. SIGNIFICANT ACCOUNTING POLICIES:

(a) Property, Plant and Equipment and Depreciation

I. Recognition and Measurement:

Items of Property, Plant and Equipment are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of Property, Plant and Equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Company incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

  Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in Statement of Profit and Loss. If significant parts of an item of Property, Plant and Equipment have different useful lives, then they are accounted for as separate items (major components) of Property, Plant and Equipment.

II. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Any gain or loss on disposal of an item of Property, Plant and Equipment is recognised in the Statement of Profit and Loss.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

III. Depreciation

Depreciation is provided, using the straight line method, pro rata to the period of use of assets, in accordance with the requirements of Schedule II of the Companies Act, 2013, based on the useful lives of the assets determined through technical assessment by the management. The estimated useful lives followed by the Company are as follows:

Assets	**Estimated useful life**
Leasehold land	over the period of lease
Buildings	30-60 years
Plant and Machinery	10-20 years
Furniture and Fixtures	10 years
Office Equipments	4-5 years
Information Technology Equipments	3 years
Vehicles	5 years

Components having useful lives different from the life of parent assets as stated above are depreciated over the useful life of the components. Fixed assets whose aggregate cost is ₹ 5,000 or less are depreciated fully in the year of acquisition.

(b) Impairment of assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss.

The recoverable amount is the greater of the fair value less cost of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. 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 for which the estimates of future cash flows have not been adjusted.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

(c) Foreign currency transactions/translations:

i) Transactions in foreign currencies are translated to the reporting currency at exchange rates at the dates of the transactions.

ii) Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the reporting currency at the exchange rate at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

iii) Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in the Statement of Profit and Loss in the period in which they arise.

(d) Financial Instruments

I. Financial assets

(i) Classification of financial assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Debt instruments at amortised cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instruments 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 FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in 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 other gains/(losses). Interest income from these financial assets is included in other income using the EIR method. The Company does not have any instruments classified as fair value through other comprehensive income (FVOCI).

Debt instruments measured 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 profit or 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.

Equity investments:

Investment in subsidiaries, associates and joint ventures are measured at cost.

All other equity investments which are in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

The Company does not have any equity investments classified as FVTPL.

(ii) Initial recognition and measurement

All financial assets are recognised initially at fair value and for those instruments that are not subsequently measured at FVTPL, plus/minus transaction costs that are attributable to the acquisition of the financial assets.

Trade receivables are carried at original invoice price and do not contain any significant financing component. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

(iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

– The rights to receive cash flows from the asset have expired, or

– The Company has transferred its rights 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 a 'pass-through' arrangement; and either:

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates whether it has transferred substantially all the risks and rewards of ownership. In such cases, the financial asset is derecognised. 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 assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

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

II. Financial Liabilities and equity instruments:

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(i) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(ii) Financial liabilities:- Classification:

Financial liabilities are classified as either 'at FVTPL' or 'other financial liabilities'. FVTPL liabilities consist of derivative financial instruments, wherein the gains/losses arising from remeasurement of these instruments is recognised in the Statement of Profit and Loss. Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

(iii) Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and for those instruments that are not subsequently measured at FVTPL, plus/minus transaction costs that are attributable to issue of these instruments.

(iv) 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 and Loss.

III. Fair value:

The Company determines the fair value of its financial instruments on the basis of the following hierarchy:

(a) Level 1: The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.

(b) Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

(c) Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

(e) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates items recognised directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured at the amount expected to be recovered from or paid to the taxation authorities, using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends if any.

Current tax assets and liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognised amounts; and

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

(f) Inventories

Inventories of stores and spare parts are valued at cost.

(g) Employee benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). Net interest expense/(income) on the net defined liability/(assets) is computed by applying the discount rate, used to measure the net defined liability/(asset). Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurement are recognised in Statement of Profit and Loss in the period in which they arise.

(h) Revenue recognition

Rental Income is recognised on time proportionate basis over the period of the agreement.

Revenues from services is recognised in accordance with the terms of the relevant agreement(s) as generally accepted and agreed with the customers, and when control transfers to such customers and the Company's performance obligations are satisfied.

(i) Leases

Determination of lease arrangement

An arrangement, which is not in the legal form of a lease, is accounted for as a lease, if:

a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and

b) the arrangement conveys a right to use the asset.

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If it is impracticable to separate the payments reliably, then a finance lease receivable is recognised at an amount equal to the fair value of the underlying asset; subsequently, the receivable is reduced as payments are made and a finance income is recognised using the interest rate implicit in the lease.

Finance Lease

Agreements are classified as finance leases, if substantially all the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

Assets given under finance leases are recognised as a receivable at an amount equal to the net investment in the lease. Finance income is allocated over the lease term on a systematic and rational basis. This income allocation is based on a pattern reflecting a constant periodic return on the net investment in the finance lease.

Minimum lease payments, for assets taken under finance lease, are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating Lease

Agreements which are not classified as finance leases are considered as operating lease.

Payments made under operating leases are recognised in Statement of Profit and Loss on a straight line basis, unless the escalation clauses are in line with the expected inflation at the inception of the respective lease.

(j) Financing/Borrowing cost

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs include interest costs measured at EIR and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, allocated to qualifying assets, pertaining to the period from commencement of activities relating to construction/ development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

All other borrowing costs are recognised as an expense in the period which they are incurred.

(k) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in the Notes. Contingent liabilities are disclosed for (1) possible obligations which will be confirmed only by future events not wholly within the control of the Company or (2) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the financial statements as this may result in the recognition of income that may never be realised. Contingent assets (if any) are disclosed in the notes to the financial statements.

(l) Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

(m) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(n) Operating cycle

All assets and liabilities have been classified as current or non-current as per each Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

2. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

A) The changes in the carrying amount of fixed assets for the year ended March 31, 2019 is as follows:

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION AND IMPAIRMENT				NET BLOCK
	As at 1.4.2018	Additions	Deductions/ Other Adjustments	**As at 31.3.2019**	As at 1.4.2018	For the year	Deductions/ Other Adjustments	**As at 31.3.2019**	**As at 31.3.2019**
Tangible Assets									
Freehold Land	274	–	–	**274**	–	–	–	–	**274**
Leasehold Land	154,999	–	–	**154,999**	7,910	2,634	–	**10,544**	**144,455**
Plant and Equipment	22,851	–	221	**22,630**	10,222	3,442	221	**13,443**	**9,187**
Furniture and Fixtures	6,772	–	–	**6,772**	4,820	1,417	–	**6,237**	**535**
Vehicles	111	–	111	–	111	–	111	–	–
Office Equipments	2,646	–	–	**2,646**	2,491	117	–	**2,608**	**38**
Information Technology Equipments	30	–	–	**30**	28	–	–	**28**	**2**
TOTAL	**187,683**	–	**332**	**187,351**	**25,582**	**7,610**	**332**	**32,860**	**154,491**
Capital Work-In-Progress	5,511	–	–	5,511	5,511	–	–	**5,511**	–
TOTAL	**193,194**	–	**332**	**192,862**	**31,093**	**7,610**	**332**	**38,371**	**154,491**

B) The changes in the carrying amount of fixed assets for the year ended March 31, 2018 is as follows:

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION AND IMPAIRMENT				NET BLOCK
	As at 1.4.2017	Additions	Deductions/ Other Adjustments	**As at 31.3.2018**	As at 1.4.2017	For the year	Deductions/ Other Adjustments	**As at 31.3.2018**	**As at 31.3.2018**
Tangible Assets									
Freehold Land	274	–	–	**274**	–	–	–	–	**274**
Leasehold Land	154,999	–	–	**154,999**	5,276	2,634	–	**7,910**	**147,089**
Plant and Equipment	22,653	198	–	**22,851**	7,074	3,148	–	**10,222**	**12,629**
Furniture and Fixtures	6,772	–	–	**6,772**	4,648	172	–	**4,820**	**1,952**
Vehicles	111	–	–	**111**	111	–	–	**111**	–
Office Equipments	2,646	–	–	**2,646**	1,638	853	–	**2,491**	**155**
Information Technology Equipments	30	–	–	**30**	28	–		**28**	**2**
TOTAL	**187,485**	**198**	–	**187,683**	**18,775**	**6,807**	–	**25,582**	**162,101**
Capital Work-In-Progress	5,511	–	–	**5,511**	5,511	–	–	**5,511**	–
TOTAL	**192,996**	**198**	–	**193,194**	**24,286**	**6,807**	–	**31,093**	**162,101**

Notes:

(a) Of the above, assets on which charge has been created (Refer note 13) amounts to ₹ 144,393 thousand (Previous year – ₹ 147,026 thousand)

(b) Out of the above assets, the following are the details of assets given on lease:

Assets given on lease	**As at March 31, 2019**			As at March 31, 2018		
	Gross Block	**Accumulated Depreciation**	**Net Block**	Gross Block	Accumulated Depreciation	Net Block
Furniture and Fixtures	**5,758**	**5,702**	**56**	5,758	4,447	1,311
Office Equipments	**2,604**	**2,604**	–	2,604	2,504	100
Plant and Equipment	**21,735**	**13,413**	**8,322**	21,735	10,045	11,690
Vehicles*	–	–	–	–	–	–
TOTAL	**30,097**	**21,719**	**8,378**	30,097	16,996	13,101

* Gross value ₹ 985 thousand (Previous year – ₹ 985 thousand) and fully depreciated.

3. INVESTMENT PROPERTY

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT
	As at 1.4.2018	Additions	Deductions/ Other Adjustments	**As at 31.3.2019**	As at 1.4.2018	For the year	Deductions/ Other Adjustments	**As at 31.3.2019**	**As at 31.3.2019**
Buildings	722,959	–	–	**722,959**	47,999	16,243	–	**64,242**	**658,717**
TOTAL	**722,959**	–	–	**722,959**	**47,999**	**16,243**	–	**64,242**	**658,717**

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT
	As at 1.4.2017	Additions	Deductions/ Other Adjustments	**As at 31.3.2018**	As at 1.4.2017	For the year	Deductions/ Other Adjustments	**As at 31.3.2018**	**As at 31.3.2018**
Buildings	722,959	–	–	**722,959**	32,529	15,470	–	**47,999**	**674,960**
TOTAL	**722,959**	–	–	**722,959**	**32,529**	**15,470**	–	**47,999**	**674,960**

Note: Of the above, assets on which charge has been created (Refer note 13) amounts to ₹ 571,253 thousand (Previous year – ₹ 584,722 thousand).

The Company's investment properties consists of office buildings rented out to third parties.

Information regarding Income and Expenditure of Investment Property

Particulars	**2018-19**	2017-18
Rental Income derived from Investment Properties	**712,755**	670,101
Less: Depreciation	**16,243**	15,470
Less: Other expenses	**37,750**	34,408
Profit arising from Investment Properties before indirect expenses	**658,762**	620,223

The fair value of the investment property as on March 31, 2019 is ₹ 5,715,566 thousand (Previous year – ₹ 4,723,874 thousand). These fair values of the investment property are categorised as level 2 in the fair valuation hierarchy and has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

4. NON-CURRENT INVESTMENTS

		As at March 31, 2019	As at March 31, 2018
A.	**Investment in Subsidiary at cost**		
	Unquoted Equity Shares		
	10,000 (Previous year – 10,000) Equity shares of ₹ 10 each fully paid-up in Banneret Trading Private Limited [including 6 (Previous year – 6) fully paid-up shares of par value held in the name of the nominees of the Company]	**100**	100
B.	**Other Investments – Investment in Optionally Convertible Redeemable Debentures – Fair value through Profit and Loss**		
	1,095 (Previous year – 1,835) 0% Optionally Convertible Redeemable Debentures of ₹ 1,000,000 each fully paid-up of the following series in Wockhardt Hospitals Limited: – Nil (Previous year – 740) Series A Debentures – 530 (Previous year – 530) Series B Debentures – 565 (Previous year – 565) Series C Debentures	**1,685,503**	2,561,349
		1,685,503	2,561,349
C.	**Other Investments – Investments in Optionally Convertible Cumulative Redeemable Preference Shares – Fair value through Profit and Loss**		
	40,503,902 (Previous year – Nil) 0.1% Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 10/- each in Wockhardt Hospitals Limited	**2,214,912**	–
D.	**Other Investments – Investment in equity instruments – Fair value through Other Comprehensive Income (OCI)**		
	16,953,339 (Previous year – 11,579,338) Equity shares of ₹ 10 each fully paid-up in Wockhardt Hospitals Limited	**2,084,173**	1,423,516
	780,000 (Previous year – 780,000) Equity shares of ₹ 10 each fully paid-up in Al Barr Finance House Limited	**17,583**	17,583
	Less: Impairment provision	**(17,583)**	(17,583)
		–	–
		2,084,173	1,423,516
	Total	**5,984,688**	3,984,965
	Aggregate book value of unquoted investments	**5,984,688**	3,984,965

5. NON-CURRENT FINANCIAL ASSETS – LOANS

	As at March 31, 2019	As at March 31, 2018
Loans to related parties (Refer 31 and note 34)		
Unsecured, considered good	**2,550,613**	5,564,307
Unsecured, considered doubtful	**16,064**	16,064
Less: Loss allowance	**(16,064)**	(16,064)
	–	–
Total	**2,550,613**	5,564,307

6. OTHER NON-CURRENT FINANCIAL ASSETS

Deposits with maturity more than 12 months	–	131,900
Total	–	131,900

7. OTHER NON-CURRENT ASSETS

Capital advances	**625**	–
Security Deposits	**5,538**	5,193
Total	**6,163**	5,193

8. TRADE RECEIVABLES (Refer note 31 for related party balances)

Unsecured, considered good	**25,155**	268,067
Unsecured, considered doubtful	**271**	259
Less: Loss allowance	**(271)**	(259)
	–	–
Total	**25,155**	268,067

Note:

Trade receivables pledged as collateral as referred to in Note 13 ₹ 25,049 thousand (Previous year - ₹ 267,198 thousand)

8a. CASH AND CASH EQUIVALENTS

a) Balance with banks :		
In current account	**32,067**	59,643
Deposit with maturity less than 3 months	–	750,000
b) Cash in hand	**153**	53
Total	**32,220**	809,696

