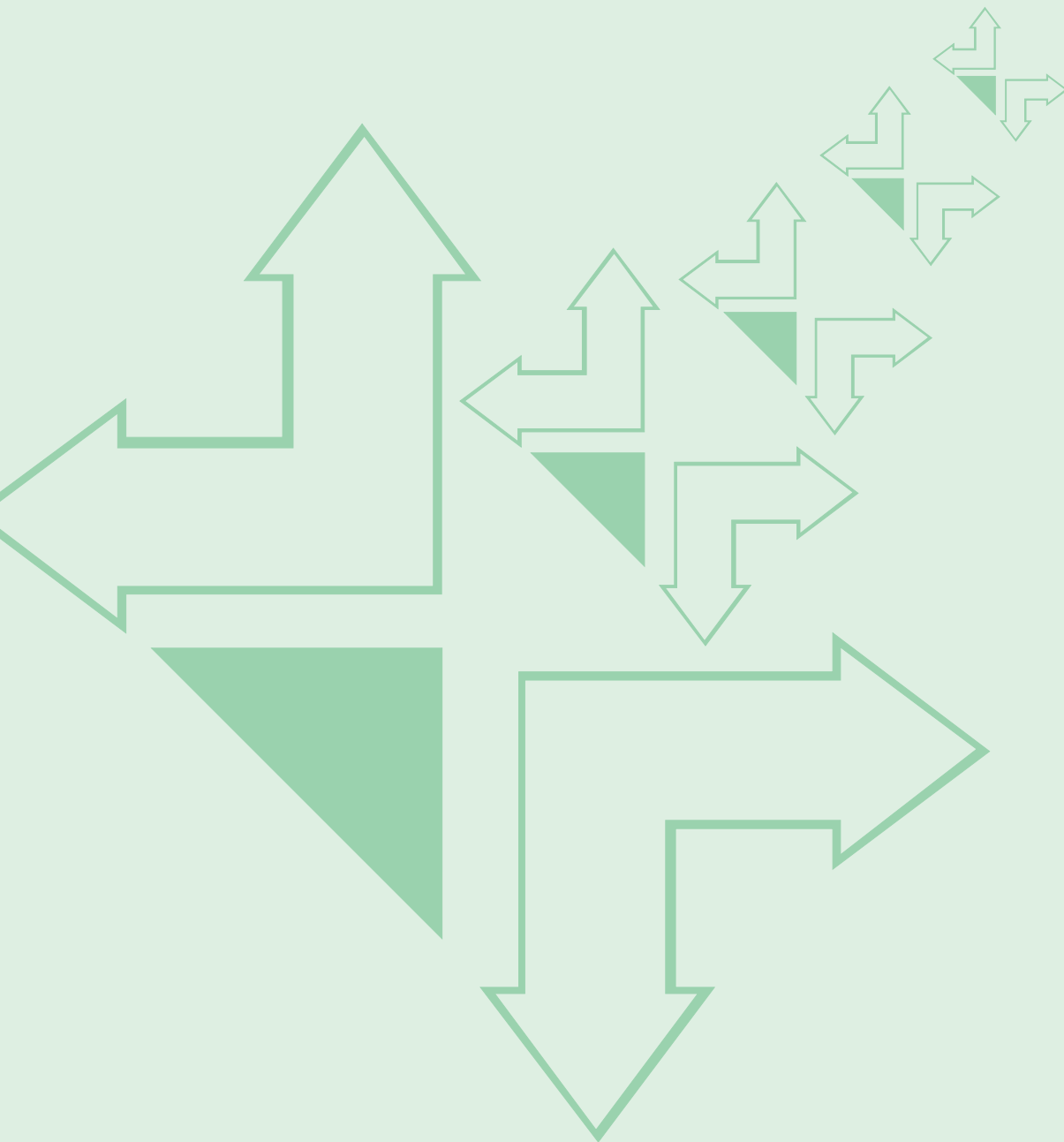


Carol Info Services Limited

ANNUAL REPORT

2016-17



Carol Info Services Limited

BOARD OF DIRECTORS

Dr. G. B. PARULKAR
Chairman & Managing Director

SHAHNAWAZ KHAN
Non-Executive Director

AKHTAR SHAMSI
Independent Director

STEPHEN D'SOUZA
Non-Executive Director

VIJAYA NAIR
Independent Director

BANKERS

IDBI Bank Ltd.
Bank of Baroda
ICICI Bank Ltd.

AUDITORS

M/s. 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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Carol Info Services Limited

BOARD'S REPORT

Dear Members,

The Board of Directors take pleasure in presenting the Thirty Seventh Annual Report of the Company along with the Audited Financial Statements for the year ended 31st March, 2017.

FINANCIAL RESULTS AND HIGHLIGHTS

(₹ in Thousand)

Particulars	Year ended 31 st March, 2017	Year ended 31 st March, 2016
Consolidated		
Revenue from Operations	655,321	617,718
Other Income	562,591	510,375
Total Revenue	1,217,912	1,128,093
Total Expenses	347,632	371,787
Profit Before Tax	870,280	756,306
Provision for Taxation (Expense)/Credit	(195,513)	(152,916)
Profit After Tax before Other Comprehensive Income	674,767	603,390
Other Comprehensive Income	-	(1,528)
Total Comprehensive Income	674,767	601,862
Standalone		
Revenue from Operations	655,321	617,718
Other Income	842,322	754,722
Total Revenue	1,497,643	1,372,440
Total Expenses	343,289	367,718
Profit Before Tax	1,154,354	1,004,722
Provision for Taxation (Expense)/Credit	(355,601)	(272,595)
Profit After Tax before Other Comprehensive Income	798,753	732,127
Other Comprehensive Income	-	(1,528)
Total Comprehensive Income	798,753	730,599

STATE OF COMPANY'S AFFAIRS

The Company adopted Indian Accounting Standards ('Ind AS') for the year ended 31st March, 2017 as prescribed under Section 133 of the Companies Act, 2013 read with the relevant Rules issued thereunder and other accounting principles generally accepted in India. The adoptions were carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Accordingly, previous year's figures have been re-grouped wherever necessary to conform to current year's classification.

During the financial year 31st March, 2017, in standalone financial results, the Company registered Total Revenue of ₹ 1,497,643 thousand, thereby showing an increase by 9.12% as compared to the previous year. The Comprehensive Income grew from ₹ 730,599 thousand to ₹ 798,753 thousand, thereby registering a growth of 9.33%.

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, 2017.

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

Pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013, the shareholders approved appointment of Dr. G. B. Parulkar (DIN: 00015668) as a Managing Director of the Company for a period of 3 (three) years with effect from 12th March, 2017, the date of passing of resolution by requisite majority by shareholders through Postal Ballot, at a remuneration of ₹ 300,000 per annum. His earlier term of 5 (Five) years as the Managing Director was concluded on 31st December, 2016. From the period 1st January, 2017 to 11th March, 2017, he continued as the Non-Executive Director of the Company.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Stephen D'Souza, Director (DIN: 00045812) retires by rotation as Director at the ensuing Annual General Meeting ('AGM') and being eligible, offers himself for the 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 convening AGM.

In accordance with the provisions of Section 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Dr. G. B. Parulkar, Chairman and Managing Director, Mr. Ravi Shekhar Mitra, Chief Financial Officer and Mr. Nikhil Malpani, Company Secretary are the Key Managerial Personnel ('KMP') of your Company.

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 Companies Act, 2013 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 2016-17 are as follows:

Type of Meeting	Number of Meetings	Dates of Meeting
Board	6	25 th May, 2016, 25 th August, 2016, 15 th September, 2016, 6 th October, 2016, 31 st December, 2016 and 15 th March, 2017
Audit Committee	2	27 th May, 2016 and 25 th August, 2016
Stakeholders Relationship Committee	4	4 th April, 2016, 4 th July, 2016, 4 th October, 2016 and 5 th January, 2017
Nomination and Remuneration Committee	3	25 th May, 2016, 28 th September, 2016 and 31 st December, 2016
Corporate Social Responsibility Committee	1	31 st March, 2017

The above Board and Board Committee Meetings were attended by all the directors and members concerned respectively.

Pursuant to Schedule IV to the Companies Act, 2013, all Independent Directors met on 6th October, 2016 without the attendance of non-independent directors and members of management.

AUDIT COMMITTEE

As on 31st March, 2017, the Audit Committee comprises of Mr. Akhtar Shamsi, Chairman, Mr. Shah Nawaz Khan 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.

Carol Info Services Limited

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013, the Directors state that:

- (a) in the preparation of Annual Accounts for the year ended 31st March, 2017, 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, 2017 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, 2017;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 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, 2017 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

At the AGM of the Company held on 30th September, 2014, M/s. M. P. Chitale & Co. (ICAI Firm Registration No. 101851W), Statutory Auditors of the Company, were appointed for a term of five years i.e. till the conclusion of 39th AGM subject to ratification of their appointment at every AGM of the Company. The resolution for ratification of their appointment is placed for approval of Members of the Company at the ensuing AGM. The Company has received a letter from Statutory Auditors confirming that they are eligible for ratification of their appointment.

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.

EXTRACT OF ANNUAL RETURN

As required under Sections 92(3) and 134(3)(a) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form MGT - 9 is annexed as Annexure I to this Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to provisions of Section 135 of the Companies Act, 2013 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's CSR Committee complies with the requirements of the Companies Act, 2013. 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 Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, is annexed as Annexure II 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 and KMP.

A brief extract 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 Fixed Salary as decided by the Board. Further, approval of shareholders shall be sought for the appointment and payment of remuneration to the Whole-time Director / Managing Director.
- The NRC / Board, from time to time, shall decide the remuneration, if any, to be paid to KMP and other Directors of the Company.

The Remuneration Policy is available on the website of the Company www.carolinfoservices.com -> Investor Relations -> Policies.