8b. OTHER BANK BALANCES

Deposits with maturity more than 3 months but less than 12 months	–	405,748
Deposits with maturity more than 12 months [includes deposit under lien ₹ Nil (Previous year – ₹ 95,100 thousand)]	**73,704**	331,169
Deposits with maturity equal to 12 months [includes deposit under lien ₹ 101,482 thousand (Previous year – ₹ Nil)]	**111,382**	239,509
Total	**185,086**	976,426

9. LOANS GIVEN (Current)

Unsecured :		
Loans to Subsidiaries (Refer note 31 and note 34)	**3,681,682**	–
Total	**3,681,682**	–

10. OTHER CURRENT FINANCIAL ASSETS

Interest Accrued	**4,313**	10,317
Total	**4,313**	10,317

11. OTHER CURRENT ASSETS

Advances		
Unsecured, considered good	**6,966**	6,853
Unsecured, considered doubtful	**129**	190
Less: provision for doubtful advances	**(129)**	(190)
Total	**6,966**	6,853

12. SHARE CAPITAL

	As at March 31, 2019 Number of shares	As at March 31, 2019 Amount	As at March 31, 2018 Number of shares	As at March 31, 2018 Amount
AUTHORISED				
Unclassified shares of ₹ 10 each	–	–	100,000,000	1,000,000
Equity shares of ₹ 10 each	**90,000,000**	**900,000**	–	–
Preference shares of ₹ 10 each	**10,000,000**	**100,000**	–	–
	100,000,000	**1,000,000**	100,000,000	1,000,000
ISSUED				
Equity shares of ₹ 10 each	**35,519,797**	**355,198**	35,519,797	355,198
SUBSCRIBED AND PAID UP				
Equity shares of ₹ 10 each	**35,436,472**	**354,365**	35,436,472	354,365

Notes:

a. Reconciliation of number of Equity shares outstanding at the beginning and end of the year:

	As at March 31, 2019	As at March 31, 2018
Outstanding at the beginning of the year	**35,436,472**	35,436,472
Additions during the year	–	–
Outstanding at the end of the year	**35,436,472**	35,436,472

b. Terms/Rights attached to Equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share held and is entitled to dividend, if declared at the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the 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

32,671,905 (Previous year – 32,671,270) fully paid up equity shares are held by Khorakiwala Holdings and Investments Private Limited, the holding company.

d. Shareholders holding more than 5% shares in the Company is set out below:

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	**% of holding**	No. of Shares	% of holding
Khorakiwala Holdings and Investments Private Limited	**32,671,905**	**92.20**	32,671,270	92.20

13. NON–CURRENT FINANCIAL LIABILITIES – BORROWINGS

	As at March 31, 2019	As at March 31, 2018
SECURED		
Term loan from bank (Refer note (a) below)	**2,610,000**	2,820,000
Total	**2,610,000**	2,820,000

Note:

a) The term loan is secured by exclusive charge by way of mortgage of premises situated at Bandra Kurla Complex, Mumbai, exclusive charge by way of hypothecation of future cash flow/receivables from the aforesaid premises and exclusive charge on Escrow Account. An amount equivalent to 3 months instalment is also kept as DSRA account as fixed deposits with the Bank. This term loan carrying interest rate at 1 Year MCLR plus 95 BPS p.a. is repayable by way of monthly instalments and will be fully repaid by November 2026.

14. PROVISIONS (NON–CURRENT)

	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits (Refer note 27)		
Gratuity (unfunded)	**25**	15
Compensated absences (unfunded)	**56**	48
Total	**81**	63

15. CURRENT FINANCIAL LIABILITIES– BORROWINGS

	As at March 31, 2019	As at March 31, 2018
Unsecured		
Loans repayable on demand– Interest free (Refer note 31)	**54,690**	–
Total	**54,690**	–

16. TRADE PAYABLES

	As at March 31, 2019	As at March 31, 2018
Trade payables		
Due to Micro enterprises and Small enterprises	–	–
Due to Others	**2,411**	3,439
Total	**2,411**	3,439

Note:

Principal amount including interest, if any payable to micro and small enterprises as per Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2019 ₹ Nil (Previous year – ₹ Nil). The above information is given to the extent information available with the Company and relied upon by the auditors.

17. OTHER CURRENT FINANCIAL LIABILITIES

	As at March 31, 2019	As at March 31, 2018
Current maturities of long-term debt (Refer note 13)	**217,434**	194,576
Other payables		
Deposits payable	**590,568**	577,464
Employee liabilities	**24**	24
Other payables	**12,501**	10,350
Total	**820,527**	782,414

18. OTHER CURRENT LIABILITIES

	As at March 31, 2019	As at March 31, 2018
Other payables	**13,431**	11,914
Total	**13,431**	11,914

19. PROVISIONS

	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits (Refer note 27)		
Gratuity (unfunded)#	–	–
# as at March 31, 2019 ₹ 38 (Previous year – ₹ 22)		
Compensated absences (unfunded)	**3**	3
Total	**3**	3

	For the year ended March 31, 2019	For the year ended March 31, 2018
20. REVENUE FROM OPERATIONS		
Rent income (Refer note 28)	**712,755**	670,101
Total	**712,755**	670,101
21. OTHER INCOME		
Interest Income	**759,717**	659,798
Fair valuation of debentures	**142,003**	212,940
Fair valuation of Optionally Convertible Cumulative Redeemable Preference Shares	**27,701**	–
Profit on sale of fixed assets	**102**	–
Miscellaneous income (Refer note below)	**152**	1,105
Total	**929,675**	873,843

Note:

Miscellaneous income to the extent of ₹ 43 thousand (Previous year – ₹ 1,105 thousand) is on account of liabilities no more payable.

	For the year ended March 31, 2019	For the year ended March 31, 2018
22. EMPLOYEE BENEFITS EXPENSES		
Salaries and wages (Refer note 27)	**852**	586
Contribution to provident and other funds (Refer note 27)	**28**	22
Staff welfare expenses	**1**	187
Total	**881**	795
23. FINANCE COSTS		
Interest Expenses on:		
term loans	**257,292**	249,850
others	**1,176**	4,886
Other borrowing costs	**308**	2,221
Total	**258,776**	256,957
24. OTHER EXPENSES		
Travelling and conveyance	**120**	96
Power and fuel	**7,690**	5,688
Rent	**100**	100
Rates and taxes	**16,431**	16,202
Repairs and maintenance:		
Building	**1,465**	951
Others	**5,146**	5,956
Insurance	**1,715**	1,602
Provision for doubtful debts	**12**	187
Legal and professional charges	**7,409**	5,838
Security services	**5,444**	3,744
Secretarial expenses	**1,288**	1,544
Loss on conversion of Optionally Convertible Redeemable Debentures	**357,192**	281,008
Miscellaneous expenses (Refer note below)	**2,541**	2,561
Total	**406,553**	325,477

Note:
Payment to auditors included in Miscellaneous expenses

Audit fees	**615**	763
Other services	**100**	300
Out of pocket expenses	**35**	35
Total	**750**	1,098

Payment to Auditors includes ₹ Nil (Previous year – ₹ 350 thousand) being differential fees pertaining to FY 2016-17.

	For the year ended March 31, 2019	For the year ended March 31, 2018
25. INCOME TAXES		
(a) Amounts recognised in profit or loss		
Current income tax expense	**126,122**	111,231
Tax balances written off (net)	**–**	960
Deferred income tax liability/(asset), net		
Origination and reversal of temporary differences (including MAT credit entitlement)	**143,870**	150,325
Decrease in Indian corporate tax rate resulting in decrease in opening deferred tax asset	**62,471**	4,754
Deferred tax expense	**206,341**	155,079
Total tax expense	**332,463**	267,270
(b) Amount recognised in other comprehensive income		
Items that will not be reclassified to profit or loss		
Re-measurement of the defined benefit plans – (charge)/credit	**1**	(1)
Fair value on equity instruments – (charge)/credit	**–**	(96,120)
Total	**1**	(96,121)
(c) Reconciliation of effective tax rate		
Profit before tax (a)	**952,367**	938,438
Tax using the Company's domestic tax rate (Current year – 29.120% and Previous year – 34.608%)	**277,329**	324,775
Tax effect of:		
Deductions admissible under Section 24 and 25 of the Income Tax Act, 1961	**(64,552)**	(86,790)
Expenses not deductible for tax purposes	**21,743**	24,392
Items on which no tax is payable	**75**	382
Rate difference on taxable profits/loss	**3,008**	8,305
Decrease in Indian corporate tax rate resulting in decrease in opening deferred tax asset	**62,471**	(4,754)
Disallowance under Section 14A	**32,389**	–
Tax balances written off	**–**	960
Tax expense as per profit or loss (b)	**332,463**	267,270
Effective tax rate for the year (b)/(a)	**34.91%**	28.48%

Note:

The increase in tax rate is on account of reversal of opening deferred tax asset due to change in the corporate tax rate from 34.608% to 29.120%.

(c) Movement in deferred tax balances

Particulars					**As at March 31, 2019**		
	Net balance April 01, 2018	**Recognised in profit or loss**	**Recognised in OCI**	**MAT utilisation**	**Net deferred tax asset/(liability)**	**Deferred tax asset**	**Deferred tax liability**
Investments	(165,057)	12,031	–	–	**(153,026)**	–	**(153,026)**
Borrowings	–	–	–	–	–	–	–
Loans given	628,643	(299,197)	–	–	**329,446**	**329,446**	–
Debentures	(253,814)	81,860	–	–	**(171,954)**	–	**(171,954)**
Lease rent	14,775	(1,035)	–	–	**13,740**	**13,740**	–
Employee Benefits	–	–	1	–	**1**	–	**1**
MAT Credit	72,313	–	–	(13,662)	**58,651**	**58,651**	–
Tax assets/(Liabilities)	**296,860**	**(206,341)**	**1**	**(13,662)**	**76,858**	**401,837**	**(324,979)**

Particulars					As at March 31, 2018		
	Net balance April 01, 2017	Recognised in profit or loss	Recognised in OCI	MAT utilization	Net deferred tax asset/(liability)	Deferred tax asset	Deferred tax liability
Investments	(85,547)	16,610	(96,120)	–	(165,057)	–	(165,057)
Borrowings	(5,310)	5,310	–	–	–	–	–
Loans given	828,905	(200,262)	–	–	628,643	628,643	–
Debentures	(250,257)	(3,557)	–	–	(253,814)	–	(253,814)
Lease rent	1,337	13,438	–	–	14,775	14,775	–
MAT Credit	58,931	13,382	–	–	72,313	72,313	–
Tax assets/(Liabilities)	548,059	(155,079)	(96,120)	–	296,860	715,731	(418,871)

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

During the year, the Company has utilised tax credit in respect of Minimum Alternative Tax (MAT credit) of ₹ 13,662 thousand (March 31, 2018 : ₹ Nil)

Given that the Company does not have any intention to dispose investments in subsidiary in the forseeable future, deferred tax asset on indexation benefit in relation to such investments has not been recognised.

	For the year ended March 31, 2019	For the year ended March 31, 2018
26. EARNINGS PER SHARE (EPS)		
The calculations of earnings per share (EPS) (basic and diluted) are based on the earnings and number of shares as computed below:		
Reconciliation of earnings		
Profit after tax	**619,904**	671,168
Net profit for calculation of Basic/Diluted EPS	**619,904**	671,168
Reconciliation of number of shares	**35,436,472**	35,436,472
Weighted average number of shares in calculating Basic/Diluted EPS	**35,436,472**	35,436,472
Earnings per share (nominal value ₹ 10 each)		
Earnings per share – Basic/Diluted in ₹	**17.49**	18.94

27. EMPLOYEE BENEFITS

		For the year ended March 31, 2019 Gratuity (Non-funded)	For the year ended March 31, 2018 Gratuity (Non-funded)
(A)	**Defined benefit plans –**		
I.	**Expenses recognised in profit or loss during the year**		
	1. Current Service cost	**7**	13
	2. Interest cost	**1**	1
	Total Expenses	**8**	14
II.	**Expenses recognised in Other Comprehensive Income**		
	1. Actuarial changes arising from changes in demographic assumptions	**–**	–
	2. Actuarial changes arising from changes in financial assumptions	**0.3**	(1)
	3. Actuarial changes arising from changes in experience adjustments	**2**	2
	Total Expenses	**2**	1
III.	**Net Asset/(Liability) recognised as at balance sheet date**		
	1. Present value of defined benefit obligation	**25**	15
	2. Net Asset/(Liability)	**(25)**	(15)
IV.	**Reconciliation of Net Asset/(Liability) recognised as at balance sheet date**		
	1. Net Asset/(Liability) at the beginning of year	**(15)**	–
	2. Expense as per I and II above	**(10)**	(15)
	3. Employer contributions	**–**	–
	4. Liability settled on resignation of the employee	**–**	–
	5. Excess provision written back	**–**	–
	6. Net Asset/(Liability) at the end of the year	**(25)**	(15)
V.	**Maturity profile of defined benefit obligation**		
	Within the next 12 months (next annual reporting period)	**0.04**	0.02
	Between 2 and 5 years	**11**	5
	Between 6 and 10 years	**3**	1
	Beyond 10 years	**97**	63
VI.	**Quantitative sensitivity analysis for significant assumptions:**		
	1. Increase/(decrease) on present value of defined benefit obligation at the end of the year		
	(i) One percent point increase in discount rate	**(4)**	(2)
	(ii) One percent point decrease in discount rate	**5**	3
	(iii) One percent point increase in rate of salary increase	**5**	3
	(iv) One percent point decrease in rate of salary increase	**(4)**	(2)
	(v) One percent point increase in attrition rate	**(0.6)**	(0.5)
	(vi) One percent point decrease in attrition rate	**0.6**	0.5
	2. Sensitivity analysis method The Sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.		
VII.	**Actuarial Assumptions**		
	1. Discount rate	**7.79%**	7.87%
	2. Expected rate of salary increase	**8.00%**	8.00%
	3. Attrition rate	**1.00%**	1.00%
	4. Mortality	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)
VIII.	**Expected contribution to the plan for the next annual reporting period**	**10**	9

Notes: (a) Amounts recognised as an expense and included in the Note 22 – "Salaries and wages": Gratuity ₹ 10 thousand (Previous year – ₹ -9 thousand) and Compensated absence ₹ 25 thousand (Previous year – ₹ -9 thousand).

(b) Actuarial valuation was worked out considering attrition rate and estimates of future salary increase taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(c) The plan above is typically exposed to actuarial risk such as interest risk, Mortality risk, Asset Liability Matching risk (ALM) and salary risk

- Interest risk: The decrease in the G. Sec. interest rate will increase the liability.
- Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longetivity risk.
- ALM risk: The plan faces the ALM risk as to the matching cash flow. The Company has to manage payout based on the pay as you go basis from own funds.
- Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(d) The Company had provided for gratuity and compensated absence based on actuarial valuation done as per Projected Unit Credit Method.

(B) Defined contribution plan –

Amount recognised as an expense and included in the Note 22 – "Contribution to provident and other funds" ₹ 28 thousand (Previous year – ₹ 22 thousand).

28. LEASES

A. Operating leases

Leases as lessor

The Company has given on operating lease certain office and factory premises. These leave and license agreements are for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms. The Company has taken refundable interest free security deposits in accordance with the agreed terms. Future lease rentals receivable are as follows:

	March 31, 2019			
	For the year	Not later than one year	Later than one year and not later than five years	Later than five years
Lease Rent Receivable	**707,227**	**773,925**	**304,388**	**–**
(Previous year)	655,621	648,114	675,787	–

B. Finance leases

Leases as lessee

The Company has entered into a finance lease for land for a period of 80 years. Except for the initial payment there are no material annual payments for the aforesaid lease. Refer Note 2 for the carrying amount.

29. FINANCIAL INSTRUMENTS

Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value.

March 31, 2019	Carrying amount				Total Fair value	Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets									
Non-current investments	3,900,415	2,084,173	–	5,984,588	5,984,588	–	–	5,984,588	5,984,588
Loans – non-current	–	–	2,550,613	2,550,613	6,137,396	–	6,137,396	–	6,137,396
Trade receivables	–	–	25,155	25,155	25,155	–	–	–	–
Cash and cash equivalents	–	–	32,220	32,220	32,220	–	–	–	–
Other bank balances	–	–	185,086	185,086	185,086	–	–	–	–
Other current financial assets			4,313	4,313	4,313				
Total	**3,900,415**	**2,084,173**	**2,797,387**	**8,781,975**	**12,368,758**	**–**	**6,137,396**	**5,984,588**	**12,121,984**
Financial liabilities									
Borrowings	–	–	2,882,124	2,882,124	2,882,124	–	2,882,124	–	2,882,124
Trade payables	–	–	2,411	2,411	2,411	–	–	–	–
Other financial liabilities	–	–	603,094	603,094	603,094	–	–	–	–
Total	**–**	**–**	**3,487,629**	**3,487,629**	**3,487,629**	**–**	**2,882,124**	**–**	**2,882,124**

March 31, 2018	Carrying amount				Total Fair value	Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets									
Non-current investments	2,561,349	1,423,516	–	3,984,865	3,984,865	–	–	3,984,865	3,984,865
Loans – non-current	–	–	5,564,307	5,564,307	5,993,116	–	5,993,116	–	5,993,116
Other non-current financial assets	–	–	131,900	131,900	131,900	–	–	–	–
Trade receivables	–	–	268,067	268,067	268,067	–	–	–	–
Cash and cash equivalents	–	–	809,696	809,696	809,696	–	–	–	–
Other bank balances	–	–	976,426	976,426	976,426	–	–	–	–
Other current financial assets	–	–	10,317	10,317	10,317	–	–	–	–
Total	**2,561,349**	**1,423,516**	**7,760,713**	**11,745,578**	**12,174,387**	–	**5,993,116**	**3,984,865**	**9,977,981**
Financial liabilities									
Borrowings	–	–	3,014,576	3,014,576	3,014,576	–	3,014,576	–	3,014,576
Trade payables	–	–	3,439	3,439	3,439	–	–	–	–
Other financial liabilities	–	–	587,838	587,838	587,838	–	–	–	–
Total	–	–	**3,605,853**	**3,605,853**	**3,605,853**	–	**3,014,576**	–	**3,014,576**

B. Measurement of fair values

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

– Long term material variable rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customers and risk characteristics. Based on this evaluation, allowances are taken into account for the expected credit losses of the receivables.

– The fair values of the loans taken from banks and other parties estimated by discounting cash flows using rates currently available for debt/instruments on similar terms, credit risks and remaining maturities. These valuations requires management to use certain unobservable inputs to be disclosed in the table below. Management regularly assesses a range of reasonably possible alternatives for those significant observable inputs and determines their impact on the total fair value.

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant inputs used.

Financial instruments measured at fair value

Type	**Valuation technique**	**Significant unobservable inputs**	**Inter-relationship between significant unobservable inputs and fair value measurement**
Non-current Investments – Investment in Optionally Convertible Redeemable Debentures	Discounted cash flow technique: The valuation model considers present value of expected payments discounted using an appropriate discounting rate.	(i) Risk adjusted discount rate of 12% (ii) Discounted cash inflows	The estimated fair value would increase/(decrease) if: – the risk adjusted discount rate were lower/(higher) – the cash inflows were higher/(lower)
Non-current Investments – Investments in Optionally Convertible Cumulative Redeemable Preference Shares	Discounted cash flow technique: The valuation model considers present value of expected payments discounted using an appropriate discounting rate.	(i) Risk adjusted discount rate of 8.75% (ii) Discounted cash inflows	
Non-current Investments – Investment in Unquoted Equity Instruments	Discounted cash flow technique: The valuation model considers present value of expected payments discounted using an appropriate discounting rate.	(i) EBITDA margins based on average EBITDA margin (ii) Terminal growth rate based on the Company's long term sustainable growth rate potential (iii) Weighted average cost of capital of 14%	The estimated fair value would increase/(decrease) if: – the EBITDA margin were higher/(lower) – the terminal growth rate were higher/(lower) or; – the weighted average cost of capital were lower/(higher)
Non-current financial assets measured at amortised cost/ long-term borrowings	Discounted cash flow technique: The valuation model considers present value of expected payments discounted using an appropriate discounting rate.	Not applicable	

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company has defined and adopted a Risk Management Policy, which not only assesses the risks but also helps in timely ratification and minimisation of these risks associated with strategic, operational, financial and compliance operations across all business operations. These control procedures and systems ensure that the Board is periodically informed on the material risks faced by the Company and the steps taken by the Company to alleviate those risks. At present, in the opinion of the Board of Directors, there are no risks which may threaten the existence of the Company.

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

As on March 31, 2019 and March 31, 2018, the Company did not have any significant concentration of credit risk with any external customers (i.e. customers other than entities over which Individuals having direct or indirect control over the Company, have significant influence/control).

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

	Net Carrying amount	
	As at March 31, 2019	As at March 31, 2018
Neither past due not impaired	–	–
Past due not impaired		
Past due 1-180 days	**23,474**	27,105
Past due 181-365 days	**270**	3,727
More than 365 days	**1,411**	237,235
	25,155	268,067

Expected credit loss assessment for customers as at the balance sheet date

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

Balance as at April 01, 2017	72
Impairment loss recognised	187
Amounts written off	–
Balance as at March 31, 2018	259
Impairment loss recognised	12
Amounts written off	–
Balance as at March 31, 2019	**271**

Cash and bank balances

The Company held cash and bank balances of ₹ 217,306 thousand (Previous year – ₹ 1,786,122 thousand). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

Others

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities. The Company monitors the net liquidity position through forecasts on the basis of expected cash flows.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Exposure to liquidity risk

March 31, 2019	**Carrying amount**	**Contractual cash flows**				
		Total	**Upto 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Borrowings	**2,882,124**	**4,118,719**	514,377	995,591	1,112,516	1,496,235
Trade payables	**2,411**	**2,411**	2,411	–	–	–
Deposits payable	**590,568**	**590,568**	590,568	–	–	–
Employee liabilities	**24**	**24**	24	–	–	–
Other payables	**12,501**	**12,501**	12,501	–	–	–

March 31, 2018	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	3,014,576	4,404,558	448,659	884,513	1,009,600	2,061,786
Trade payables	3,439	3,439	3,439	–	–	–
Deposits payable	577,464	577,464	577,464	–	–	–
Employee liabilities	24	24	24	–	–	–
Other payables	10,350	10,350	10,350	–	–	–

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and other prices such as equity price. These will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. Financial instruments affected by market risk include loans, borrowings and deposits. The Market risk the Company is exposed can be classified as Currency risk and Interest rate risk. The Company does not have any currency risk.

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

	Nominal amount	
	As at March 31, 2019	As at March 31, 2018
Variable-rate instruments		
Financial liabilities	**2,827,434**	3,014,576
	2,827,434	3,014,576

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, remain constant.

	Impact on Profit/(loss) Increase/(Decrease) in Profit	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Variable-rate instruments		
100 bp increase	**(28,050)**	(30,146)
100 bp decrease	**28,050**	30,146

30. CAPITAL MANAGEMENT

The Company's capital management is intended to create value for stakeholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual and long-term strategic plans. The Company's policy is aimed at combination of short-term and long-term borrowings.

The Company monitors the capital structure on the basis of 'adjusted net debt' to 'adjusted equity'. For this purpose adjusted net debt is defined as total liabilities comprising loans and borrowings and obligations under finance lease, less cash and cash equivalents, Bank balance and current investments. Adjusted equity comprises Total equity.

The following table summarises the capital of the Company:

	As at March 31, 2019	As at March 31, 2018
Total liabilities	**2,827,434**	3,014,576
Less: Cash and cash equivalent and other bank balances	**217,306**	1,786,122
Adjusted net debt	**2,610,128**	1,228,454
Total equity	**10,047,739**	9,427,836
Adjusted equity	**10,047,739**	9,427,836
Adjusted net debt to adjusted equity ratio	**0.26**	0.13

31. RELATED PARTY TRANSACTIONS (as per Ind AS 24)

(a) Parties where control exists

Holding Company

Khorakiwala Holdings and Investments Private Limited

Subsidiary Company

Banneret Trading Private Limited

Individuals having direct or indirect control over the Company

H. F. Khorakiwala

Relative of Individual having direct or indirect control over the Company

Ms Zahabiya Khorakiwala

Entities having direct or indirect control over the Company

Habil Khorakiwala Trust – Themisto Trustee Company Private Limited holds shares in the Holding Company in its capacity as the trustee of Habil Khorakiwala Trust.

Enterprises over which Individuals having direct or indirect control over the Company, have significant influence/control-related parties where transactions have taken place during the year/balances outstanding as on the balance sheet date.

Wockhardt Hospitals Limited

Merind Limited

Wockhardt Limited

Key Managerial Personnel

G.B. Parulkar – Managing Director

Shahnawaz Khan – Director (Resigned on April 30, 2018)

Stephen D'Souza – Non Executive Non Independent Director

Vijaya Nair – Independent Director

Akhtar Shamsi – Independent Director

Neeraj Jain – Non Executive Non Independent Director (w.e.f. April 25, 2018)

		For the year ended March 31, 2019	For the year ended March 31, 2018
(b)	**Transactions with related parties during the year**		
	Holding Company		
	Rent paid	**100**	100
	Subsidiary Company		
	Loan given	**528**	1
	Interest income	**31**	1
	Transactions with enterprises over which Individuals having direct or indirect control over the Company, having significant influence		
	(All the amounts mentioned below for the disclosure are the contractual amounts based on the arrangement with respective parties)		
	Rent received from Wockhardt Limited	**708,809**	699,568
	Recovery of Electricity Charges from Wockhardt Limited	**17,785**	17,834
	Advance received from Wockhardt Limited	**50,511**	–
	Advance repaid to Wockhardt Limited	**50,511**	–
	Advance paid to Wockhardt Hospitals Limited	**469,600**	–
	Recovery of Expenses from Wockhardt Hospitals Limited	**1,052**	–
	Security Deposit paid on behalf of Wockhardt Hospitals Limited	**900**	–
	Interest Income from Wockhardt Hospitals Limited	**17,611**	–
	Advance and Interest on Advance adjusted against Investment in 0.1% Optionally Convertible Cummulative Redeemable Preference Shares	**487,211**	–
	Investment in 0.1% Optionally Convertible Cumulative Redeemable Preference Shares	**2,187,211**	–
	Interest income from Holmdene Constructions	**1**	1
	Loan given to Holmdene Constructions	**1**	1
	Loan repaid by Holmdene Constructions	**200**	–
	Loss on conversion of Optionally Convertible Redeemable Debentures of Wockhardt Hospitals Limited	**357,192**	281,008
	In accordance with the terms of debenture issue, during the year, 740 (Previous year – 665) Optionally Convertible Redeemable Debentures of Wockhardt Hospitals Limited of ₹ 1,000,000 each have been converted into 5,374,001 (Previous year – 4,829,338) Equity Shares.		
(c)	**Managerial remuneration to Managing Director**	**300**	300
(d)	**Director's sitting fees paid**	**39**	31
	[Akhtar Shamsi ₹ 11 thousand (Previous year – ₹ 7 thousand), Shahnawaz Khan ₹ Nil (Previous year – ₹ 9 thousand), Stephen D'Souza ₹ 10 thousand (Previous year – ₹ 8 thousand), Vijaya Nair ₹ 9 thousand (Previous year – ₹ 7 thousand), Neeraj Jain ₹ 9 thousand (Previous year – ₹ Nil)]		
(e)	**Related party balances outstanding** (All the amounts mentioned below for the disclosure are the contractual amounts based on the arrangement with respective parties. Where such amounts are different from carrying amounts as per requirements of Ind AS, their carrying amounts have been disclosed separately.)		
	Payable to Holding Company	**49**	10
	Receivable from Subsidiary – Transaction Value	**7,363,364**	7,362,838
	[Carrying value: ₹ 6,232,026 thousand (Previous year – ₹ 5,563,827 thousand)]		
	Security deposit payable to Wockhardt Limited	**555,000**	555,000
	Receivable from Enterprises where significant influence exists (Net of Provision)	**56,337**	297,646
	[Holmdene Constructions ₹ 268 thousand (Previous year – ₹ 467 thousand); Wockhardt Limited ₹ 56,069 thousand (Previous year – ₹ 297,179 thousand)]		
	Payable to Enterprises where significant influence exists – Transaction value	**54,936**	55,127
	[[Merind Limited ₹ 54,690 thousand (Previous year – ₹ 54,690 thousand); Wockhardt Hospitals Limited ₹ 246 thousand (Previous year – 437 thousand)		
	Managerial remuneration and expense reimbursement payable to Key managerial personnel	**300**	300
	Director's sitting fees payable	**35**	25
	[Akhtar Shamsi ₹ 9 thousand (Previous year – ₹ 6 thousand), Shahnawaz Khan ₹ Nil, (Previous year – ₹ 7 thousand), Stephen D'Souza ₹ 8 thousand (Previous year – ₹ 7 thousand), Vijaya Nair ₹ 9 thousand (Previous year – ₹ 5 thousand), Neeraj Jain ₹ 9 thousand, (Previous year – ₹ Nil)]		

32. SUBSEQUENT EVENTS

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

33. SEGMENT INFORMATION

The Company is only into one segment 'Renting of Immovable property segment'.