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 III](#) 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 Companies Act, 2013, the Board has carried out the annual performance evaluation for the financial year 2016-17 for entire Board, Committees and all the 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 composition and structure, roles and responsibilities, key processes, information flows, quality of engagement, information availability, effectiveness of committee meetings, recommendations to the Board, attendance at meetings, preparedness on the key issues for discussion, quality of contributions, responsibility towards stakeholders etc.

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 Companies Act, 2013 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.

Carol Info Services Limited

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. 32 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 2016-17 were in the ordinary course of business and on an arm's length basis. During the year, the Company did not enter into any contract, arrangement or transaction with related parties that could be considered material under the provisions of the Companies Act, 2013. However, a transaction that may be considered material is disclosed in Form AOC-2 which is provided in Annexure IV to this Report.

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

No material changes and commitments have occurred after the close of the year till the date of this Report which may affect the financial position of the Company.

VIGIL MECHANISM

Pursuant to requirement laid down under Section 177 of the Companies Act, 2013, 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 Companies Act, 2013 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 Companies Act, 2013, the Board's Report is being sent to the shareholders of the Company excluding the said information. Any shareholder interested in inspection or obtaining the said information may write to the Company Secretary and the same will be furnished on request.

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 year 2016-17.

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 Companies Act, 2013, a statement containing salient features of the subsidiary of the Company is disclosed in Form AOC-1 which is provided in Annexure V to this Report.

CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statement of your Company for the financial year 2016-17 are prepared in compliance with applicable provisions of the Companies Act, 2013 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.

DEPOSITS

During financial year 2016-17, the Company did not accept any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 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 remain 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.

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

Dr. G. B. Parulkar

Chairman & Managing Director
DIN: 00015668

Place: Mumbai

Date: August 21, 2017

Carol Info Services Limited

ANNEXURE I TO THE BOARD'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies

(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

(i)	CIN	U74999MH1979PLC021942
(ii)	Registration Date	29 th November, 1979
(iii)	Name of the Company	Carol Info Services Limited
(iv)	Category/Sub-Category of the Company	Public Company limited by shares
(v)	Address of the Registered office and Contact details	Wockhardt Towers, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Tel No : +91 22 2653 4444 Fax No. : +91 22 2652 3905
(vi)	Whether listed company (Yes/No)	No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083 Tel No : +91 22 4918 6270 Fax No : +91 22 4918 6060 Email id : carol@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Renting of immovable property	681	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section of Companies Act, 2013
1.	Khorakiwala Holdings and Investments Private Limited Wockhardt Towers, Bandra - Kurla Complex, Bandra (East), Mumbai – 400 051	U67120MH1981PTC023803	Holding	92.18%	2(46)
2.	Banneret Trading Private Limited 6 th Floor, Wockhardt Towers, Bandra- Kurla Complex, Bandra (East), Mumbai – 400 051	U51900MH2008PTC181284	Subsidiary	100 %	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1 st April, 2016)				No. of Shares held at the end of the year (as on 31 st March, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/ HUF	282,580	0	282,580	0.80	282,580	0	282,580	0.80	0.00
(b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(c) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bodies Corporates	33,735,768	7,180	33,742,948	95.22	33,748,168	8,880	33,757,048	95.26	0.04
(e) Banks / FIs	0	0	0	0.00	0	0	0	0.00	0.00
(f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total(A)(1)	34,018,348	7,180	34,025,528	96.02	34,030,748	8,880	34,039,628	96.06	0.04
(2) Foreign									
(a) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	34,018,348	7,180	34,025,528	96.02	34,030,748	8,880	34,039,628	96.06	0.04
B. PublicShareholding									
(1) Institutions									
(a) Mutual Funds	0	300	300	0.00	0	300	300	0.00	0.00
(b) Banks / FI	5,400	300	5,700	0.02	5,400	300	5,700	0.02	0.00
(c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others (specify)									
(j) Foreign Portfolio Investor	0	700	700	0.00	0	700	700	0.00	0.00
Sub-total (B)(1)	5,400	1,300	6,700	0.02	5,400	1,300	6,700	0.02	0.00
(2) Non-Institutions									
(a) Bodies Corporate									
(i) Indian	60,856	14,581	75,437	0.22	60,372	14,581	74,953	0.21	(0.01)
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	704,227	539,374	1,243,601	3.51	702,981	534,774	1,237,755	3.49	(0.02)
(ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
(c) Others (specify)									
(i) Non-Resident Indian (Repat)	17,776	2,600	20,376	0.06	7,376	2,600	9,976	0.03	(0.03)
(ii) Non-Resident Indian (Non- Repat)	4,674	0	4,674	0.01	6,224	0	6,224	0.02	0.01
(iii) Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
(iv) Clearing Member	7,080	0	7,080	0.02	7,810	0	7,810	0.02	0.00
(v) Directors / Relatives of Directors	225	300	525	0.00	225	300	525	0.00	0.00
(vi) Trusts	50	0	50	0.00	50	0	50	0.00	0.00
(vii) Hindu Undivided Family	47,501	0	47,501	0.13	47,851	0	47,851	0.14	0.01
Sub-total (B)(2)	842,389	556,855	1,399,244	3.95	832,889	552,255	1,385,144	3.91	(0.04)
Total Public Shareholding (B)=(B)(1)+(B)(2)	847,789	558,155	1,405,944	3.97	838,289	553,555	1,391,844	3.93	(0.04)
C. Shares held by Custodian for GDRs & ADRs	0	5,000	5,000	0.01	0	5,000	5,000	0.01	0.00
Grand Total (A+B+C)	34,866,137	570,335	35,436,472	100.00	34,869,037	567,435	35,436,472	100.00	0.00

Carol Info Services Limited

(ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year (as on 1 st April, 2016)			Shareholding at the end of the year (as on 31 st March, 2017)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Khorakiwala Holdings and Investments Private Limited	32,651,170	92.14	Nil	32,665,270	92.18	Nil	0.04
2.	Palanpur Holdings and Investments Private Limited	1,051,120	2.97	Nil	1,051,120	2.97	Nil	0.00
3.	Dartmour Holdings Private Limited	40,658	0.11	Nil	40,658	0.11	Nil	0.00
4.	Dr. H. F. Khorakiwala	134,300	0.38	Nil	134,300	0.38	Nil	0.00
5.	Dr. Murtaza Khorakiwala	75,400	0.21	Nil	75,400	0.21	Nil	0.00
6.	Dr. Huzaiifa Khorakiwala	72,000	0.21	Nil	72,000	0.21	Nil	0.00
7.	Ms. Nafisa Khorakiwala	880	0.00	Nil	880	0.00	Nil	0.00
	Total	34,025,528	96.02	Nil	34,039,628	96.06	Nil	0.04

(iii) Change in Promoters' Shareholding

Sl. No	Shareholder's Name	Shareholding at the beginning of the year (as on 1 st April, 2016)		Cumulative Shareholding during the Year		Shareholding at the end of the Year (as on 31 st March, 2017)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Khorakiwala Holdings and Investments Private Limited	32,651,170	92.14			32,665,270	92.18
	Date-wise Increase / (Decrease)						
	29/04/2016	200	0.00	32,651,370	92.14		
	13/05/2016	400	0.00	32,651,770	92.14		
	27/05/2016	700	0.00	32,652,470	92.14		
	24/06/2016	40	0.00	32,652,510	92.14		
	30/06/2016	700	0.00	32,653,210	92.15		
	08/07/2016	200	0.00	32,653,410	92.15		
	22/07/2016	200	0.00	32,653,610	92.15		
	19/08/2016	200	0.00	32,653,810	92.15		
	26/08/2016	500	0.00	32,654,310	92.15		
	14/10/2016	620	0.00	32,654,930	92.15		
	17/02/2017	10,000	0.03	32,664,930	92.18		
	24/03/2017	340	0.00	32,665,270	92.18		

Note:

Post delisting, Khorakiwala Holdings and Investments Private Limited have been voluntarily acquiring equity shares from public as and when tendered by them.

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (as on 1 st April, 2016)		Cumulative Shareholding during the year		Shareholding at the end of the year (as on 31 st March, 2017)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Ajinkya Electromelt Pvt Ltd.	29,700	0.08	29,700	0.08	29,700	0.08
	Date wise Increase/(Decrease)	0	0.00				
2.	A C Avudayappan	25,560	0.07	25,560	0.07	25,560	0.07
	Date wise Increase/(Decrease)	0	0.00				
3.	Luxmi Kant Gupta	7,180	0.02	7,180	0.02	7,180	0.02
	Date wise Increase/(Decrease)	0	0.00				
4.	Zaahid Holding & Investment Pvt. Ltd.	7,100	0.02	7,100	0.02	7,100	0.02
	Date wise Increase/(Decrease)	0	0.00				
5.	Sheela Ashwin Chiniwalla	7,000	0.02	7,000	0.02	7,000	0.02
	Date wise Increase/(Decrease)	0	0.00				
6.	Ashwini Poddar	6,300	0.02	6,300	0.02	6,300	0.02
	Date wise Increase/(Decrease)	0	0.00				
7.	Century Consultants Ltd.	5,950	0.02	5,950	0.02	5,950	0.02
	Date wise Increase/(Decrease)	0	0.00				
8.	Ashok Kumar Chopra	5,000	0.01	5,000	0.01	5,000	0.01
	Date wise Increase/(Decrease)	0	0.00				
9.	Sandeep Tandon	4,930	0.01	4,930	0.01	4,930	0.01
	Date wise Increase/(Decrease)	0	0.00				
10.	Shrinivas Bansilal Bangad	4,213	0.01	4,213	0.01	4,213	0.01
	Date wise Increase/(Decrease)	0	0.00				
11.	Rajbhushan Buddhiraju	10,000	0.03	10,000	0.03	0	0.00
	Date wise Increase/(Decrease) 17/02/2017	(10,000)	(0.03)	0	0.00		

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (as on 1 st April, 2016)		Cumulative Shareholding during the year		Shareholding at the end of the year (as on 31 st March, 2017)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Dr. G. B. Parulkar	100	0.00	100	0.00	100	0.00
2.	Mr. Shahnawaz Khan	-	-	-	-	-	-
3.	Mr. Stephen D'Souza ^(*)	250	0.00	250	0.00	250	0.00
4.	Mr. Akhtar Shamsi	-	-	-	-	-	-
5.	Ms. Vijaya Nair	175	0.00	175	0.00	175	0.00
6.	Mr. Ravi Shekhar Mitra	2	0.00	2	0.00	2	0.00
7.	Mr. Nikhil Malpani	N.A.	N.A.	1	0.00	1	0.00

(*) The shares are held by Mr. Stephen D'Souza as a joint holder along with his relatives.