34. INFORMATION PERTAINING TO LOANS AND GUARANTEES GIVEN (UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013) –

Name of the Entity	Outstanding as at the beginning of the year	Given during the year	Repaid during the year	*Adjustments	Closing at the end of the year	Purpose
Banneret Trading Private Limited	**7,362,838**	**528**	–	–	**7,363,366**	General purpose
(Previous year)	7,362,837	1	–	–	7,362,838	
Sharanya Chemicals and Pharmaceuticals Private Limited*	**16,064**	–	–	**16,064**	–	General purpose
(Previous year)	16,064	–	–	16,064	–	
Holmdene Construction	**467**	**1**	**200**	–	**268**	General purpose
(Previous year)	466	1	–	–	467	

* Loan given to Sharanya Chemicals and Pharmaceuticals Private Limited has been fully provided for in earlier year.

Note: Refer Note 4 for the investments made by the Company. Further all the amounts mentioned above are the contractual amounts based on the arrangements with the respective parties.

35. CONTINGENT LIABILITY AND COMMITMENTS

(a) Demands for ₹ 410 thousand (Previous year – ₹ 410 thousand) have been raised by Sales Tax Authorities. The Company has filed appeals against the said demands.

(b) Demand by Income tax authorities ₹ 300,430 thousand (Previous year – ₹ 185,276 thousand) disputed by the Company.

(c) Claims against the Company not acknowledged as debt pertaining to interest ₹ 5,897 thousand (Previous year – ₹ 2,527 thousand).

36. Reconciliation of the opening and closing balances of liabilities arising from Financing activities:

Particulars	Balance as on March 31, 2019	Balance as on April 01, 2018	Non cash changes	Cash flows - inflow/(Outflow)
			Ind AS/ Reclassification adjustments	
Borrowings (Net)	**2,882,124**	**3,014,576**	**22,434**	**(154,886)**
Previous year	3,014,576	2,039,817	15,345	959,414

37. On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit and Loss. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 01, 2019.

The Company continues to evaluate the impact of the New Lease Standard on the lease arrangements and shall determine the appropriate transition option once the said evaluation is completed.

38. Previous year figures have been regrouped where necessary to conform to current year's presentation.

For and on behalf of the Board of Directors

Dr. G. B. Parulkar
Managing Director
DIN: 00015668

Neeraj Jain
Director
DIN: 08118877

Stephen D'Souza
Director
DIN: 00045812

Nikhil Malpani
Company Secretary
M.No. A20869

Ravi Shekhar Mitra
Chief Financial Officer

Place : Mumbai
Date : August 26, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of CAROL INFO SERVICES LIMITED

1. Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of Carol Info Services Limited ("the Company"), comprising of the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and placing reliance on audit reports on the separate financial statements of the subsidiary, jointly recognised as "Group" that the aforesaid Consolidated 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 Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, and its consolidated profit, its consolidated cash flows and consolidated changes in equity for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the Consolidated 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 requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements are free from material misstatement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the information other than the Standalone Financial Statements and Auditor's Report thereon. The Other Information comprises the Directors' Report including Annexures to Directors' Report (collectively called as "Other Information") but does not include the Standalone Financial Statements and our auditor's report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated Ind AS financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Other Information, if, we conclude that there is a material misstatement therein, we are required to communicate the matters to those charged with governance.

3. Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of requirements of Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated state of affairs (Consolidated financial position), consolidated profit or loss (Consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated 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 Companies (Indian Accounting Standards) Rules, 2015 (as amended).

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

4. Auditor's Responsibility for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

5. Other Matters

We did not audit the financial statement of the subsidiary of the Company 'Banneret Trading Private Limited' whose financial statement reflects assets of ₹ 3,531,566 thousands and revenue of ₹ 301,884 thousands and net cash inflows amounting to ₹ 318 thousands. The financial statement of this subsidiary have been audited by other auditor, whose report has been furnished to us, and our opinion, in so far as it relates to amounts included in respect of such subsidiary, is based solely on the report of such other auditor.

6. Report on Other Legal and Regulatory Requirements

(i) As required by sub-section (3) of Section 143 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 of the aforesaid Consolidated Ind AS Financial Statements;

(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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015;

(e) On the basis of assertions made in the audit report of separate financial statement of the subsidiary company, and on the basis of written representations received from the directors of the Holding Company as on March 31, 2019 and taken on records by Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director of the respective company in terms Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197 of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

(h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

(i) The Group has disclosed the impact of pending litigations on its financial position in its Consolidated Ind AS Financial Statements – Refer Note 36 to the Consolidated Ind AS Financial Statements;

(ii) The Group has made provision, as required under the applicable law or Indian Accounting Standards, for material forseeable losses, if any, on long term contracts including derivative contracts;

(iii) During the year there has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Group.

For M. P. Chitale & Co
Chartered Accountants
Firm Regn No. 101851W

Ashutosh Pednekar
Partner
ICAI M. No. 41037
UDIN: 19041037AAAABH3392

Place : Mumbai
Date : August 26, 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF CAROL INFO SERVICES LIMITED

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

In conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of **Carol Info Services Limited** (hereinafter referred to as "the Holding Company") and its subsidiary company, **Banneret Trading Private Limited**, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the of the Holding company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies 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 the respective company's policies, the safeguarding of their 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 these internal financial controls over financial reporting based on our audit. We have placed reliance on the audit reports issued by the auditor of the subsidiary company, referred to, in the paragraph on 'Other Matters' stated below and on the basis of such reliance, we have conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the ICAI 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 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.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in the paragraph on 'Other Matters' below, is sufficient and appropriate to provide a basis for our audit opinion on the Groups internal financial control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, and placing reliance on the audit report on the "Internal Financial Control over Financial Reporting" issued by the auditors of the subsidiary company, which are companies incorporated in India, the Group in all material respects, have an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective Companies in the Group 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.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to the subsidiary company is based on the corresponding report of the auditors of such company incorporated in India.

For M. P. Chitale & Co
Chartered Accountants
Firm Regn No. 101851W

Ashutosh Pednekar
Partner
ICAI M. No. 41037
UDIN: 19041037AAAABH3392

Place : Mumbai
Date : August 26, 2019

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

(All amounts in Thousand of Indian Rupees unless otherwise stated)

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	2	**154,491**	162,101
Capital work-in-progress	2	–	–
Intangible assets	3	**57**	57
Investment Property	3	**658,717**	674,960
Financial Assets			
Other Investments	4	**8,309,788**	7,221,671
Loans	5	**268**	467
Others	6	–	131,900
Non-current tax assets (net)		**488,716**	452,567
Other non-current assets	7	**6,175**	5,193
		9,618,212	8,648,916
CURRENT ASSETS			
Financial Assets			
Trade receivables	8	**25,155**	268,067
Investments	9	**1,205,980**	–
Cash and cash equivalents	10a	**32,595**	809,755
Bank balances (other than above)	10b	**185,086**	976,426
Others	11	**4,313**	10,317
Other current assets	12	**6,966**	6,853
		1,460,095	2,071,418
TOTAL		**11,078,307**	10,720,334
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13	**354,365**	354,365
Other equity		**6,544,289**	6,019,806
		6,898,654	6,374,171
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	14	**2,659,601**	2,867,648
Deferred tax liabilities (net)	27	**322,033**	382,063
Provisions	15	**81**	63
		2,981,715	3,249,774
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	16	**54,690**	–
Trade payables	17		
Due to Micro enterprises and Small enterprises		–	–
Due to Others		**2,411**	3,439
Other financial liabilities	18	**820,615**	782,490
Other current liabilities	19	**13,433**	11,914
Liabilities for current tax (net)		**306,786**	298,543
Provisions	20	**3**	3
		1,197,938	1,096,389
TOTAL		**11,078,307**	10,720,334
Significant accounting policies	1(C)		

The accompanying notes form an integral part of these Financial Statements

As per our attached report of even date

For and on behalf of the Board of Directors

For M. P. Chitale & Co.
Chartered Accountants

Dr. G. B. Parulkar
Managing Director
DIN: 00015668

Neeraj Jain
Director
DIN: 08118877

Stephen D'Souza
Director
DIN: 00045812

Ashutosh Pednekar
Partner

Nikhil Malpani
Company Secretary
M.No. A20869

Ravi Shekhar Mitra
Chief Financial Officer

Place : Mumbai
Date : August 26, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in Thousand of Indian Rupees unless otherwise stated)

	Notes	**For the year ended March 31, 2019**	For the year ended March 31, 2018
REVENUE			
Revenue from operations	21	**712,755**	670,101
Other income	22	**563,871**	553,703
TOTAL		**1,276,626**	1,223,804
EXPENSES			
Employee Benefits Expenses	23	**911**	825
Finance costs	24	**260,728**	265,064
Depreciation, Amortisation and Impairment Expense	2,3	**23,853**	22,277
Other Expenses	25	**406,708**	325,535
TOTAL		**692,200**	613,701
PROFIT BEFORE TAX		**584,426**	610,103
Tax expense:	27		
Current tax – MAT payable		**(133,634)**	(116,189)
– Tax balances written off (net)		–	(960)
Deferred tax credit/(charge)		**73,691**	36,058
PROFIT AFTER TAX BEFORE OTHER COMPREHENSIVE INCOME		**524,483**	529,012
Other Comprehensive Income			
Items that will not be reclassified to profit or loss – (charge)/credit			
– Re-measurement of net defined benefit (liability)/asset		**(2)**	(1)
Tax on the above		**1**	–
– Fair value gain/(loss) on equity instruments		–	409,036
Tax on the above		–	(96,120)
		(1)	312,915
TOTAL COMPREHENSIVE INCOME		**524,482**	841,927
Earnings per equity share of face value of ₹ 10 each			
Basic and diluted earnings per share in ₹	26	**14.80**	14.93
Significant accounting policies	1(C)		

The accompanying notes form an integral part of these Financial Statements

As per our attached report of even date

For and on behalf of the Board of Directors

For M. P. Chitale & Co.
Chartered Accountants

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DIN: 00015668

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Ravi Shekhar Mitra
Chief Financial Officer

Place : Mumbai
Date : August 26, 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in Thousand of Indian Rupees unless otherwise stated)

Equity Share Capital

	As at April 01, 2017	Changes in equity share capital during the year	As at March 31, 2018	Changes in equity share capital during the year	As at March 31, 2019
	354,365	–	354,365	–	**354,365**

Other Equity

	Reserves and Surplus						Other Comprehensive Income		Total Equity
	Capital Reserve	Securities Premium Account	Capital Redemption Reserve	Deemed distribution	General Reserve	Surplus (Profit and loss balance) - Refer note 1 below	Re-measurement of net defined benefit (liability)/ asset	Net gain/ (loss) on Fair value of equity instruments	
Balance at April 01, 2017	**158,622**	**2,716,000**	**297,500**	**(5,068,670)**	**1,216,889**	**5,572,304**	**–**	**285,234**	**5,177,879**
Profit for the year	–	–	–	–	–	529,012	–	–	529,012
Other comprehensive income for the year	–	–	–	–	–	–	–	312,915	312,915
Balance at March 31, 2018	**158,622**	**2,716,000**	**297,500**	**(5,068,670)**	**1,216,889**	**6,101,316**	**–**	**598,149**	**6,019,806**
Profit for the year	–	–	–	–	–	524,483	–	–	524,483
Other comprehensive income for the year	–	–	–	–	–	1	(1)	–	–
Balance at March 31, 2019	**158,622**	**2,716,000**	**297,500**	**(5,068,670)**	**1,216,889**	**6,625,800**	**(1)**	**598,149**	**6,544,289**

Notes:

1) Surplus (Profit and loss balance) as on Balance sheet date includes ₹ 13,757 thousand being the difference between interest free loan taken from an entity over which Individuals having direct or indirect control over the Company, have significant influence/control, and the fair value at inception with reference to the market rate.

2) Nature and purpose of reserves:

Capital reserve

Under Ind AS, preference shares have been measured at fair value at inception with reference to market rates and the difference to the extent pertaining to the promoter group have been recognised as capital reserve.

Securities premium

Securities premium is used to record the premium received on issue of shares. It shall be utilised in accordance with the provisions of the Companies Act, 2013.

Capital Redemption Reserve

Capital redemption reserve was created during redemption of preference shares out of the profits of the Company in accordance with the requirements of relevant statute.

Deemed distribution

Under Ind AS, investment in preference shares of related entities have been measured at fair value at inception with reference to market rates and the difference to the extent of the carrying amount and fair values have been recognised as capital contribution.

General Reserve

General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.