Carol Info Services Limited

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Amount in ₹ Thousand)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (i.e. 1 st April, 2016)				
i) Principal Amount	2,163,992	45,988	-	2,209,980
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,163,992	45,988	-	2,209,980
Change in Indebtedness during the financial year 2016-17				
i) Addition	4,561	5,679	-	10,240
ii) Reduction	180,403	-	-	180,403
Net Change	(175,842)	5,679	-	(170,163)
Indebtedness at the end of the financial year (i.e. 31 st March, 2017)				
i) Principal Amount	1,988,150	51,667	-	2,039,817
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,988,150	51,667	-	2,039,817

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹ thousand)

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount
		Dr. G. B. Parulkar, Chairman & Managing Director	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	166	166
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under u/s 17(3) of Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	-	-
5.	Others, please specify Out-of-pocket expenses	59	59
Total (A)		225	225
Ceiling as per the Act (being 5% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)			44,573

B. Remuneration to other directors:

(Amount in ₹ Thousand)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Akhtar Shamsi	Mr. Shah Nawaz Khan	Mr. Stephen D'souza	Ms. Vijaya Nair	
1.	Independent Directors					
	• Fee for attending board / committee meetings	4	-	-	4	8
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	4	-	-	4	8
2.	Other Non-Executive Directors					
	• Fee for attending board / committee meetings	-	5	4	-	9
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	-	5	4	-	9
	Total (B)=(1+2)	4	5	4	4	(₹) 17
Ceiling as per the Act (being 1% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)						8,915
Total Managerial Remuneration (A+B)						(₹) 242
Overall Ceiling as per the Act (being 11% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)						98,062

(₹) Pursuant to Section 197(2) of the Companies Act, 2013, ₹ 17,000 paid as fees for attending board/committee meetings is termed exclusive from the ceiling of 1% and 11% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in ₹ Thousand)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	Chief Financial Officer	Total
1.	Gross salary				-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		10	10	20
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961		-	-	-
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961		-	-	-
2.	Stock Option	N.A.	-	-	-
3.	Sweat Equity		-	-	-
4.	Commission - as % of profit - others, specify...		-	-	-
5.	Others, please specify		-	-	-
	Total		10	10	20

Carol Info Services Limited

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors

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

ANNEXURE II 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. Shahnawaz Khan – 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 ₹ 274,781 thousand^(#)

4. **Prescribed CSR expenditure (2% of the amount as in item 3 above):** ₹ 5,496 thousand

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

a) **Total amount to be spent for the financial year:** ₹ 5,496 thousand

b) **Amount un-spent, if any:** ₹ 5,496 thousand

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 areas for carrying out CSR activities, the amount required to be spent on CSR activities during financial year 2016-17 remained unspent as on 31st March 2017. 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 basis 'previous GAAP' (as defined in Notes to Financial Statements).

Shahnawaz Khan

Director

DIN: 03053420

Dr. G. B. Parulkar

Chairman of CSR committee

DIN: 00015668

Place: Mumbai

Date: August 21, 2017

Carol Info Services Limited

ANNEXURE III 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;
- 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 IV 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 (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 2016-17, there were transactions relating to rent income between the Company and WL aggregating to ₹ 619,413 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

Note:

- (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' under Ind AS 24.
- (ii) During the year 2016-17, 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 made at arm's length basis and in the ordinary course of business.

For and on behalf of the Board of Directors

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

Carol Info Services Limited

ANNEXURE V TO THE BOARD'S REPORT

FORM 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	24 th 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	100.00
Reserves and Surplus	(2,848,165)
Total Assets	2,965,909
Total Liabilities	([^])5,813,974
Investments	2,965,782
Turnover	0.00
Profit / (Loss) before taxation	(284,074)
Provision for Taxation (Expense) / Credit	178,261
Profit / (Loss) after taxation	(105,813)
Proposed dividend	-
% of shareholding	100

([^]) Includes Preference Shares

Notes:

- 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 2016-17.
- Apart from the above, there are no subsidiaries, which are yet to commence operations or which are liquidated or sold during the year.
- 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
Chairman & Managing Director
DIN: 00015668

Shahnawaz Khan
Director
DIN: 03053420

Stephen D'Souza
Director
DIN: 00045812

Nikhil Malpani
Company Secretary

Ravi Shekhar Mitra
Chief Financial Officer

Place: Mumbai
Date: August 21, 2017

**FINANCIAL STATEMENTS
(STANDALONE AND CONSOLIDATED)**

Carol Info Services Limited

INDEPENDENT AUDITOR'S REPORT

To the Members of CAROL INFO SERVICES LIMITED

1. Report on the Standalone Ind AS Financial Statements

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, 2017, 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").

2. 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.

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.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone 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 standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the overall presentation of the standalone Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS Financial Statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2017, and its profit (financial performance including other comprehensive income) its cash flows and the changes in equity for the year ended on that date.

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, 2017 none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 33 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 foreseeable 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.
 - (iv) The Company has provided requisite disclosures in its standalone Ind AS Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and the cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management. Refer Note 8b to the standalone Ind AS Financial Statements.

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

Ashutosh Pednekar
Partner
ICAI M No. 41037

Place : Mumbai
Date : August 21, 2017

Carol Info Services Limited

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 the planned program of verifying all the Property, Plant and Equipment once in three years, according to which all the Property, Plant and Equipment were physically verified by the management in the year 2014-15. We understand that no material discrepancies were noticed on such verification. In our opinion, such physical verification program, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us, 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 ₹ 149,722 thousands), Building (gross block ₹ 518,075 thousands, net block ₹ 493,822 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 ₹19,891 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, 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, 2017 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, customs duty, excise duty, value added tax, cess, 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 Assessing officer
	TDS Dues	0.24	A.Y. 13-14	Pending with Assessing officer
	3.10	A.Y. 16-17	Pending with Assessing officer	

- 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.41307

Place : Mumbai
Date : August 21, 2017

Carol Info Services Limited

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, 2017 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M P Chitale & Co

Chartered Accountants
Firm Regn No. 101851W

Ashutosh Pednekar

Partner
ICAI M No. 41037

Place : Mumbai
Date : August 21, 2017

Carol Info Services Limited

BALANCE SHEET AS AT MARCH 31, 2017

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

	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment	2	168,710	175,296	186,568
Capital work-in-progress	2	-	-	5,511
Investment Property	3	6,90,430	7,06,672	722,959
Financial Assets				
Investment in subsidiary	4	100	100	100
Other Investments	4	3,643,897	3,382,539	3,153,061
Loans	5	4,968,181	4,435,926	3,960,897
Others	6	17,787	119,351	-
Deferred tax assets (net)	24	548,060	761,093	969,034
Non-current tax assets (net)		428,814	403,030	394,372
Other non-current assets	7	5,027	4,953	4,051
		<u>10,471,006</u>	<u>9,988,960</u>	<u>9,396,553</u>
CURRENT ASSETS				
Financial Assets				
Trade receivables	8	238,029	214,400	133,790
Cash and cash equivalents	8a	36,850	113,630	25,165
Bank balances (other than above)	8b	662,674	388,525	456,883
Others	9	2,255	2,688	14,617
Other current assets	10	19,789	14,790	8,670
		<u>959,597</u>	<u>734,033</u>	<u>639,125</u>
TOTAL		<u>11,430,603</u>	<u>10,722,993</u>	<u>10,035,678</u>
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	11	354,365	354,365	354,365
Other equity		8,089,388	7,290,635	6,560,036
		<u>8,443,753</u>	<u>7,645,000</u>	<u>6,914,401</u>
NON-CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	12	1,747,613	2,002,232	2,200,005
Provisions	13	-	-	213
		<u>1,747,613</u>	<u>2,002,232</u>	<u>2,200,218</u>
CURRENT LIABILITIES				
Financial Liabilities				
Trade payables	14	3,035	3,303	2,850
Other financial liabilities	15	884,896	799,263	652,738
Other current liabilities	16	1,268	1,050	1,137
Liabilities for Current Tax (Net)		349,954	272,145	264,334
Provisions	17	84	-	-
		<u>1,239,237</u>	<u>1,075,761</u>	<u>921,059</u>
TOTAL		<u>11,430,603</u>	<u>10,722,993</u>	<u>10,035,678</u>

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 M.P.Chitale & Co.
Chartered Accountants

For and on behalf of the Board of Directors

Ashutosh Pednekar
Partner

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

Shahnawaz Khan
Director
DIN: 03053420

Stephen D'souza
Director
DIN: 00045812

Place : Mumbai
Date : August 21, 2017

Nikhil Malpani
Company Secretary

Ravi Shekhar Mitra
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

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

	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
REVENUE			
Revenue from operations	18	655,321	617,718
Other income	19	842,322	754,722
TOTAL		1,497,643	1,372,440
EXPENSES			
Finance costs	20	264,986	287,493
Employee Benefits Expenses	21	885	1,579
Depreciation and Impairment expense	2, 3	23,863	32,952
Other Expenses	22	53,555	45,694
TOTAL		343,289	367,718
PROFIT BEFORE TAX		1,154,354	1,004,722
Tax expense:	24		
Current tax- MAT payable		(142,568)	(66,182)
Deferred tax credit/(charge)		(213,033)	(206,413)
PROFIT AFTER TAX BEFORE OTHER COMPREHENSIVE INCOME		798,753	732,127
Other Comprehensive Income			
Income tax related to items that will not be reclassified to profit or loss (remeasurement of deferred tax on fair valuation of equity shares)		-	(1,528)
		-	(1,528)
TOTAL COMPREHENSIVE INCOME		798,753	730,599
Earnings per equity share of face value of ₹ 10/- each			
Basic and diluted earnings per share in ₹	23	22.54	20.66
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 M.P.Chitale & Co.
Chartered Accountants

For and on behalf of the Board of Directors

Ashutosh Pednekar
Partner

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

Shahnawaz Khan
Director
DIN: 03053420

Stephen D'souza
Director
DIN: 00045812

Place : Mumbai
Date : August 21, 2017

Nikhil Malpani **Ravi Shekhar Mitra**
Company Secretary Chief Financial Officer

Carol Info Services Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

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

Equity Share Capital

	As at April 01, 2015	Changes in equity share capital during the year	As at March 31, 2016	Changes in equity share capital during the year	As at March 31, 2017
	354,365	-	354,365	-	354,365

Other equity

	Other Reserves				Equity instruments through OCI	Total Equity
	Securities Premium Account	Capital Redemption Reserve	General reserve	Surplus (Profit and loss balance)		
Balance at April 01, 2015	2,716,000	297,500	1,216,889	2,042,885	286,762	6,560,036
Profit for the year	-	-	-	732,127	-	732,127
Other comprehensive income for the year	-	-	-	-	(1,528)	(1,528)
Total comprehensive income for the year	-	-	-	732,127	(1,528)	730,599
Balance at March 31, 2016	2,716,000	297,500	1,216,889	2,775,012	285,234	7,290,635
Profit for the year	-	-	-	798,753	-	798,753
Balance at March 31, 2017	2,716,000	297,500	1,216,889	3,573,765	285,234	8,089,388

Notes:

- 1) Surplus (Profit and loss balance) as on March 31, 2017, March 31, 2016 and April 01, 2015. 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 interest free loans from the same group have been measured at fair value at inception with referene to market rates and the difference has 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

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 M.P.Chitale & Co.

Chartered Accountants

Ashutosh Pednekar

Partner

Place : Mumbai

Date : August 21, 2017

For and on behalf of the Board of Directors

Dr. G. B. Parulkar

Chairman & Managing Director

DIN: 00015668

Shahnawaz Khan

Director

DIN: 03053420

Stephen D'souza

Director

DIN: 00045812

Nikhil Malpani

Company Secretary

Ravi Shekhar Mitra

Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

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

	For the year ended March 31, 2017	For the year ended March 31, 2016
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:		
Profit before tax	1,154,354	1,004,722
Adjustments for		
Depreciation and impairment	23,863	32,952
Liabilities no more payable	(996)	(1,043)
Exchange fluctuation gain, net	-	(588)
Advances no more recoverable	-	204
Reversal of provision for doubtful debts	-	(28)
Bad debts	-	303
Finance costs	264,986	287,493
Interest Income	(578,055)	(513,866)
Loss on sale of fixed assets	-	118
Measurement of debentures at fair value	(263,261)	(235,053)
Provision for diminution in value of investment	1,903	-
Profit on sale of investments	-	(4,143)
Operating profit before Working Capital changes	602,794	571,071
Movement in working capital:		
(Increase) / Decrease in Trade Receivables	(23,629)	(81,089)
(Increase) / Decrease in Loans and Advances and Other assets	(3,854)	(6,312)
Increase/(Decrease) in Liabilities and Provisions	2,924	85,289
Cash Generated from Operations	578,235	568,959
Income taxes paid	(93,895)	(67,031)
Net cash from Operating Activities (A)	484,340	501,928
CASH FLOWS PROVIDED BY/ (USED IN) INVESTING ACTIVITIES:		
Purchase of Fixed Assets and Additions to Capital work-in-progress	(1,114)	(131)
Proceeds from sale of Investments	-	21,108
Repayment by / (Loans to) companies / firms / subsidiaries	(1)	200
Margin money and Fixed deposits with maturity of more than 3 months	(173,297)	(51,704)
Interest received	45,801	39,767
Net cash from/(used in) Investing Activities (B)	(128,611)	9,240
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES:		
Repayment of borrowings	(180,403)	(144,476)
Finance costs paid	(251,394)	(277,516)
Dividend paid	(712)	(711)
Net cash used in Financing Activities (C)	(432,509)	(422,703)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(76,780)	88,465
CASH AND CASH EQUIVALENTS, at beginning of year	113,630	25,165
CASH AND CASH EQUIVALENTS, at end of year	36,850	113,630
Reconciliation of Cash and Cash equivalents with the Balance Sheet		
Balance with banks :		
On current account	36,797	23,544
Deposit with maturity period less than 3 months	-	90,000
Cash on hand	53	86
Cash and Cash equivalents as restated as at the year end	36,850	113,630

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".

As per our attached report of even date

For M.P.Chitale & Co.
Chartered Accountants

For and on behalf of the Board of Directors

Ashutosh Pednekar
Partner

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

Shahnawaz Khan
Director
DIN: 03053420

Stephen D'souza
Director
DIN: 00045812

Place : Mumbai
Date : August 21, 2017

Nikhil Malpani **Ravi Shekhar Mitra**
Company Secretary *Chief Financial Officer*

Carol Info Services Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

1.A 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 activity.

1.B BASIS OF PREPARATION OF FINANCIAL STATEMENTS

I. Statement of compliance

The Financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the Section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements are the Company's first Ind AS financial statements and are covered by Ind AS 101, First-time adoption of Indian Accounting Standards (Ind AS 101). The transition to Ind AS has been carried out from the accounting principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP") which is considered as the "Previous GAAP" for purposes of Ind AS 101.

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 Judgments

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 several 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.

1.C 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.

Carol Info Services Limited

(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 recognized 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 recognized 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 recognized 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.

Carol Info Services Limited

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 recognized 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

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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

The Company recognises revenues on dispatch of goods to customers. Revenues are recorded at invoice value net of sales tax, excise, returns and trade discounts.

Revenue from services are recognised on completion of such services.

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

(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.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

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

A) The changes in the carrying amount of Property, Plant and Equipment for the year ended March 31, 2017 is as follows:

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION AND IMPAIRMENT				NET BLOCK
	As at 1.4.2016	Additions	Deductions/ Other Adjustments	As at 31.3.2017	As at 1.4.2016	For the year	Deductions/ Other Adjustments	As at 31.3.2017	As at 31.3.2017
Tangible Assets									
Freehold Land	274	-	-	274	-	-	-	-	274
Leasehold land	154,999	-	-	154,999	2,642	2,634	-	5,276	149,723
Plant and Equipment	21,687	966	-	22,653	3,648	3,426	-	7,074	15,579
Furniture and Fixtures	6,772	-	-	6,772	3,995	653	-	4,648	2,124
Vehicles	111	-	-	111	111	-	-	111	-
Office equipments	2,577	69	-	2,646	730	908	-	1,638	1,008
Information Technology Equipments	30	-	-	30	28	-	-	28	2
TOTAL	186,450	1,035	-	187,485	11,154	7,621	-	18,775	168,710
Capital Work-In-Progress (Refer note (b) below)	5,511	-	-	5,511	5,511	-	-	5,511	-
TOTAL	191,961	1,035	-	192,996	16,665	7,621	-	24,286	168,710

B) The changes in the carrying amount of Property, Plant and Equipment for the year ended March 31, 2016 is as follows:

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION AND IMPAIRMENT				NET BLOCK
	As at 1.4.2015	Additions	Deductions/ Other Adjustments	As at 31.3.2016	As at 1.4.2015	For the year	Deductions/ Other Adjustments	As at 31.3.2016	As at 31.3.2016
Tangible Assets									
Freehold Land	274	-	-	274	-	-	-	-	274
Leasehold land	154,999	-	-	154,999	-	2,642	-	2,642	152,357
Plant and Equipment	21,805	-	118	21,687	-	3,648	-	3,648	18,039
Furniture and Fixtures	6,772	-	-	6,772	-	3,995	-	3,995	2,777
Vehicles	111	-	-	111	-	111	-	111	-
Office equipments	2,577	-	-	2,577	-	730	-	730	1,847
Information Technology Equipments	30	-	-	30	-	28	-	28	2
TOTAL	186,568	-	118	186,450	-	11,154	-	11,154	175,296
Capital Work-In-Progress (Refer note (b) below)	5,511	-	-	5,511	-	5,511	-	5,511	-
TOTAL	192,079	-	118	191,961	-	16,665	-	16,665	175,296

Note - Of the above, assets on which charge has been created (Refer note 12) amounts to ₹149,652 thousand (March 31, 2016: ₹ 152,285 thousand; April 01, 2015 ₹ 154,926 thousand)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

Notes:

- (a) The Company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on April 01, 2015 under the previous GAAP.