As per our attached report of even date

For and on behalf of the Board of Directors

For M. P. Chitale & Co.
Chartered Accountants

Dr. G. B. Parulkar
Managing Director
DIN: 00015668

Neeraj Jain
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Ashutosh Pednekar
Partner

Nikhil Malpani
Company Secretary
M.No. A20869

Ravi Shekhar Mitra
Chief Financial Officer

Place : Mumbai
Date : August 26, 2019

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in Thousand of Indian Rupees unless otherwise stated)

	For the year ended March 31, 2019	For the year ended March 31, 2018
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:		
Profit before tax	**584,426**	610,103
Adjustments for		
Depreciation, amortisation and impairment expense	**23,853**	22,277
Liabilities no more payable	**(43)**	(1,105)
Advances no more recoverable	**1,539**	190
Provision for doubtful debts	**12**	187
Finance costs	**260,728**	265,064
Interest Income	**(393,912)**	(339,658)
Profit on sale of fixed assets	**(102)**	–
Fair value of debentures	**(142,003)**	(212,940)
Fair valuation of Optionally Convertible Cumulative Redeemable Preference Shares	**(27,701)**	–
Loss on Conversion of Optionally Convertible Redeemable Debentures	**357,192**	281,008
Operating profit before Working Capital changes	**663,989**	625,126
Movement in working capital:		
(Increase)/Decrease in Trade Receivables	**242,900**	(30,225)
(Increase)/Decrease in Loans and Advances and Other assets	**(2,009)**	13,260
Increase/(Decrease) in Liabilities and Provisions	**15,818**	8,056
Cash Generated from Operations	**920,698**	616,217
Income taxes paid	**(148,479)**	(188,072)
Net cash from Operating Activities (A)	**772,219**	428,145
CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:		
Purchase of Fixed Assets and Additions to Capital work-in-progress	**(625)**	(123)
Proceeds from sale of Fixed Assets	**102**	–
Purchase of Investments (Net of refund)	**(2,169,604)**	–
Repayment by / (Loans to) companies / firms	**200**	–
Fixed deposits with maturity of more than 3 months	**923,240**	(428,619)
Interest received	**87,931**	55,610
Net cash used in Investing Activities (B)	**(1,158,756)**	(373,132)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES:		
Proceeds from borrowings	–	3,000,000
Repayment of borrowings	**(154,886)**	(2,040,586)
Finance costs paid	**(235,737)**	(240,895)
Dividend pertaining to earlier years paid	–	(754)
Net cash from/(used in) Financing Activities (C)	**(390,623)**	717,765
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(777,160)**	772,778
CASH AND CASH EQUIVALENTS, at beginning of year	**809,755**	36,977
CASH AND CASH EQUIVALENTS, at end of year	**32,595**	809,755
Component of Cash and Cash equivalents, at end of year		
Balance with banks:		
In current account	**32,442**	59,702
Deposit with maturity period less than 3 months	–	750,000
Cash in hand	**153**	53
Total	**32,595**	809,755

Notes:

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (Ind AS) 7 – "Cash Flow Statements".
2. All figures in bracket are outflow.
3. Income taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

As per our attached report of even date

For M. P. Chitale & Co.
Chartered Accountants

Ashutosh Pednekar
Partner

Place : Mumbai
Date : August 26, 2019

For and on behalf of the Board of Directors

Dr. G. B. Parulkar
Managing Director
DIN: 00015668

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Stephen D'Souza
Director
DIN: 00045812

Nikhil Malpani
Company Secretary
M.No. A20869

Ravi Shekhar Mitra
Chief Financial Officer

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in Thousand of Indian Rupees unless otherwise stated)

1A. BACKGROUND

Carol Info Services Limited ('CISL' or 'the Company') is a subsidiary of Khorakiwala Holdings and Investments Private Limited. The Company is engaged in renting of immovable property.

During the year 2012-13, the Company acquired all the shares of Banneret Trading Private Limited ('the subsidiary').

1B. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

I. Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

II. Basis of preparation

The Financial Statements have been prepared on accrual basis under the historical cost convention except that certain financial assets and liabilities that are measured at fair value in the statement of financial position.

The consolidated financial statements comprise the financial statements of the Company and its wholly owned subsidiary 'Banneret Trading Private Limited' (together constituting 'the Group'). The financial statement of the Subsidiary have been drawn upto the same reporting date as of the Company.

III. Principles of consolidation

Subsidiaries are all that are controlled by the Company. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Company.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealised gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee.

IV. Use of Estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires the management to make judgements and estimates about the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the judgements and estimates used in preparation of the Financial Statements are prudent and reasonable.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

<u>Critical judgements in applying accounting policies:</u>

The following are the critical judgements, apart from those involving estimations, that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(i) Leasehold land and building:

The Company has entered into several arrangements for lease of land/building from Government entities and other parties. Significant judgement is involved in assessing whether such arrangements are in the nature of finance or operating lease. In making such an assessment, the Company considers various factors which includes whether the present value of minimum lease payments amounts to at least substantially all of the fair value of lease assets, renewal terms, purchase option, sub-lease options etc. Based on evaluation of above factors, leases are evaluated on case to case basis for the purpose of classification as finance or operating lease.

<u>Key sources of estimation uncertainty:</u>

(i) Impairment of trade receivables:

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

(ii) Legal and other disputes:

The Company provides for anticipated settlement costs where an outflow of resources is considered probable and a reliable estimate may be made of the likely outcome of the dispute and legal and other expenses arising from claims against the Company. These estimates take into account the specific circumstances of each dispute and relevant external advice are inherently judgemental and could change substantially over time as new facts emerge and each dispute progresses.

1C. SIGNIFICANT ACCOUNTING POLICIES:

(a) Property, Plant and Equipment and Depreciation

I. Recognition and Measurement:

Items of Property, Plant and Equipment are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of Property, Plant and Equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Company incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in Statement of Profit and Loss. If significant parts of an item of Property, Plant and Equipment have different useful lives, then they are accounted for as separate items (major components) of Property, Plant and Equipment.

II. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Any gain or loss on disposal of an item of Property, Plant and Equipment is recognised in the Statement of Profit and Loss.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

III. Depreciation

Depreciation is provided, using the straight line method, pro rata to the period of use of assets, in accordance with the requirements of Schedule II of the Companies Act, 2013, based on the useful lives of the assets determined through technical assessment by the management. The estimated useful lives followed by the Company are as follows:

Assets	Estimated useful life
Leasehold land	over the period of lease
Buildings	30-60 years
Plant and Machinery	10-20 years
Furniture and Fixtures	10 years
Office Equipments	4-5 years
Information Technology Equipments	3 years
Vehicles	5 years

Components having useful lives different from the life of parent assets as stated above are depreciated over the useful life of the components. Fixed assets whose aggregate cost is ₹ 5,000 or less are depreciated fully in the year of acquisition.

(b) Impairment of assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss.

The recoverable amount is the greater of the fair value less cost of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. 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 for which the estimates of future cash flows have not been adjusted.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

(c) Foreign currency transactions/translations:

i) Transactions in foreign currencies are translated to the reporting currency at exchange rates at the dates of the transactions.

ii) Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the reporting currency at the exchange rate at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

iii) Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in the Statement of Profit and Loss in the period in which they arise.

(d) Financial Instruments

I. Financial assets

(i) Classification of financial assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Debt instruments at amortised cost:

A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instruments 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 FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in 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 other gains/(losses). Interest income from these financial assets is included in other income using the EIR method. The Company does not have any instruments classified as fair value through other comprehensive income (FVOCI).

Debt instruments measured 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 profit or 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.

Equity investments:

Investment in subsidiaries, associates and joint ventures are measured at cost.

All other equity investments which are in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

The Company does not have any equity investments classified as FVTPL.

(ii) Initial recognition and measurement

All financial assets are recognised initially at fair value and for those instruments that are not subsequently measured at FVTPL, plus/minus transaction costs that are attributable to the acquisition of the financial assets.

Trade receivables are carried at original invoice price and do not contain any significant financing component. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

(iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights 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 a 'pass-through' arrangement; and either:

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates whether it has transferred substantially all the risks and rewards of ownership. In such cases, the financial asset is derecognised. 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 assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

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

II. Financial Liabilities and equity instruments:

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(i) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(ii) Financial liabilities: - Classification:

Financial liabilities are classified as either 'at FVTPL' or 'other financial liabilities'. FVTPL liabilities consist of derivative financial instruments, wherein the gains/losses arising from remeasurement of these instruments is recognised in the Statement of Profit and Loss. Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

(iii) Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and for those instruments that are not subsequently measured at FVTPL, plus/minus transaction costs that are attributable to issue of these instruments.

(iv) 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 and Loss.

III. Fair value:

The Company determines the fair value of its financial instruments on the basis of the following hierarchy:

(a) Level 1: The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.

(b) Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

(c) Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

(e) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates items recognised directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured at the amount expected to be recovered from or paid to the taxation authorities, using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends if any.

Current tax assets and liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognised amounts; and

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

(f) Inventories

Inventories of stores and spare parts are valued at cost.

(g) Employee benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). Net interest expense/(income) on the net defined liability/(assets) is computed by applying the discount rate, used to measure the net defined liability/(asset). Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurement are recognised in Statement of Profit and Loss in the period in which they arise.

(h) Revenue recognition

Rental Income is recognised on time proportionate basis over the period of the agreement.

Revenues from services is recognised in accordance with the terms of the relevant agreement(s) as generally accepted and agreed with the customers, and when control transfers to such customers and the Company's performance obligations are satisfied.

(i) Leases

Determination of lease arrangement

An arrangement, which is not in the legal form of a lease, is accounted for as a lease, if:

a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and

b) the arrangement conveys a right to use the asset.

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If it is impracticable to separate the payments reliably, then a finance lease receivable is recognised at an amount equal to the fair value of the underlying asset; subsequently, the receivable is reduced as payments are made and a finance income is recognised using the interest rate implicit in the lease.

Finance Lease

Agreements are classified as finance leases, if substantially all the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

Assets given under finance leases are recognised as a receivable at an amount equal to the net investment in the lease. Finance income is allocated over the lease term on a systematic and rational basis. This income allocation is based on a pattern reflecting a constant periodic return on the net investment in the finance lease.

Minimum lease payments, for assets taken under finance lease, are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating Lease

Agreements which are not classified as finance leases are considered as operating lease.

Payments made under operating leases are recognised in Statement of Profit and Loss on a straight line basis, unless the escalation clauses are in line with the expected inflation at the inception of the respective lease.

(j) Financing/Borrowing cost

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs include interest costs measured at EIR and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, allocated to qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

All other borrowing costs are recognised as an expense in the period which they are incurred.

(k) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in the Notes. Contingent liabilities are disclosed for (1) possible obligations which will be confirmed only by future events not wholly within the control of the Company or (2) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the financial statements as this may result in the recognition of income that may never be realised. Contingent assets (if any) are disclosed in the notes to the financial statements.

(l) Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

(m) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(n) Operating cycle

All assets and liabilities have been classified as current or non-current as per each Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

2. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

A) The changes in the carrying amount of fixed assets for the year ended March 31, 2019 is as follows:

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION AND IMPAIRMENT				NET BLOCK
	As at 1.4.2018	Additions	Deductions/ Other Adjustments	**As at 31.3.2019**	As at 1.4.2018	For the year	Deductions/ Other Adjustments	**As at 31.3.2019**	**As at 31.3.2019**
Tangible Assets									
Freehold Land	274	–	–	**274**	–	–	–	–	**274**
Leasehold Land	154,999	–	–	**154,999**	7,910	2,634	–	**10,544**	**144,455**
Plant and Equipment	22,851	–	221	**22,630**	10,222	3,442	221	**13,443**	**9,187**
Furniture and Fixtures	6,772	–	–	**6,772**	4,820	1,417	–	**6,237**	**535**
Vehicles	111	–	111	–	111	–	111	–	–
Office Equipments	2,646	–	–	**2,646**	2,491	117	–	**2,608**	**38**
Information Technology Equipments	30	–	–	**30**	28	–	–	**28**	**2**
TOTAL	**187,683**	–	**332**	**187,351**	**25,582**	**7,610**	**332**	**32,860**	**154,491**
Capital Work-In-Progress	5,511	–	–	**5,511**	5,511	–	–	**5,511**	–
TOTAL	**193,194**	–	**332**	**192,862**	**31,093**	**7,610**	**332**	**38,371**	**154,491**

B) The changes in the carrying amount of fixed assets for the year ended March 31, 2018 is as follows:

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION AND IMPAIRMENT				NET BLOCK
	As at 1.4.2017	Additions	Deductions/ Other Adjustments	**As at 31.3.2018**	As at 1.4.2017	For the year	Deductions/ Other Adjustments	**As at 31.3.2018**	**As at 31.3.2018**
Tangible Assets									
Freehold Land	274	–	–	**274**	–	–	–	–	**274**
Leasehold Land	154,999	–	–	**154,999**	5,276	2,634	–	**7,910**	**147,089**
Plant and Equipment	22,653	198	–	**22,851**	7,074	3,148	–	**10,222**	**12,629**
Furniture and Fixtures	6,772	–	–	**6,772**	4,648	172	–	**4,820**	**1,952**
Vehicles	111	–	–	**111**	111	–	–	**111**	–
Office Equipments	2,646	–	–	**2,646**	1,638	853	–	**2,491**	**155**
Information Technology Equipments	30	–	–	**30**	28	–	–	**28**	**2**
TOTAL	**187,485**	**198**	–	**187,683**	**18,775**	**6,807**	–	**25,582**	**162,101**
Capital Work-In-Progress	5,511	–	–	**5,511**	5,511	–	–	**5,511**	–
TOTAL	**192,996**	**198**	–	**193,194**	**24,286**	**6,807**	–	**31,093**	**162,101**

Notes:

(a) Of the above, assets on which charge has been created (Refer note 14) amounts to ₹ 144,393 thousand (Previous year – ₹ 147,026 thousand)

(b) Out of the above assets, the following are the details of assets given on lease:

Assets given on lease	**As at March 31, 2019**			As at March 31, 2018		
	Gross Block	**Accumulated Depreciation**	**Net Block**	Gross Block	Accumulated Depreciation	Net Block
Furniture and fixtures	**5,758**	**5,702**	**56**	5,758	4,447	1,311
Office equipments	**2,604**	**2,604**	–	2,604	2,504	100
Plant and equipment	**21,735**	**13,413**	**8,322**	21,735	10,045	11,690
Vehicles*	–	–	–	–	–	–
TOTAL	**30,097**	**21,719**	**8,378**	30,097	16,996	13,101

* Gross value ₹ 985 thousand (Previous year – ₹ 985 thousand) and fully depreciated.