DESCRIPTION	Gross Block	Accumulated Depreciation	Net Block
Freehold Land	274	-	274
Leasehold land	195,141	40,142	154,999
Plant and Equipment	173,749	151,944	21,805
Furniture and Fixtures	101,530	94,758	6,772
Vehicles	9,061	8,950	111
Office equipments	45,240	42,663	2,577
Information Technology Equipments	85,679	85,649	30
TOTAL	610,674	424,106	186,568

- (b) During the year ended March 31, 2016, Capital-work-in-progress amounting to ₹ 5,511 thousand has been impaired. Impairment provision provided as on that date amounts to ₹ 5,511 thousand.
- (c) Out of the above assets, the following are the details of assets given on lease :

Assets given on lease	2017			2016			2015
	Gross Block	Accumulated Depreciation	Net Block	Gross Block	Accumulated Depreciation	Net Block	Net Block
Furniture and fixtures	5,758	3,746	2,012	5,758	3,222	2,536	5,758
Office equipments	2,604	1,836	768	2,604	938	1,666	1,686
Plant and equipment	21,537	6,671	14,866	21,537	3,350	18,187	21,671
Vehicles*	-	-	-	-	-	-	-
TOTAL	29,899	12,253	17,646	29,899	7,510	22,389	29,115

* Gross value ₹ 985 thousand ;(March 31, 2016: ₹ 985 thousand; April 01, 2015 ₹ 985 thousand) and fully depreciated.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

3. INVESTMENT PROPERTY

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT
	As at 1.4.2016	Additions	Deductions/ Other Adjustments	As at 31.3.2017	As at 1.4.2016	For the year	Deductions/ Other Adjustments	As at 31.3.2017	As at 31.3.2017
Buildings	722,959	-	-	722,959	16,287	16,242	-	32,529	690,430
TOTAL	722,959	-	-	722,959	16,287	16,242	-	32,529	690,430

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT
	As at 1.4.2015	Additions	Deductions/ Other Adjustments	As at 31.3.2016	As at 1.4.2015	For the year	Deductions/ Other Adjustments	As at 31.3.2016	As at 31.3.2016
Buildings	722,959	-	-	722,959	-	16,287	-	16,287	706,672
TOTAL	722,959	-	-	722,959	-	16,287	-	16,287	706,672

Note - Of the above, assets on which charge has been created (Refer note 12) amounts to ₹ 597,509 thousand (March 31, 2016: ₹ 610,978 thousand; April 01, 2015 ₹ 624,484 thousand)

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

The Company has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its investment properties as recognised in the financial statements as at the date of transition to Ind AS's, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (April 01, 2015), as per the following details

Particulars	Gross Block (At Cost)	Accumulated Depreciation	Net Block/ Deemed Cost as per Ind AS
	As at April 01, 2015		
Buildings	944,742	221,783	722,959
TOTAL	944,742	221,783	722,959

Information regarding Income and Expenditure of Investment Property

Particulars	2016-17	2015-16
Rental Income derived from investment Properties	655,321	617,718
Less - Depreciation	16,242	16,287
Less: Other expenses	40,984	37,923
Profit arising from Investment Properties before indirect expenses	598,095	563,508

As at March 31, 2017, March 31, 2016 and April 01, 2015 the fair values of the investment property are ₹ 4,682,303 thousand, ₹ 4,047,290 thousands and ₹ 4,045,713 thousands respectively. 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
4. NON-CURRENT INVESTMENTS			
A. Investment in Subsidiary at cost			
Unquoted Equity Shares			
10,000 (March 31, 2016- 10,000, April 01, 2015- 10,000) Equity shares of ₹ 10 each fully paid-up in Banneret Trading Private Limited [including 6 (March 31, 2016- 6, April 01, 2015- 1) fully paid-up shares of par value held in the name of the nominees of the Company]	100	100	100
B. Other Investments - Investment in Optionally Convertible Redeemable Debentures - Fair value through Profit and Loss			
2,500 (March 31, 2016- 2,500, April 01, 2015- 2,500) 0% Optionally Convertible Redeemable Debentures of ₹ 1,000,000 each fully paid-up of the following series in Wockhardt Hospitals Limited:	3,223,116	2,959,855	2,724,800
- 1,405 (March 31, 2016- 1,405, April 01, 2015- 1,405) Series A Debentures			
- 530 (March 31, 2016- 530, April 01, 2015- 530) Series B Debentures			
- 565 (March 31, 2016- 565, April 01, 2015- 565) Series C Debentures			
C. Other Investments - Investment in equity instruments- Fair value through Other Comprehensive Income (OCI)			
6,750,000 (March 31, 2016- 6,750,000, April 01, 2015- 6,750,000) Equity shares of ₹ 10 each fully paid-up in Wockhardt Hospitals Limited	420,781	420,781	420,781
Nil (March 31, 2016- Nil, April 01, 2015 - 167,800) Equity shares of CHF 1 each fully paid-up in Swiss Biosciences AG (Liquidated)	-	-	5,577
780,000 (March 31, 2016- 780,000, April 01, 2015- 780,000) Equity shares of ₹ 10 each fully paid-up in Al Barr Finance House Limited	17,583	17,583	17,583
Less: Impairment provision	(17,583)	(15,680)	(15,680)
	420,781	422,684	428,261
	3,643,997	3,382,639	3,153,161
Aggregate book value of unquoted investments	3,643,997	3,382,639	3,153,161
5. NON-CURRENT FINANCIAL ASSETS - LOANS			
Loans to related parties (Refer note 29)			
Unsecured, considered good	4,968,181	4,435,926	3,960,897
Unsecured, considered doubtful	16,064	16,064	16,064
Less: Loss allowance	(16,064)	(16,064)	(16,064)
	4,968,181	4,435,926	3,960,897

Carol Info Services Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
6. OTHER NON-CURRENT FINANCIAL ASSETS			
Deposits with maturity more than 12 months (under lien)	-	119,195	-
Deposits with maturity more than 12 months	17,787	-	-
Margin money (under lien)	-	156	-
	<u>17,787</u>	<u>119,351</u>	<u>-</u>
7. OTHER NON-CURRENT ASSETS			
Capital advances	74	-	-
Security Deposits	4,953	4,953	4,051
	<u>5,027</u>	<u>4,953</u>	<u>4,051</u>
8. TRADE RECEIVABLES (Refer note 29 for related party balances)			
Unsecured, considered good	238,029	214,400	133,790
Unsecured, considered doubtful	72	72	100
Less: Loss allowance	(72)	(72)	(100)
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>238,029</u>	<u>214,400</u>	<u>133,790</u>
Trade receivables pledged as collateral as referred to in Note 12 ₹ 207,689 thousand (March 31, 2016: ₹ 210,890 thousand; April 01, 2015: ₹ 112,396 thousand)			
8a. CASH AND CASH EQUIVALENTS			
a) Balance with banks :			
On current account	36,797	23,544	25,004
Deposit with maturity period less than 3 months	-	90,000	-
b) Cash on hand	53	86	161
	<u>36,850</u>	<u>113,630</u>	<u>25,165</u>
8b. OTHER BANK BALANCES			
Unpaid dividend accounts	754	1,466	2,177
Deposits with original maturity more than 3 months but less than 12 months	134,105	179,856	121,286
Deposits with maturity more than 12 months (includes deposit under lien ₹ 126,884 thousand; Deposit under lien- March 31, 2016: ₹ Nil; April 01, 2015: ₹ 110,718 thousand).	429,795	165,722	302,265
Deposits with maturity equal to 12 months	98,020	41,481	31,055
Margin money under lien	-	-	100
	<u>662,674</u>	<u>388,525</u>	<u>456,883</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

Disclosure for Specified Bank Notes (SBNs)	Specified Bank Notes (SBNs)	Other denomination notes	Total
Closing Balance as at November 8, 2016	3,083	8	3,091
Add: Withdrawal from bank accounts	-	50	50
Add: Permitted receipts	-	-	-
Add: Non-Permitted receipts	-	-	-
Less :Permitted payments	-	5	5
Less :Non-Permitted payments	-	-	-
Less: Deposited in bank accounts	3,083	-	3,083
Closing Balance as at December 30, 2016	-	53	53

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
9. OTHER CURRENT FINANCIAL ASSETS			
Interest Accrued	2,255	2,688	3,817
Other Receivable	-	-	10,800
	<u>2,255</u>	<u>2,688</u>	<u>14,617</u>
10. OTHER CURRENT ASSETS			
Balance with customs, excise and sales tax authorities	11,673	7,776	4,698
Other advances	8,116	7,014	3,972
	<u>19,789</u>	<u>14,790</u>	<u>8,670</u>

11. SHARE CAPITAL

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
AUTHORISED						
Unclassified shares of ₹10 each	100,000,000	<u>1,000,000</u>	100,000,000	<u>1,000,000</u>	100,000,000	<u>1,000,000</u>
ISSUED						
Equity shares of ₹10 each	35,519,797	<u>355,198</u>	35,519,797	<u>355,198</u>	35,519,797	<u>355,198</u>
SUBSCRIBED AND PAID UP:						
Equity shares of ₹10 each	35,436,472	<u>354,365</u>	35,436,472	<u>354,365</u>	35,436,472	<u>354,365</u>

Notes :

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

	As at March 31, 2017	As at March 31, 2016
Outstanding at the beginning of the year	35,436,472	35,436,472
Additions during the year	-	-
Outstanding at the end of the year	<u>35,436,472</u>	<u>35,436,472</u>

Carol Info Services Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

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

32,665,270 (March 31, 2016: 32,651,170; April 01, 2015: 32,638,645) 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, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Khorakiwala Holdings and Investments Private Limited	32,665,270	92.18	32,651,170	92.14	32,638,645	92.10

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
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12. NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS SECURED

Term loan from bank (Refer Note (a) below)	1,747,613	1,983,589	2,159,072
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UNSECURED

Loans from related party (Refer Note (b) below)	-	18,643	40,933
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	<u>1,747,613</u>	<u>2,002,232</u>	<u>2,200,005</u>
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Notes:

- Term loan is secured by exclusive charge by way of mortgage of land and building situated at Bandra Kurla Complex, Mumbai and exclusive charge by way of hypothecation of lease rentals receivables from the said property. This term loan carrying interest rate at Bank Base rate plus 235 BPS p.a. is repayable by monthly instalment and will be fully repaid by March 2022.
- Interest free loan ₹ 54,690 thousand (March 31, 2016 - ₹ 54,690 thousand, April 01, 2015- ₹ 54,690 thousand) are repayable by 2018 in 2 equal annual instalment subject to any further amendment with mutual understanding. Also, Refer note 29.

13. PROVISIONS (NON-CURRENT)

Provision for employee benefits (Refer Note 25)

Gratuity (unfunded)	-	-	91
Leave Encashment (unfunded)	-	-	122
	<u>-</u>	<u>-</u>	<u>213</u>

14. TRADE PAYABLES

Trade payables	3,035	3,303	2,850
	<u>3,035</u>	<u>3,303</u>	<u>2,850</u>

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, 2017 ₹ Nil (March 31, 2016 : ₹ Nil; April 01, 2015: ₹ Nil). The above information is given to the extent information available with the Company and relied upon by the auditors.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
15. OTHER CURRENT FINANCIAL LIABILITIES			
Current maturities of long-term debt (Refer note 12)	292,204	207,748	144,475
Unclaimed dividends	754	1,466	2,177
Other payables			
Deposits payable	577,464	577,464	487,908
Employee liabilities	44	20	55
Other payables	14,430	12,565	18,123
	884,896	799,263	652,738
16. OTHER CURRENT LIABILITIES			
Other payables	1,268	1,050	1,137
	1,268	1,050	1,137
17. PROVISIONS			
Provision for employee benefits (Refer note 25)			
Gratuity (unfunded)	24	-	-
Compensated absences (unfunded)	60	-	-
	84	-	-
18. REVENUE FROM OPERATIONS		For the	For the
		year ended	year ended
		March 31, 2017	March 31, 2016
Rent income (Refer note 26)		655,321	617,718
		655,321	617,718
19. OTHER INCOME			
Interest Income		578,055	513,866
Exchange fluctuation gain, net		-	588
Profit on sale of Investment		-	4,143
Fair valuation of debentures		263,261	235,054
Miscellaneous income (Refer note below)		1,006	1,071
		842,322	754,722
Miscellaneous income to the extent of ₹ 996 thousand (Previous Year- ₹ 1,043 thousand) is on account of liabilities no more payable.			
20. FINANCE COSTS			
Interest Expenses on			
on term loans		254,546	281,917
others		9,586	5,576
Other borrowing costs		854	-
		264,986	287,493

Carol Info Services Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

	For the year ended March 31, 2017	For the year ended March 31, 2016
21. EMPLOYEE BENEFITS EXPENSE		
Salaries and wages (Refer note 25)	708	1,252
Contribution to provident and other funds (Refer note 25)	24	93
Staff welfare expenses	153	234
	<u>885</u>	<u>1,579</u>
22. OTHER EXPENSES		
Travelling and conveyance	262	136
Power and fuel	9,200	8,304
Rent	100	100
Rates and taxes	17,819	16,125
Repairs and maintenance:		
Building	5,907	3,013
Others	1,786	5,246
Insurance	1,793	1,109
Bad debts	-	303
Legal and professional charges	8,546	4,404
Security services	4,479	3,934
Secretarial expenses	1,190	1,761
Provision for permanent diminution in investment	1,903	-
Miscellaneous expenses (Refer note below)	570	1,259
	<u>53,555</u>	<u>45,694</u>
Payment to auditors included in Miscellaneous expenses		
Audit fees	440	440
Other services	-	100
Out of pocket expenses	-	30
Service tax	2	84
	<u>442</u>	<u>654</u>
23. 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	798,753	732,127
Net profit for calculation of Basic/Diluted EPS	<u>798,753</u>	<u>732,127</u>
Reconciliation of number of shares	35,436,472	35,436,472
Weighted average number of shares in calculating Basic/Diluted EPS	<u>35,436,472</u>	<u>35,436,472</u>
Earnings per share (nominal value ₹ 10 each)		
Earnings per share - Basic/Diluted in ₹	22.54	20.66

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

24. INCOME TAXES

Tax expense

(a) Amounts recognised in profit or loss and Other Comprehensive Income

	For the year ended March 31, 2017	For the year ended March 31, 2016
Current income tax expense	142,568	66,182
Changes in estimates related to prior period	-	-
	142,568	66,182
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences(including MAT credit entitlement)	213,033	224,331
Increase in Indian corporate tax rate	-	(17,918)
Deferred tax expense	213,033	206,413
Tax expense for the year	355,601	272,595
Tax recognised in Other Comprehensive income		
Income tax related to items that will not be reclassified to profit or loss being remeasurement of deferred tax on fair valuation of equity shares)	-	1,528
Tax expense for the year	-	1,528
Total tax expense	355,601	274,123

(b) Reconciliation of effective tax rate

	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit before tax (a)	1,154,354	1,004,722
Tax using the Company's domestic tax rate (March 31, 2017 : 34.608%, March 31, 2016 : 34.608%)	399,499	347,714
Tax effect of:		
Deductions admissible under section 24 and 25 of the Income Tax Act, 1961	(72,296)	(66,071)
Expenses not deductible for tax purposes	28,747	27,944
Items on which no tax is payable	(349)	(1,637)
Rate difference on taxable profits	-	533
Impact of re measurement of tax due to rate change	-	(17,919)
Derecognition of net deferred tax liability created in earlier years	-	(16,441)
Tax expense as per profit or loss (b)	355,601	274,123
Effective tax rate for the year (b)/(a)	30.81%	27.28%

The decrease in the rate is mainly on account of deduction of expenses under section 24 and section 25 offset by increase on account of disallowance of actual expenses.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

(c) Movement in deferred tax balances

As at March 31, 2017

Particulars	Net balance April 01, 2016	Recognised in profit or loss	Recognised in OCI	Net deferred tax asset/ (liability)	Deferred tax asset	Deferred tax liability
Investments	(85,547)	-	-	(85,547)	-	(85,547)
Borrowings	(8,855)	3,545	-	(5,310)	-	(5,310)
Loans given	1,013,107	(184,202)	-	8,28,905	-	828,905
Debentures	(159,146)	(91,110)	-	(250,256)	(250,256)	-
Lease rent	1,534	(197)	-	1,337	-	1,337
MAT Credit	-	58,931	-	58,931	-	58,931
Tax assets/(Liabilities)	761,093	(213,033)	-	548,060	(250,256)	798,316

As at March 31, 2016

Particulars	Net balance April 01, 2015	Recognised in profit or loss	Recognised in OCI	Net deferred tax asset/ (liability)	Deferred tax asset	Deferred tax liability
Property, plant and equipments	(23,613)	23613	-	-	-	-
Employee benefits	32	(32)	-	-	-	-
Investments	(84,019)	-	(1,528)	(85,547)	-	(85,547)
Borrowings	(12,087)	3,232	-	(8,855)	-	(8,855)
Loans given	1,156,546	(143,439)	-	1,013,107	1,013,107	-
Debentures	(76,410)	(82,736)	-	(159,146)	-	(159,146)
Lease rent	1,445	89	-	1,534	1,534	-
MAT Credit	7,140	(7,140)	-	-	-	-
Tax assets/(Liabilities)	969,034	(206,413)	(1,528)	761,093	1,014,641	(253,548)

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 accounted tax charge in respect of Minimum Alternative Tax (MAT credit) of ₹ Nil (March 31, 2016 : ₹ Nil, April 01, 2015 ₹ 7,140 thousand) of earlier years as the Company was not reasonably certain of availing the said MAT credit in future years against the normal tax expected to be paid in those years.

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

25. EMPLOYEE BENEFITS

(A) Defined benefit plans -

	For the year ended March 31, 2017 Gratuity (Non-funded)	For the year ended March 31, 2016 Gratuity (Non-funded)
I Expenses recognised in statement of profit and loss during the year:		
1 Current Service Cost	-	-
2 Interest cost	-	-
Total Expenses	-	-
II Expenses recognised in OCI		
1 Actuarial changes arising from changes in demographic assumptions	-	-
2 Actuarial changes arising from changes in financial assumptions	-	-
3 Actuarial changes arising from changes in experience adjustments	-	-
	-	-
III Net Asset /(Liability) recognised as at balance sheet date		
1 Present value of defined benefit obligation	-	-
2 Net Asset/(Liability)	-	-
IV Reconciliation of Net Asset/(Liability) recognised as at balance sheet date		
1 Net Asset/(Liability) at the beginning of year	-	(91)
2 Expense as per I and II above	-	-
3 Employer contributions	-	-
4 Liability settled on resignation of the employee	-	77
5 Excess provision written back	-	14
6 Net asset/(liability) at the end of the year	-	-
V Maturity profile of defined benefit obligation	Not applicable	Not applicable
VI Quantitative sensitivity analysis for significant assumptions:	Not applicable	Not applicable
VII Actuarial Assumptions	Not applicable	Not applicable
VIII Expected contribution to the plan for the next annual reporting period	-	-

Notes:

- a) There was no amount of material gratuity liability as on March 31, 2017, hence no actuarial valuation was carried out during the year
- b) Amounts recognised as an expense and included in the Note 21 - "Salaries and wages" :
Gratuity ₹ 24 thousand (March 31, 2016 - ₹ Nil) and leave encashment ₹ 60 thousand (March 31, 2016 - ₹ Nil).

(B) Defined contribution plan -

Amount recognised as an expense and included in the Note 21 - "Contribution to provident and other funds" ₹ 24 thousand (March 31, 2016 - ₹ 93 thousand).

26. LEASES

A. Operating leases

Leases as lessor

The Company has given on operating lease certain office and factory premises . These lease 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:

Carol Info Services Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

	March 31, 2017			
	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	63,000	65,363	16,538	-

	March 31, 2016			
	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	62,250	63,000	81,900	-

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.