3. INTANGIBLE ASSETS

A) The changes in the carrying amount of Intangible assets for the year ended March 31, 2019 is as follows:

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION AND IMPAIRMENT				NET CARRYING AMOUNT
	As at 1.4.2018	Additions	Deductions/ Other Adjustments	**As at 31.3.2019**	As at 1.4.2018	For the year	Deductions/ Other Adjustments	**As at 31.3.2019**	**As at 31.3.2019**
Goodwill on consolidation	57	–	–	**57**	–	–	–	–	**57**
TOTAL	**57**	–	–	**57**	–	–	–	–	**57**

B) The changes in the carrying amount of Intangible assets for the year ended March 31, 2018 is as follows:

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION AND IMPAIRMENT				NET CARRYING AMOUNT
	As at 1.4.2017	Additions	Deductions/ Other Adjustments	**As at 31.3.2018**	As at 1.4.2017	For the year	Deductions/ Other Adjustments	**As at 31.3.2018**	**As at 31.3.2018**
Goodwill on consolidation	57	–	–	**57**	–	–	–	–	**57**
TOTAL	**57**	–	–	**57**	–	–	–	–	**57**

Note: Goodwill on consolidation is attributed to the subsidiary of the Company 'Banneret Trading Private Limited'.

3. INVESTMENT PROPERTY

The changes in the carrying amount of investment property is as follows:

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT
	As at 1.4.2018	Additions	Deductions/ Other Adjustments	**As at 31.3.2019**	As at 1.4.2018	For the year	Deductions/ Other Adjustments	**As at 31.3.2019**	**As at 31.3.2019**
Buildings	722,959	–	–	**722,959**	47,999	16,243	–	**64,242**	**658,717**
TOTAL	**722,959**	–	–	**722,959**	**47,999**	**16,243**	–	**64,242**	**658,717**

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT
	As at 1.4.2017	Additions	Deductions/ Other Adjustments	**As at 31.3.2018**	As at 1.4.2017	For the year	Deductions/ Other Adjustments	**As at 31.3.2018**	**As at 31.3.2018**
Buildings	722,959	–	–	**722,959**	32,529	15,470	–	**47,999**	**674,960**
TOTAL	**722,959**	–	–	**722,959**	**32,529**	**15,470**	–	**47,999**	**674,960**

Note: Of the above, assets on which charge has been created (Refer note 14) amounts to ₹ 571,253 thousand (Previous year – ₹ 584,722 thousand).

The Group's investment properties consists of office buildings rented out to third parties.

Information regarding Income and Expenditure of Investment Property

Particulars	**2018-19**	2017-18
Rental Income derived from Investment Properties	**712,755**	670,101
Less: Depreciation	**16,243**	15,470
Less: Other expenses	**37,750**	34,408
Profit arising from Investment Properties before indirect expenses	**658,762**	620,223

The fair value of the investment property as on March 31, 2019 is ₹ 5,715,566 thousand (Previous year – ₹ 4,723,874 thousand). These fair values of the investment property are categorised as level 2 in the fair valuation hierarchy and has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

	As at March 31, 2019	As at March 31, 2018
4. NON-CURRENT INVESTMENTS		
A. Other Investments – Investment in equity instruments – Fair value through Other Comprehensive Income (OCI)		
16,953,339 (Previous year – 11,579,338) Equity shares of ₹ 10 each fully paid-up in Wockhardt Hospitals Limited	**2,084,173**	1,423,516
780,000 (Previous year - 780,000) Equity shares of ₹ 10 each fully paid-up in Al Barr Finance House Limited	**17,583**	17,583
Less: Impairment provision	**(17,583)**	(17,583)
	–	–
Total	**2,084,173**	1,423,516
B. Other Investments		
Investment in Optionally Convertible Redeemable Debentures – Fair value through Profit and Loss		
1,095 (Previous year - 1,835) 0% Optionally Convertible Redeemable Debentures of ₹ 1,000,000 each fully paid-up of the following series in Wockhardt Hospitals Limited:	**1,685,503**	2,561,349
– Nil (Previous year – 740) Series A Debentures		
– 530 (Previous year – 530) Series B Debentures		
– 565 (Previous year – 565) Series C Debentures		
Investment in Non-Convertible Redeemable Bonds – Fair value through Profit and Loss		
Nil (Previous year – 9,000,000) Zero coupon Non-Convertible Redeemable Bonds of Khorakiwala Holding and Investment Private Limited of ₹ 100 each	–	1,122,989
C. Other Investments – Investments in Optionally Convertible Cumulative Redeemable Preference Shares – Fair value through Profit and Loss		
40,503,902 (Previous year- Nil) 0.1% Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 10/- each in Wockhardt Hospitals Limited	**2,214,912**	–
	3,900,415	3,684,338
D. Other Investments – Investment in Non-Convertible Cumulative Redeemable Preference shares – Amortised cost		
369,942,639 (Previous year - 369,942,639) 3% Non-Convertible Cumulative Redeemable Preference Shares of Dartmour Holding Private Limited of ₹ 10 each fully paid up	**1,293,459**	1,175,871
29,508,863 (Previous year - 29,508,863) 3% Non-Convertible Cumulative Redeemable Preference Shares of Palanpur Holdings and Investment Private Limited of ₹ 100 each fully paid up	**1,031,741**	937,946
	2,325,200	2,113,817
Total	**8,309,788**	7,221,671
Aggregate book value of unquoted investments	**8,309,788**	7,221,671
5. NON-CURRENT FINANCIAL ASSETS – LOANS		
Loans to related parties (Refer note 32)		
Unsecured, considered good	**268**	467
Unsecured, considered doubtful	**16,064**	16,064
Less: Loss allowance	**(16,064)**	(16,064)
	–	–
Total	**268**	467
6. OTHER NON-CURRENT FINANCIAL ASSETS		
Deposits with maturity more than 12 months	–	131,900
Total	–	131,900

		As at March 31, 2019	As at March 31, 2018
7.	**OTHER NON-CURRENT ASSETS**		
	Capital advances	**625**	–
	Security Deposits	**5,550**	5,193
	Total	**6,175**	5,193
8.	**TRADE RECEIVABLES (Refer note 32 for related party balances)**		
	Unsecured, considered good	**25,155**	268,067
	Unsecured, considered doubtful	**271**	259
	Less: Provision for doubtful debts	**(271)**	(259)
		–	–
	Total	**25,155**	268,067
	Note:		
	Trade receivables pledged as collateral as referred to in Note 14 ₹ 25,049 thousand (Previous year – ₹ 267,198 thousand)		
9.	**CURRENT INVESTMENTS**		
	Other Investments – Investment in Non-Convertible Redeemable Bonds – Fair value through profit and loss		
	9,000,000 (Previous year - Nil) Zero Coupon Non-Convertible Redeemable Bonds of Khorakiwala Holding and Investment Private Limited of ₹ 100 each	**1,205,980**	–
	Total	**1,205,980**	–
10a.	**CASH AND CASH EQUIVALENTS**		
	a) Balance with banks :		
	In current account	**32,442**	59,702
	Deposit with maturity less than 3 months	**–**	750,000
	b) Cash in hand	**153**	53
	Total	**32,595**	809,755
10b.	**OTHER BANK BALANCES**		
	Deposits with maturity more than 3 months but less than 12 months	**–**	405,748
	Deposits with maturity more than 12 months [includes deposit under lien ₹ Nil (Previous year – ₹ 95,100 thousand)]	**73,704**	331,169
	Deposits with maturity equal to 12 months [includes deposit under lien ₹ 101,482 thousand (Previous year – ₹ Nil)]	**111,382**	239,509
	Total	**185,086**	976,426
11.	**OTHER CURRENT FINANCIAL ASSETS**		
	Interest Accrued	**4,313**	10,317
	Total	**4,313**	10,317
12.	**OTHER CURRENT ASSETS**		
	Advances		
	Unsecured, considered good	**6,966**	6,853
	Unsecured, considered doubtful	**129**	190
	Less: provision for doubtful advances	**(129)**	(190)
		–	–
	Total	**6,966**	6,853

13. SHARE CAPITAL

	As at March 31, 2019 Number of shares	As at March 31, 2019 Amount	As at March 31, 2018 Number of shares	As at March 31, 2018 Amount
AUTHORISED				
Unclassified shares of ₹ 10 each	–	–	100,000,000	1,000,000
Equity shares of ₹ 10 each	**90,000,000**	**900,000**	–	–
Preference shares of ₹ 10 each	**10,000,000**	**100,000**	–	–
	100,000,000	**1,000,000**	100,000,000	1,000,000
ISSUED				
Equity shares of ₹ 10 each	**35,519,797**	**355,198**	35,519,797	355,198
SUBSCRIBED AND PAID UP:				
Equity shares of ₹ 10 each	**35,436,472**	**354,365**	35,436,472	354,365

Notes:

a. Reconciliation of number of Equity shares outstanding at the beginning and end of the year

	As at March 31, 2019	As at March 31, 2018
Outstanding at the beginning of the year	**35,436,472**	35,436,472
Additions during the year	–	–
Outstanding at the end of the year	**35,436,472**	35,436,472

b. Terms/Rights attached to Equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share held and is entitled to dividend, if declared at the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the 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

32,671,905 (Previous year – 32,671,270) fully paid up equity shares are held by Khorakiwala Holdings and Investments Private Limited, the holding company.

d. Shareholders holding more than 5% shares in the Company is set out below:

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% of holding	No. of Shares	% of holding
Khorakiwala Holdings and Investments Private Limited	**32,671,905**	**92.20**	32,671,270	92.20

14. NON-CURRENT FINANCIAL LIABILITIES – BORROWINGS

	As at March 31, 2019	As at March 31, 2018
SECURED		
Term loan from bank (Refer note (a) below)	**2,610,000**	2,820,000
UNSECURED		
Preference shares (Refer note (b) below)	**49,601**	47,648
Total	**2,659,601**	2,867,648

Notes:

a) The term loan is secured by exclusive charge by way of mortgage of premises situated at Bandra Kurla Complex, Mumbai, exclusive charge by way of hypothecation of future cash flow / receivables from the aforesaid premises and exclusive charge on Escrow Account. An amount equivalent to 3 months instalment is also kept as DSRA account as fixed deposits with the Bank. This term loan carrying interest rate at 1 Year MCLR plus 95 BPS p.a. is repayable by way of monthly instalments and will be fully repaid by November 2026.

	As at March 31, 2019 No. of Shares held	As at March 31, 2019 Amount	As at March 31, 2018 No. of Shares held	As at March 31, 2018 Amount
b) Preference shares:				
i) Details of Preference Shares				
Authorised				
Preference shares of ₹ 10 each	**19,950,000**	**199,500**	19,950,000	199,500
		199,500		199,500
Issued, subscribed and paid up 3% Non Convertible Cumulative Redeemable Preference shares of ₹ 10 each fully paid up:				
Shares outstanding at the beginning of the year	**19,000,000**	**190,000**	19,000,000	190,000
Add: Issued during the year	**–**	**–**	–	–
Shares outstanding at the end of the year	**19,000,000**	**190,000**	19,000,000	190,000

ii) Terms / Rights attached to Preference shares

19,000,000 3% Non Convertible Cumulative Redeemable Preference shares of ₹ 10 each are redeemable at par on March 16, 2035.

iii) Effective interest rate for the above preference shares is 12%

iv) Details of preference shares held by each shareholders holding more than 5% of total preference shares.

	As at March 31, 2019 No. of Shares held	As at March 31, 2019 % of Holding	As at March 31, 2018 No. of Shares held	As at March 31, 2018 % of Holding
Merind Limited	**19,000,000**	**100%**	19,000,000	100%

15. PROVISIONS (NON-CURRENT)

	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits (Refer note 28)		
Gratuity (unfunded)	**25**	15
Compensated absences (unfunded)	**56**	48
Total	**81**	63

16. CURRENT FINANCIAL LIABILITIES- BORROWINGS

Unsecured		
Loans repayable on demand – Interest free (Refer note 32)	**54,690**	–
Total	**54,690**	–

17. TRADE PAYABLES

Trade payables		
Due to Micro enterprises and Small enterprises	**–**	–
Due to Others	**2,411**	3,439
Total	**2,411**	3,439

Note:

Principal amount including interest, if any payable to micro and small enterprises as per Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2019 ₹ Nil (Previous year – ₹ Nil). The above information is given to the extent information available with the Company and relied upon by the auditors.

18. OTHER CURRENT FINANCIAL LIABILITIES

Current maturities of long-term debt (Refer note 14)	**217,434**	194,576
Other payables		
Deposits payable	**590,568**	577,464
Employee liabilities	**54**	54
Other payables	**12,559**	10,396
Total	**820,615**	782,490

19. OTHER CURRENT LIABILITIES

Other payables	**13,433**	11,914
Total	**13,433**	11,914

20. PROVISIONS

Provision for employee benefits (Refer note 28)		
Gratuity (unfunded)#	**–**	–
#as at March 31, 2019 ₹ 38 (Previous year – ₹ 22)		
Compensated absences (unfunded)	**3**	3
Total	**3**	3

	For the year ended March 31, 2019	For the year ended March 31, 2018
21. REVENUE FROM OPERATIONS		
Rent income (Refer note 29)	**712,755**	670,101
Total	**712,755**	670,101
22. OTHER INCOME		
Interest Income	**393,912**	339,658
Profit on sale of Fixed assets	**102**	–
Fair valuation of debentures	**142,003**	212,940
Fair valuation of Optionally Convertible Cumulative Redeemable Preference Shares	**27,701**	–
Miscellaneous income (Refer note below)	**153**	1,105
Total	**563,871**	553,703

Note:
Miscellaneous income to the extent of ₹ 43 thousand (Previous year – ₹ 1,105 thousand) is on account of liabilities no more payable.