27. FINANCIAL INSTRUMENTS

1. 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, 2017	Carrying amount				Total Fair value
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Total
Financial assets					
Non-current investments	3,223,116	420,781	-	3,643,897	3,643,897
Loans - non-current	-	-	4,968,181	4,968,181	4,968,181
Other non-current financial assets	-	-	17,787	17,787	17,787
Trade receivables	-	-	238,029	238,029	238,029
Cash and cash equivalents	-	-	36,850	36,850	36,850
Other bank balances	-	-	662,674	662,674	662,674
Other current financial assets	-	-	2,255	2,255	2,255
	3,223,116	420,781	5,925,776	9,569,673	9,569,673
Financial liabilities					
Borrowings	-	-	2,039,817	2,039,817	2,039,817
Trade payables	-	-	3,035	3,035	3,035
Other financial liabilities	-	-	592,692	592,692	592,692
	-	-	2,635,544	2,635,544	2,635,544

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

March 31, 2017	Fair value			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets				
Non-current investments	-	-	3,643,897	3,643,897
Loans - non-current	-	4,968,181	-	4,968,181
Other non-current financial assets	-	-	-	-
Trade receivables	-	-	-	-
Cash and cash equivalents	-	-	-	-
Other bank balances	-	-	-	-
Loans - current	-	-	-	-
Other current financial assets	-	-	-	-
	-	4,968,181	3,643,897	8,612,078
Financial liabilities				
Borrowings	-	2,039,817	-	2,039,817
Trade payables	-	-	-	-
Other financial liabilities	-	-	-	-
	-	2,039,817	-	2,039,817

March 31, 2016	Carrying amount				Total Fair value
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Total
Financial assets					
Non-current investments	2,959,855	422,684	-	3,382,539	3,382,539
Loans - non-current	-	-	4,435,926	4,435,926	4,435,926
Other non-current financial assets	-	-	119,351	119,351	119,351
Trade receivables	-	-	214,400	214,400	214,400
Cash and cash equivalents	-	-	113,630	113,630	113,630
Other bank balances	-	-	388,525	388,525	388,525
Loans - current	-	-	-	-	-
Other current financial assets	-	-	2,688	2,688	2,688
	2,959,855	422,684	5,274,520	8,657,059	8,657,059
Financial liabilities					
Borrowings	-	-	2,209,980	2,209,980	2,209,980
Trade payables	-	-	3,303	3,303	3,303
Other financial liabilities	-	-	591,515	591,515	591,515
	-	-	2,804,798	2,804,798	2,804,798

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

March 31, 2016	Fair value				
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total	
Financial assets					
Non-current investments	-	-	3,382,539	3,382,539	
Loans - non-current	-	4,435,926	-	4,435,926	
Other non-current financial assets	-	-	-	-	
Trade receivables	-	-	-	-	
Cash and cash equivalents	-	-	-	-	
Other bank balances	-	-	-	-	
Loans - current	-	-	-	-	
Other current financial assets	-	-	-	-	
	-	4,435,926	3,382,539	7,818,465	
Financial liabilities					
Borrowings	-	2,209,980	-	2,209,980	
Trade payables	-	-	-	-	
Other financial liabilities	-	-	-	-	
	-	2,209,980	-	2,209,980	
April 01, 2015	Carrying amount				Total Fair value
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Total
Financial assets					
Non-current investments	2,724,800	428,261	-	3,153,061	3,153,061
Loans - non-current	-	-	3,960,897	3,960,897	3,845,319
Trade receivables	-	-	133,790	133,790	133,790
Cash and cash equivalents	-	-	25,165	25,165	25,165
Other bank balances	-	-	456,883	456,883	456,883
Other current financial assets	-	-	14,617	14,617	14,617
	2,724,800	428,261	4,591,352	7,744,413	7,628,835
Financial liabilities					
Borrowings	-	-	2,344,480	2,344,480	2,344,480
Trade payables	-	-	2,850	2,850	2,850
Other financial liabilities	-	-	508,263	508,263	508,263
	-	-	2,855,593	2,855,593	2,855,593

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

April 01, 2015	Fair value			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets				
Non-current investments	-	-	3,153,061	3,153,061
Loans - non-current	-	3,845,319	-	3,845,319
Other non-current financial assets	-	-	-	-
Trade receivables	-	-	-	-
Cash and cash equivalents	-	-	-	-
Other bank balances	-	-	-	-
Loans - current	-	-	-	-
Other current financial assets	-	-	-	-
	-	3,845,319	3,153,061	6,998,380
Financial liabilities				
Borrowings	-	2,344,480	-	2,344,480
Trade payables	-	-	-	-
Other financial liabilities	-	-	-	-
	-	2,344,480	-	2,344,480

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.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

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 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)
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 16.5%	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 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 the Company.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

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, 2017, March 31, 2016 and April 01, 2015, the Company did not have any significant concentration of credit risk with any external customers. (i.e. customer 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		
	March 31, 2017	March 31, 2016	April 01, 2015
Neither past due not impaired			
Past due not impaired			
Past due 1–180 days	237,953	214,400	130,588
Past due 181–365 days	76	-	-
More than 365 days	-	-	3,202
	238,029	214,400	133,790

Expected credit loss assessment for customers as at April 01, 2015, March 31, 2016 and March 31, 2017

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, 2015	100
Impairment loss recognised	(28)
Amounts written off	-
Balance as at March 31, 2016	72
Impairment loss recognised	-
Amounts written off	-
Balance as at March 31, 2017	72

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 36,850 thousand at March 31, 2017 (March 31, 2016: ₹ 113,630 thousand, April 01, 2015 : ₹ 25,165 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.

Carol Info Services Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

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, 2017	Carrying amount	Total	Contractual cash flows			
			Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	2,039,817	2,739,291	516,880	1,033,294	1,189,117	-
Trade payables	3,035	3,035	3,035	-	-	-
Unclaimed dividends	754	754	754	-	-	-
Deposits payable	577,464	577,464	577,464	-	-	-
Employee liabilities	44	44	44	-	-	-
Other payables	14,430	14,430	14,430	-	-	-
March 31, 2016						
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	2,209,980	3,169,679	457,733	990,761	1,108,227	612,958
Trade payables	3,303	3,303	3,303	-	-	-
Unclaimed dividends	1,466	1,466	1,466	-	-	-
Deposits payable	577,464	577,464	577,464	-	-	-
Employee liabilities	20	20	20	-	-	-
Other payables	12,565	12,565	12,565	-	-	-
April 01, 2015						
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	2,344,480	3,590,999	421,320	947,268	1,033,294	1,189,117
Trade payables	2,850	2,850	2,850	-	-	-
Unclaimed dividends	2,177	2,177	2,177	-	-	-
Deposits payable	487,908	487,908	487,908	-	-	-
Employee liabilities	55	55	55	-	-	-
Other payables	18,123	18,123	18,123	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

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 .

a) Currency risk

The Company has limited exposure to currency risk on account of no operations in other countries. The functional currency of the Company is Indian Rupee. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2017, March 31, 2016 and April 01, 2015 are as below:

	March 31, 2017 INR	March 31, 2017 in CHF
Financial assets	-	-
	-	-
Financial liabilities	-	-
	-	-
	-	-
	-	-
	March 31, 2016 INR	March 31, 2016 in CHF
Financial assets	-	-
	-	-
Financial liabilities	-	-
	-	-
	-	-
	-	-
	April 01, 2015 INR	April 01, 2015 in CHF
Financial assets		-
Non-Current investments	5,577	167,800
Other Receivables	10,800	167,960
	16,377	335,760
Financial liabilities	-	-
	-	-
	-	-

Sensitivity analysis

Since the Company does not have any financial assets or financial liabilities held in foreign currency as on March 31, 2017 and March 31, 2016, the risk due to exposures to foreign currency is minimal.

Carol Info Services Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

b) 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, 2017	As at March 31, 2016	As at April 01, 2015
Variable-rate instruments			
Financial liabilities	2,039,817	2,209,980	2,344,480
	2,039,817	2,209,980	2,344,480

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.

Variable-rate instruments	Impact on Profit/ (loss)- Increase/ (Decrease) in Profit	
	March 31, 2017	March 31, 2016
Particulars		
100 bp increase	(20,398)	(22,100)
100 bp decrease	20,398	22,100

28. 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 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 summarizes the capital of the Company:

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Total liabilities	2,039,817	2,209,980	2,344,480
Less : Cash and cash equivalent and other bank balances	699,524	502,155	482,048
Adjusted net debt	1,340,293	1,707,825	1,862,432
Total equity	8,443,754	7,645,000	6,914,401
Adjusted equity	8,443,754	7,645,000	6,914,401
Adjusted net debt to adjusted equity ratio	0.16	0.22	0.27

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

29 RELATED PARTY TRANSACTIONS

a) Parties where control exists

Holding company

Khorakiwala Holdings and Investments Private Limited

Subsidiary Company

Banneret Trading Private Limited

Fellow Subsidiary

Wockhardt Limited (upto July 07, 2014)

Enterprise that directly or indirectly through one or more intermediaries control or are controlled by the Company

Vinton Healthcare Limited (amalgamated with Wockhardt Limited effective April 01, 2014)

Individuals having direct or indirect control over the Company

H. F. Khorakiwala

Entities having direct or indirect control over the Company

Habil Khorakiwala Trust (w.e.f March 30, 2017). 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

Palanpur Holdings and Investments Private Limited

Wockhardt Hospitals Limited

Merind Limited

Sharanya Chemicals and Pharmaceuticals Private Limited

Holmdene Constructions

Wockhardt Limited (w.e.f July 08, 2014)

Key Managerial Personnel

G.B. Parulkar - Chairman and Managing Director

Shahnawaz Khan - Non Executive Director

Akhtar Shamsi - Non Executive Director Independent Director

Stephen D'Souza - Non Executive Director

Vijaya Nair - Non Executive Director Independent Director

b) Transactions with related parties during the year

	For the year ended March 31, 2017	For the year ended March 31, 2016
Holding company		
Rent paid	100	100
Subsidiary Company		
Loan given	1	1
Interest income	1	1