	For the year ended March 31, 2019	For the year ended March 31, 2018
23. EMPLOYEE BENEFITS EXPENSES		
Salaries and wages (Refer note 28)	**882**	616
Contribution to provident and other funds (Refer note 28)	**28**	22
Staff welfare expenses	**1**	187
Total	**911**	825
24. FINANCE COSTS		
Interest Expenses on		
term loans	**249,850**	249,850
others	**10,570**	12,993
Other borrowing costs	**308**	2,221
Total	**260,728**	265,064
25. OTHER EXPENSES		
Travelling and conveyance	**143**	113
Power and fuel	**7,690**	5,688
Rent	**100**	100
Rates and taxes	**16,431**	16,202
Repairs and maintenance:		
Building	**1,465**	951
Others	**5,146**	5,956
Insurance	**1,715**	1,602
Provision for doubtful debts	**12**	187
Legal and professional charges	**7,487**	5,846
Security services	**5,444**	3,744
Secretarial expenses	**1,288**	1,549
Loss on Conversion of Optionally Convertible Redeemable Debentures	**357,192**	281,008
Miscellaneous expenses (Refer note below)	**2,595**	2,589
Total	**406,708**	325,535

Note:
Payment to auditors included in Miscellaneous expenses

Audit fees *	**649**	789
Other services	**100**	300
Out of pocket expenses	**35**	35
*FY 2018-19 includes charges pertaining to FY 2017-18 ₹ 4500	**784**	1,124

*FY 2017-18 includes charges pertaining to FY 2016-17 ₹ 351 thousand

	For the year ended March 31, 2019	For the year ended March 31, 2018
26. EARNINGS PER SHARE (EPS)		
The calculations of earnings per share (EPS) (basic and diluted) are based on the earnings and number of shares as computed below:		
Reconciliation of earnings		
Profit after tax	**524,483**	529,012
Net profit for calculation of Basic/Diluted EPS	**524,483**	529,012
Reconciliation of number of shares		
Weighted average number of shares in calculating Basic/Diluted EPS	**35,436,472**	35,436,472
	35,436,472	35,436,472
Earnings per share (nominal value ₹ 10 each)		
Earnings per share - Basic/Diluted in ₹	**14.80**	14.93
27. INCOME TAXES		
(a) Amounts recognised in profit or loss		
Current income tax expense	**133,634**	116,189
Tax balances written off (net)	**–**	960
Deferred income tax liability/(asset), net		
Origination and reversal of temporary differences including MAT credit entitlement	**(113,251)**	(41,824)
Changes in Indian corporate tax rate in deferred tax	**39,560**	5,766
Deferred tax expense	**(73,691)**	(36,058)
Tax expense for the year	**59,943**	81,091
(b) Amount recognised in other comprehensive income		
Items that will not be reclassified to profit or loss		
Re-measurements of the defined benefit plans – (charge)/credit	**1**	(1)
Fair value on equity instruments – (charge)/credit	**–**	(96,120)
Total	**1**	(96,121)
(c) Reconciliation of effective tax rate		
Profit before tax (a)	**584,426**	610,103
Tax using the Company's domestic tax rate (Current year – 29.12% and Previous year – 34.608%)	**170,185**	211,144
Tax effect of:		
Deductions admissible under Section 24 and Section 25 of the Income Tax Act, 1961	**(65,616)**	(86,794)
Expenses not deductible for tax purposes	**22,376**	26,650
Items on which no tax is payable	**(61,480)**	(52,564)
Rate difference on taxable profits	**3,008**	8,305
Impact of re-measurement of tax due to rate change	**(39,560)**	(5,766)
Tax balances written off	**32,389**	960
Impact of differential tax rates applicable to the respective entity	**(1,359)**	(20,844)
Tax expense as per profit or loss (b)	**59,943**	81,091
Effective tax rate for the year (b)/(a)	**10.26%**	13.29%

Note:

The decrease in the rate is mainly on account of exempt income on which no tax is payable, deduction of expenses under Section 24 and Section 25, offset by increase on account of disallowance of actual expenses, and also on account of impact of re-measurement of tax due to change in tax rate.

(d) Movement in deferred tax balances

Particulars	Net balance April 01, 2018	Recognised in profit or loss	Recognised in OCI	MAT utilisation	As at March 31, 2019		
					Net deferred tax asset/ (liability)	Deferred tax asset	Deferred tax liability
Investments	(215,337)	(7,134)	–	–	**(222,471)**	–	**(222,471)**
Debentures	(253,813)	81,860	–	–	**(171,953)**	–	**(171,953)**
Lease rent	14,775	(1,035)	–	–	**13,740**	**13,740**	–
Employee Benefits	(1)	–	1	–	–	–	–
MAT Credit	72,313	–	–	(13,662)	**58,651**	**58,651**	–
Tax assets/(Liabilities)	**(382,063)**	**73,691**	**1**	**(13,662)**	**(322,033)**	**72,391**	**(394,424)**

Particulars	Net balance April 01, 2017	Recognised in profit or loss	Recognised in OCI	MAT utilisation	As at March 31, 2018		
					Net deferred tax asset/(liability)	Deferred tax asset	Deferred tax liability
Investments	(126,703)	7,486	(96,120)	–	(215,337)	–	(215,337)
Borrowings	(5,310)	5,310	–	–	–	–	–
Debentures	(250,255)	(3,558)	–	–	(253,813)	–	(253,813)
Lease rent	1,337	13,438	–	–	14,775	14,775	–
Employee Benefits	–	–	(1)	–	(1)	–	(1)
MAT Credit	58,931	13,382	–	–	72,313	72,313	–
Tax assets/(Liabilities)	(322,000)	36,058	(96,121)	–	(382,063)	87,088	(469,151)

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

During the year, the Group has utilised tax credit in respect of Minimum Alternative Tax (MAT credit) of ₹ 13,662 thousand (March 31, 2018 : ₹ Nil)

28. EMPLOYEE BENEFITS

	For the year ended March 31, 2019 Gratuity (Non-funded)	For the year ended March 31, 2018 Gratuity (Non-funded)
(A) Defined benefit plans –		
I. Expenses recognised in profit or loss during the year		
1. Current Service cost	**7**	13
2. Interest cost	**1**	1
Total Expenses	**8**	14
II. Expenses recognised in Other Comprehensive Income		
1. Actuarial changes arising from changes in demographic assumptions	**–**	–
2. Actuarial changes arising from changes in financial assumptions	**0.3**	(1)
3. Actuarial changes arising from changes in experience adjustments	**2**	2
Total Expenses	**2**	1
III. Net Asset/(Liability) recognised as at balance sheet date		
1. Present value of defined benefit obligation	**25**	15
2. Net Asset/(Liability)	**(25)**	(15)
IV. Reconciliation of Net Asset/(Liability) recognised as at balance sheet date		
1. Net Asset/(Liability) at the beginning of year	**(15)**	–
2. Expense as per I and II above	**(10)**	(15)
3. Employer contributions	**–**	–
4. Liability settled on resignation of the employee	**–**	–
5. Excess provision written back	**–**	–
6. Net asset/(liability) at the end of the year	**(25)**	(15)
V. Maturity profile of defined benefit obligation		
Within the next 12 months (next annual reporting period)	**0.04**	0.02
Between 2 and 5 years	**11**	5
Between 6 and 10 years	**3**	1
Beyond 10 years	**97**	63
VI. Quantitative sensitivity analysis for significant assumptions		
1. Increase/(decrease) on present value of defined benefit obligation at the end of the year		
(i) One percent point increase in discount rate	**(4)**	(2)
(ii) One percent point decrease in discount rate	**5**	3
(iii) One percent point increase in rate of salary increase	**5**	3
(iv) One percent point decrease in rate of salary increase	**(4)**	(2)
(v) One percent point increase in attrition rate	**(0.6)**	(0.5)
(vi) One percent point decrease in attrition rate	**0.6**	(0.5)
2. Sensitivity analysis method The Sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.		
VII. Actuarial Assumptions		
1. Discount rate	**7.79%**	7.87%
2. Expected rate of salary increase	**8.00%**	8.00%
3. Attrition rate	**1.00%**	1.00%
4. Mortality	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)
VIII. Expected contribution to the plan for the next annual reporting period	**10**	9

Notes:

(a) Amounts recognised as an expense and included in the Note 23 – "Salaries and wages":

Gratuity ₹ 10 thousand (Previous year – ₹ -9 thousand) and Compensated absences ₹ 25 thousand (Previous year – ₹ -9 thousand).

(b) Actuarial valuation was worked out considering attrition rate and estimates of future salary increase taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(c) The plan above is typically exposed to actuarial risk such as interest risk, Mortality risk, Asset Liability Matching risk (ALM) and salary risk
- Interest risk: The decrease in the G. Sec. interest rate will increase the liability.
- Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longetivity risk.
- ALM risk: The plan faces the ALM risk as to the matching cash flow. The Company has to manage payout based on the pay as you go basis from own funds.
- Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(d) The Company had provided for gratuity and compensated absence based on actuarial valuation done as per Projected Unit Credit Method.

(B) Defined contribution plan –

Amount recognised as an expense and included in the Note 23 – "Contribution to provident and other funds" ₹ 28 thousand (Previous year – ₹ 22 thousand).

29. LEASES

A. Operating leases

Leases as lessor

The Company has given on operating lease certain office and factory premises. These leave and license agreements are for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms. The company has taken refundable interest free security deposits in accordance with the agreed terms. Future lease rentals receivable are as follows:

	March 31, 2019			
	For the year	Not later than one year	Later than one year and not later than five years	Later than five years
Lease Rent Receivable	**707,227**	**773,925**	**304,388**	**–**
(Previous year)	655,621	648,114	675,787	–

B. Finance leases

Leases as lessee

The Company has entered into a finance lease for land for a period of 80 years. Except for the initial payment there are no material annual payments for the aforesaid lease. Refer Note 2 for the carrying amount.

30. FINANCIAL INSTRUMENTS

Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value.

March 31, 2019	Carrying amount				Total Fair value	Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets									
Non-current investments	3,900,415	2,084,173	2,325,200	8,309,788	10,906,681	–	4,922,093	5,984,588	10,906,681
Loans – non-current	–	–	268	268	268	–	268	–	268
Trade receivables	–	–	25,155	25,155	25,155	–	–	–	–
Investments (Current)	1,205,980	–	–	1,205,980	1,205,980	–	–	–	–
Cash and cash equivalents	–	–	32,595	32,595	32,595	–	–	–	–
Other bank balances	–	–	185,086	185,086	185,086	–	–	–	–
Other current financial assets	–	–	4,313	4,313	4,313	–	–	–	–
Total	**5,106,395**	**2,084,173**	**2,572,617**	**9,763,185**	**12,360,078**	**–**	**4,922,361**	**5,984,588**	**10,906,949**
Financial liabilities									
Borrowings	–	–	2,882,124	2,882,124	2,882,124	–	2,882,124	–	2,882,124
Preference Share liability	–	–	49,601	49,601	89,375	–	89,375	–	89,375
Trade payables	–	–	2,411	2,411	2,411	–	–	–	–
Other financial liabilities	–	–	603,181	603,181	603,181	–	–	–	–
Total	**–**	**–**	**3,537,317**	**3,537,317**	**3,577,091**	**–**	**2,971,499**	**–**	**2,971,499**

March 31, 2018	Carrying amount				Total Fair value	Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets									
Non-current investments	3,684,338	1,423,516	2,113,817	7,221,671	7,221,671	–	3,236,806	3,984,865	7,221,671
Loans – non-current	–	–	467	467	467	–	467	–	467
Other non-current financial assets	–	–	131,900	131,900	131,900	–	–	–	–
Trade receivables	–	–	268,067	268,067	268,067	–	–	–	–
Cash and cash equivalents	–	–	809,755	809,755	809,755	–	–	–	–
Other bank balances	–	–	976,426	976,426	976,426	–	–	–	–
Other current financial assets	–	–	10,317	10,317	10,317	–	–	–	–
Total	**3,684,338**	**1,423,516**	**4,310,749**	**9,418,603**	**9,418,603**	**–**	**3,237,273**	**3,984,865**	**7,222,138**
Financial liabilities									
Borrowings	–	–	3,014,576	3,014,576	3,014,576	–	3,014,576	–	3,014,576
Preference Share liability	–	–	47,648	47,648	47,648	–	–	–	–
Trade payables	–	–	3,439	3,439	3,439	–	–	–	–
Other financial liabilities	–	–	587,914	587,914	587,914	–	–	–	–
Total	**–**	**–**	**3,653,577**	**3,653,577**	**3,653,577**	**–**	**3,014,576**	**–**	**3,014,576**

B. Measurement of fair values

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

– Long term material variable rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customers and risk characteristics. Based on this evaluation, allowances are taken into account for the expected credit losses of the receivables.

– The fair values of the loans taken from banks and other parties estimated by discounting cash flows using rates currently available for debt/ instruments on similar terms, credit risks and remaining maturities. These valuations requires management to use certain unobservable inputs to be disclosed in the table below. Management regularly assesses a range of reasonably possible alternatives for those significant observable inputs and determines their impact on the total fair value.

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant inputs used.

Financial instruments measured at fair value

Type	**Valuation technique**	**Significant unobservable inputs**	**Inter-relationship between significant unobservable inputs and fair value measurement**
Non-Current Investments – Investment in Optionally Convertible Redeemable Debentures	Discounted cash flow technique: The valuation model considers present value of expected payments discounted using an appropriate discounting rate.	(i) Risk adjusted discount rate of 12% (ii) Discounted cash inflows	The estimated fair value would increase/(decrease) if: – the risk adjusted discount rate were lower/(higher) – the cash inflows were higher/ (lower)
Non-Current Investments – Investments in Optionally Convertible Cumulative Redeemable Preference Shares	Discounted cash flow technique: The valuation model considers present value of expected payments discounted using an appropriate discounting rate.	(i) Risk adjusted discount rate of 8.75% (ii) Discounted cash inflows	
Non-Current Investments – Investment in Unquoted Equity Instruments	Discounted cash flow technique: The valuation model considers present value of expected payments discounted using an appropriate discounting rate.	(i) EBITDA margins based on average EBITDA margin (ii) Terminal growth rate based on the Company's long term sustainable growth rate potential (iii) Weighted average cost of capital of 14%	The estimated fair value would increase/(decrease) if: – the EBITDA margin were higher/ (lower) – the terminal growth rate were higher/(lower) or; – the weighted average cost of capital were lower/(higher)
Investment in Unquoted Preference shares	Discounted cash flow technique: The valuation model considers present value of expected payments discounted using an appropriate discounting rate.	Not applicable	
Investments in Zero Coupon Non-Convertible Redeemable Bonds	Discounted cash flow technique: The valuation model considers present value of expected payments discounted using an appropriate discounting rate.	Not applicable	
Non current financial assets measured at amortised cost/ long-term borrowings	Discounted cash flow technique: The valuation model considers present value of expected payments discounted using an appropriate discounting rate.	Not applicable	

C. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group has defined and adopted a Risk Management Policy, which not only assesses the risks but also helps in timely ratification and minimisation of these risks associated with strategic, operational, financial and compliance operations across all business operations. These control procedures and systems ensure that the Board is periodically informed on the material risks faced by the Group and the steps taken by the Group to alleviate those risks. At present, in the opinion of the Board of Directors, there are no risks which may threaten the existence of the Group.

i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

As on March 31, 2019 and March 31, 2018, the Group did not have any significant concentration of credit risk with any external customers (i.e. customers other than entities over which Individuals having direct or indirect control over the Company, have significant influence/control).

Summary of the Group's exposure to credit risk by age of the outstanding from various customers is as follows:

	Net Carrying amount	
	As at March 31, 2019	As at March 31, 2018
Neither past due not impaired	–	–
Past due not impaired		
Past due 1–180 days	**23,474**	27,105
Past due 181–365 days	**270**	3,727
More than 365 days	**1,411**	2,37,235
Total	**25,155**	2,68,067

Expected credit loss assessment for customers as at Balance sheet date

The Group allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. Given that the macro economic indicators affecting customers of the Group have not undergone any substantial change, the Group expects the historical trend of minimal credit losses to continue.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

Balance as at April 01, 2017	72
Impairment loss recognised	187
Amounts written off	–
Balance as at March 31, 2018	259
Impairment loss recognised	12
Amounts written off	–
Balance as at March 31, 2019	**271**

Cash and bank balances

The Group held cash and bank balances of ₹ 217,681 thousand (Previous year – ₹ 1,786,181 thousand). These balances are held with bank and financial institution counterparties with good credit ratings.

Others

Other than trade and other receivables, the Group has no other financial assets that are past due but not impaired.

ii. **Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities. The Group monitors the net liquidity position through forecasts on the basis of expected cash flows.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Exposure to liquidity risk

March 31, 2019	**Carrying amount**	**Contractual cash flows**				
		Total	**Upto 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Borrowings	**2,882,124**	**4,118,719**	**514,377**	**995,591**	**1,112,516**	**1,496,235**
Preference share liability	**49,601**	**304,000**	–	–	–	**304,000**
Trade payables	**2,411**	**2,411**	**2,411**	–	–	–
Deposits payable	**590,568**	**590,568**	**590,568**	–	–	–
Employee liabilities	**54**	**54**	**54**	–	–	–
Other payables	**12,559**	**12,559**	**12,559**	–	–	–

March 31, 2018	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	3,014,576	4,404,559	448,659	884,513	1,009,600	2,061,787
Preference share liability	47,648	304,000	–	–	–	304,000
Trade payables	3,439	3,439	3,439	–	–	–
Deposits payable	577,464	577,464	577,464	–	–	–
Employee liabilities	54	54	54	–	–	–
Other payables	10,396	10,396	10,396	–	–	–

iii. **Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and other prices such as equity price. These will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. Financial instruments affected by market risk include loans, borrowings and deposits. The Market risk the Group is exposed can be classified as Currency risk and Interest rate risk. The Group does not have any currency risk.

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

	Nominal amount	
	As at March 31, 2019	As at March 31, 2018
Variable-rate instruments		
Financial liabilities	**2,827,434**	3,014,576
Total	**2,827,434**	3,014,576
Fixed-rate instruments		
Financial liabilities	**49,601**	47,648
Total	**49,601**	47,648

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, remain constant.

	Impact on Profit/(loss) – Increase/(Decrease) in Profit	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Variable-rate instruments		
100 bp increase	**(28,050)**	(30,146)
100 bp decrease	**28,050**	30,146

31. CAPITAL MANAGEMENT

The Group's capital management is intended to create value for stakeholders by facilitating the meeting of long-term and short-term goals of the Group.

The Group determines the amount of capital required on the basis of annual and long-term strategic plans. The Group's policy is aimed at combination of short-term and long-term borrowings.

The Group monitors the capital structure on the basis of 'adjusted net debt' to 'adjusted equity'. For this purpose adjusted net debt is defined as total liabilities comprising interest bearing loans and borrowings and obligations under finance lease, less cash and cash equivalents, Bank balance and current investments. Adjusted equity comprises Total equity.

The following table summarises the capital of the Group:

	As at March 31, 2019	As at March 31, 2018
Total liabilities	**2,827,434**	3,014,576
Less: Cash and cash equivalent and other bank balances	**217,681**	1,786,181
Adjusted net debt	**2,609,753**	1,228,395
Total equity	**6,898,654**	6,374,171
Adjusted equity	**6,898,654**	6,374,171
Adjusted net debt to adjusted equity ratio	**0.38**	0.19

32. RELATED PARTY TRANSACTIONS

(a) Parties where control exists

Holding company

Khorakiwala Holdings and Investments Private Limited

Individuals having direct or indirect control over the Company

H. F. Khorakiwala

Entities having direct or indirect control over the Company

Habil Khorakiwala Trust - Themisto Trustee Company Private Limited holds shares in the Holding Company in its capacity as the trustee of Habil Khorakiwala Trust.

Enterprises over which Individuals having direct or indirect control over the Company, have significant influence/control-related parties where transactions have taken place during the year/balances outstanding as on the balance sheet date

Palanpur Holdings and Investments Private Limited
Wockhardt Hospitals Limited
Merind Limited
Sharanya Chemicals and Pharmaceuticals Private Limited
Holmdene Constructions
Wockhardt Limited

Key Managerial Personnel

G.B. Parulkar – Managing Director
Shahnawaz Khan – Director (Resigned on April 30, 2018)
Akhtar Shamsi – Independent Director
Stephen D'Souza – Non Executive Non Independent Director
Vijaya Nair – Independent Director (w.e.f. April 25, 2018)
Shiva Subramanian – Independent Director
Shobhana Nagwekar – Independent Director
Neeraj Jain – Non Executive Non Independent Director (w.e.f. April 25, 2018)

		For the year ended March 31, 2019	For the year ended March 31, 2018
(b)	**Transactions with related parties during the year**		
	Holding Company		
	Rent paid	**100**	100
	Interest income on Zero Coupon Non-Convertible Redeemable Bonds	**27,000**	18,000
	Transactions with enterprises over which Individuals having direct or indirect control over the Company, having significant influence/control		
	(All the amounts mentioned below for the disclosure are the contractual amounts based on the arrangement with respective parties)		
	Rent received from Wockhardt Limited	**708,809**	699,568
	Recovery of Electricity Charges from Wockhardt Limited	**17,785**	17,834
	Advance received from Wockhardt Limited	**50,511**	–
	Advance repaid to Wockhardt Limited	**50,511**	–
	Advance paid to Wockhardt Hospitals Limited	**469,600**	–
	Recovery of Expenses from Wockhardt Hospitals Limited	**1,052**	–
	Security Deposit paid on behalf of Wockhardt Hospitals Limited	**900**	–
	Interest Income from Wockhardt Hospitals Limited	**17,611**	–
	Advance and Interest on Advance adjusted against Investment in 0.1% Optionally Convertible Cumulative Redeemable Preference Shares	**487,211**	–
	Investment in 0.1% Optionally Convertible Cumulative Redeemable Preference Shares	**2,187,211**	–
	Interest income from Holmdene Constructions	**1**	1
	Loan given to Holmdene Constructions	**1**	1
	Loan repaid by Holmdene Constructions	**200**	–
	Loss on conversion of Optionally Convertible Redeemable Debentures of Wockhardt Hospitals Limited	**357,192**	281,008
	In accordance with the terms of debenture issue, during the year, 740 (Previous year- 665) Optionally Convertible Redeemable Debentures of Wockhardt Hospitals Limited of ₹ 1,000,000 each have been converted into 5,374,001 (Previous year – 4,829,338) Equity Shares.		
(c)	**Managerial remuneration payable/paid to Managing Director**	**300**	300
(d)	**Director's sitting fees paid**		
	[Akhtar Shamsi ₹ 11 thousand (Previous year – ₹ 7 thousand), Shahnawaz Khan ₹ Nil (Previous year – ₹ 9 thousand), Stephen D'Souza ₹ 10 thousand (Previous year – ₹ 8 thousand), Vijaya Nair ₹ 9 thousand (Previous year – ₹ 7 thousand), Neeraj Jain ₹ 9 thousand (Previous year – ₹ Nil)]	**39**	31
(e)	**Reimbursement of Expenses to Key Managerial personnel**		
	[Shiva Subramanian ₹ 9 thousand (Previous year – ₹ 6 thousand), Shahnawaz Khan ₹ Nil (Previous year – ₹ 6 thousand), Shobhana Nagwekar ₹ 9 thousand (Previous year – ₹ 6 thousand), Vijaya Nair ₹ 6 thousand (Previous year – ₹ Nil)]	**24**	18
(f)	**Related party balances outstanding** (All the amounts mentioned below for the disclosure are the contractual amounts based on the arrangement with respective parties. Where such amounts are different from carrying amounts as per requirements of Ind AS, their carrying amounts have been disclosed in brackets.)		
	Receivable from/(payable to) Holding Company	**47,837**	28,387
	[Carrying value: ₹ -49 thousand (Previous year – ₹ -10 thousand)]		
	Security deposit payable to Wockhardt Limited	**555,000**	555,000

	For the year ended March 31, 2019	For the year ended March 31, 2018
Receivable from Enterprises where significant influence exists (Net of Provision)	**56,337**	297,646
[Holmdene Constructions ₹ 268 thousand (Previous year – ₹ 467 thousand); Wockhardt Limited ₹ 56,069 thousand (Previous year – ₹ 297,179 thousand)]		
Payable to Enterprises where significant influence exists – Transaction value	**54,936**	55,127
[Merind Limited ₹ 54,690 thousand (Previous year – ₹ 54,690 thousand); Wockhardt Hospitals Limited ₹ 246 thousand (Previous year – 437 thousand)		
Managerial remuneration and expense reimbursement payable to Key managerial personnel	**322**	315
[G.B. Parulkar ₹ 300 thousand (Previous year – ₹ 300 thousand), Shiva Subramanian ₹ 8 thousand (Previous year – ₹ 5 thousand), Shahnawaz Khan ₹ Nil (Previous year – ₹ 5 thousand), Shobhana Nagwekar ₹ 8 thousand (Previous year – ₹ 5 thousand), Vijaya Nair ₹ 6 thousand (Previous year – ₹ Nil)]		
Director's sitting fees payable	**35**	25
[Akhtar Shamsi ₹ 9 thousand (Previous year – ₹ 6 thousand), Shahnawaz Khan ₹ Nil, (Previous year – ₹ 7 thousand), Stephen D'Souza ₹ 8 thousand (Previous year – ₹ 7 thousand), Vijaya Nair ₹ 9 thousand (Previous year – ₹ 5 thousand), Neeraj Jain ₹ 9 thousand, (Previous year – ₹ Nil)]		

33. SEGMENT INFORMATION

A. General Information

(a) Factors used to identify the entity's reportable segments, including the basis of organisation –

The operations of the Group are limited to one segment, namely, rental income. The Group operates in a single reportable segment which is governed by same set of risks and returns.

(b) Following are reportable segments

Reportable segment

Rental Income

B. Information about reportable segments

	Rental income	
Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018
External revenues	**712,755**	670,101
Segment revenue	**712,755**	670,101

C. Information about geographical areas

	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Revenue from external customers		
India	**712,755**	670,101

	As at March 31, 2019	As at March 31, 2018
(b) Non-current assets (other than financial instruments, deferred tax assets, post employment benefit assets, and rights under insurance contracts)*		
India	**813,208**	837,061

* Non-current assets for this purpose consist of Property, Plant and Equipment and Investment properties in India.

D. Information about major customer

Revenues from 2 customers of the Group represents approximately ₹ 705,735 thousand (Previous year – 2 customers ₹ 669,947 thousand) in the Group's total revenues.

34. SUBSEQUENT EVENTS

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

35. ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANY'S ACT, 2013, OF ENTITY CONSOLIDATED AS SUBSIDIARY:

Name of the Entity	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
	as % of consolidated net assets	Amount	as % of consolidated profit or loss	Amount	as % of consolidated OCI	Amount	as % of total Comprehensive Income	Amount
Parent								
Carol Info Services Limited	145.65%	10,047,739	118.19%	619,904	100.00%	(1)	118.19%	619,903
Subsidiary in India								
Banneret Trading Private Limited	-45.65%	(3,149,044)	-43.55%	(228,396)	–	–	-43.55%	(228,396)
Sub total	**100.00%**	**6,898,695**	**74.65%**	**391,508**	**100.00%**	**(1)**	**74.65%**	**391,507**
Inter company elimination	0.001%	41	-25.35%	(132,975)	–	–	-25.35%	(132,975)
Total	**100.00%**	**6,898,654**	**100.00%**	**524,483**	**100.00%**	**(1)**	**100.00%**	**524,482**

36. CONTINGENT LIABILITY AND COMMITMENTS

(a) Demands for ₹ 410 thousand (Previous year – ₹ 410 thousand) have been raised by Sales Tax Authorities. The Company has filed appeals against the said demands.

(b) Demand by Income tax authorities ₹ 300,430 thousand (Previous year – ₹ 185,276 thousand) disputed by the Company.

(c) Claims against the Company not acknowledged as debt pertaining to interest ₹ 5,897 thousand (Previous year – ₹ 2,527 thousand).

37. Reconciliation of the opening and closing balances of liabilities arising from Financing activities:

Particulars	Balance as on March 31, 2019	Balance as on April 01, 2018	Non cash changes	Cash flows/ inflow/(Outflow)
			Ind AS/ Reclassification adjustments	
Borrowings (Net)	**2,931,725**	**3,062,224**	**24,387**	**(154,886)**
Previous year	3,062,224	2,079,359	23,451	959,414

38. On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit and Loss. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 01, 2019.

The Group continues to evaluate the impact of the New Lease Standard on the lease arrangements and shall determine the appropriate transition option once the said evaluation is completed.

39. Previous year figures have been regrouped wherever necessary to conform to current year classification.

For and on behalf of the Board of Directors

Dr. G. B. Parulkar
Managing Director
DIN: 00015668

Neeraj Jain
Director
DIN: 08118877

Stephen D'Souza
Director
DIN: 00045812

Nikhil Malpani
Company Secretary
M.No. A20869

Ravi Shekhar Mitra
Chief Financial Officer

Place : Mumbai
Date : August 26, 2019

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Registered Office: Wockhardt Towers, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051
Phone: 91-22-2653 4444 • Fax: 91-22-2652 3905 • Website: www.carolinfoservices.com
CIN: U74999MH1979PLC021942 • Email: investorrelations@carolinfoservices.com

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