Carol Info Services Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

	For the year ended March 31, 2017	For the year ended March 31, 2016	
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	619,413	583,337	
Recovery of Electricity Charges from Wockhardt Limited	15,847	18,286	
Security Deposit received from Wockhardt Limited	-	90,000	
Loans / Advances repaid by Holmdene Constructions	-	200	
Interest income from Holmdene Constructions	1	1	
Loan given to Holmdene Constructions	1	1	
c) Managerial remuneration payable/paid to Key managerial personnel	425	200	
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
d) Related party balances outstanding (All the amounts mentioned below for the disclosure are the contractual amounts based on the arrangement with respective parties)			
Receivable from/(payable to) Holding Company	(200)	(100)	-
Receivable from Subsidiary- Transaction Value	7,362,837	7,362,836	7,362,836
Security deposit payable to Wockhardt Limited	555,000	555,000	465,000
Receivable from Enterprises where significant influence exists (Net of Provision)	241,998	215,788	134,081
[Holmdene Constructions ₹ 466 thousand (March 31, 2016 - ₹ 465 thousand; April 01, 2015: ₹ 664 thousand); Wockhardt Limited ₹ 241,532 thousand (March 31, 2016 - ₹ 215,323 thousand ; April 01, 2015: ₹ 133,417 thousand)]			
Payable to Enterprises where significant influence exists- Transaction value	55,127	55,127	55,127
[Merind Limited ₹ 54,690 thousand (March 31, 2016 - ₹ 54,690 thousand; April 01, 2015: ₹ 54,690 thousand); Wockhardt Hospitals Limited ₹ 437 thousand (March 31, 2016 - 437 thousand; April 01, 2015: ₹ 437 thousand)			
Payable to Key managerial personnel	225	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

30. SUBSEQUENT EVENTS

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

31. SEGMENT INFORMATION

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

32. INFORMATION PERTAINING TO LOANS AND GUARANTEES GIVEN (UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013) - at transaction cost:

	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	7,362,836	1	-	-	7,362,837	General purpose
(March 31, 2016)	7,362,835	1	-	-	7,362,836	
(April 01, 2015)	7,362,825	10	-	-	7,362,835	
Sharanya Chemicals and Pharmaceuticals Private Limited*	16,064	-	-	16,064	-	General purpose
(March 31, 2016)	16,064	-	-	16,064	-	
(April 01, 2015)	16,064	-	-	16,064	-	
Holmdene Construction	465	1	-	-	466	General purpose
(March 31, 2016)	664	1	200	-	465	
(April 01, 2015)	655	9	-	-	664	

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

Note: Refer Note 4 for the investments made by the Company

33. CONTINGENT LIABILITY AND COMMITMENTS

- (a) Demands for ₹ 410 thousand (March 31, 2016 - ₹ 410 thousand, April 01, 2015 ₹ 14,316 thousand) have been raised by Sales Tax Authorities. The Company has filed appeals against the said demands.
- (b) Demand by Income tax authorities ₹ 80,348 thousand (March 31, 2016 - ₹ 4,127 thousand, April 01, 2015 ₹ 17 thousand) disputed by the Company.

34. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 101 FIRST TIME ADOPTION ON INDIAN ACCOUNTING STANDARDS

Transition to Ind AS:

Explanation of transition to Ind AS

The below mentioned reconciliations provide a quantification of the effect of significant differences arising from the transition from Indian GAAP to Ind AS in accordance with Ind AS 101 for the following:

- equity as at April 01, 2015;
- equity as at March 31, 2016
- profit for the year ended March 31, 2016

Carol Info Services Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

Net worth reconciliation

Particulars	Note	As at March 31, 2016	As at April 01, 2015
Net worth under IGAAP		8,959,495	8,704,639
Summary of Ind AS adjustments			
Long-Term borrowings measured at amortised cost.	1	8,702	13,757
Loans to related parties measured at amortised cost	1	(2,927,375)	(3,402,602)
Equity investments measured at fair value	2	370,781	370,781
Debentures measured at fair value	2	459,853	224,800
Amortisation of processing fees	3	16,883	21,804
Reversal of lease straightlining	4	(4,432)	(4,253)
Deferred tax on above adjustments	5	761,093	985,475
Total Ind AS adjustments		(1,314,495)	(1,790,238)
Net worth under Ind AS		7,645,000	6,914,401

Reconciliation of Comprehensive income for the year ended on March 31, 2016

Particulars	Note	As at March 31, 2016
Profit under IGAAP (Previous GAAP)		2,54,856
Summary of Ind AS adjustments		
Notional interest on interest free long-term borrowings	1	(5,055)
Notional interest income on loans to related parties	1	475,227
Debentures measured at fair value	2	235,053
Amortisation of processing fees	3	(4,920)
Reversal of lease straightlining	4	(180)
Deferred tax on above adjustments	5	(224,382)
Total Ind AS adjustments		475,743
Total Comprehensive income under Ind AS		730,599

Notes to the reconciliation:

- Under Ind AS, interest-free borrowings and interest-free loans and advances are required to be measured at amortised cost, using a market interest rate.
- “Under previous GAAP, current investments were measured at lower of cost or market price as of each reporting date while long term investments were measured at cost reduced for dimunition. Under Ind AS, all financial assets are required to be assessed based on characteristics of their cash flows and/or the business model for managing such instruments. Accordingly, the appropriate classification of such investments will be fair value through profit or loss/other comprehensive income as applicable.”
- Under previous GAAP, the Company accounted for the loan arrangement fees as an expense. However under Ind AS, loan arrangement fees have to be amortised on EIR basis.
- This comprises of lease straightlining adjusted as per the requirement of applicable IndAS
- Tax adjustments includes the tax effects of certain pre-tax Previous GAAP to Ind AS adjustments described above as applicable

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

35. Optional Exemptions and Mandatory Exemptions availed under Ind AS 101

In preparing these financial statements, the Company has availed itself of certain exemptions and exceptions in accordance with Ind AS 101 as explained below:

Optional Exemptions

- a) The Company has elected to measure some items of property, plant and equipment at the date of transition to Ind ASs at their fair value and use that fair value as its deemed cost at that date.
- b) Investments in subsidiaries

The Company has elected to measure the investments in its subsidiaries and associates at its previous GAAP carrying amount (i.e. at cost) rather than at its fair value.

Mandatory Exemptions

- a) Estimates

Upon an assessment of the estimates made under Indian GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS, except where estimates were required by Ind AS and not required by Indian GAAP.

36. These Financial statements are the Company's first Ind AS Financial statements and accordingly previous year figures have been regrouped where necessary to conform to current year's classifications.

For and on behalf of the Board of Directors

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

Shahnawaz Khan
Director
DIN: 03053420

Stephen D'souza
Director
DIN: 00045812

Place : Mumbai
Date : August 21, 2017

Nikhil Malpani
Company Secretary

Ravi Shekhar Mitra
Chief Financial Officer

Carol Info Services Limited

INDEPENDENT AUDITOR'S REPORT

To the Members of CAROL INFO SERVICES LIMITED

1. Report on the Consolidated Ind AS Financial Statements

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, 2017, 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").

2. 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.

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 Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors, in terms of their report, referred to in the paragraph on "Other Matters" stated below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

4. Opinion

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, 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 the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2017, and its consolidated profit and its consolidated cash flows for the year ended on that date.

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 ₹ 2,965,909 thousands and revenue of ₹ 252,523 thousands and net cash outflows amounting to ₹ 75.56 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, 2017 and taken on records by Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 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 35 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 foreseeable 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 Group.
 - (iv) The Group has provided requisite disclosures in its Consolidated Ind AS Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Holding Company and its Subsidiary Company so far as it appear from examination of those books Refer Note 10b of Consolidated Ind AS financial statements.

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

Ashutosh Pednekar
Partner
ICAI M No. 41037

Place : Mumbai
Date : August 21, 2017

Carol Info Services Limited

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, 2017, 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, have, the Group in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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

Place : Mumbai
Date : August 21, 2017

Carol Info Services Limited

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

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

	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment	2	168,710	175,296	186,568
Capital work-in-progress	2	-	-	5,511
Intangible assets	3	57	57	57
Investment Property	4	690,430	706,672	722,959
Financial Assets				
Investments	5	6,609,679	6,101,551	5,642,584
Loans	6	467	465	664
Others	7	17,787	119,351	-
Non-current tax assets (net)		428,814	403,030	394,372
Other non-current assets	8	5,027	4,953	4,051
		<u>7,920,971</u>	<u>7,511,375</u>	<u>6,956,766</u>
CURRENT ASSETS				
Financial Assets				
Trade receivables	9	238,029	214,400	133,790
Cash and cash equivalents	10a	36,977	113,832	25,653
Bank balances other than above	10b	662,674	388,525	456,883
Others	11	2,255	2,688	14,617
Other current assets	12	19,788	14,790	8,671
		<u>959,723</u>	<u>734,235</u>	<u>639,614</u>
TOTAL		<u>8,880,694</u>	<u>8,245,610</u>	<u>7,596,380</u>
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	13	354,365	354,365	354,365
Other equity		5,177,879	4,503,112	3,901,250
Equity attributable To the Shareholders of the Company		<u>5,532,244</u>	<u>4,857,477</u>	<u>4,255,615</u>
NON-CURRENT LIABILITIES				
Financial liabilities				
Borrowings	14	1,787,155	2,037,537	2,231,528
Deferred tax liabilities (net)	15	322,000	274,808	187,937
Provisions	16	-	-	213
		<u>2,109,155</u>	<u>2,312,345</u>	<u>2,419,678</u>
CURRENT LIABILITIES				
Financial liabilities				
Trade payables	17	3,035	3,303	2,850
Other financial Liabilities	18	884,955	799,292	652,766
Other current liabilities	19	1,267	1,048	1,137
Liabilities for current tax (net)		349,954	272,145	264,334
Provisions	20	84	-	-
		<u>1,239,295</u>	<u>1,075,788</u>	<u>921,087</u>
TOTAL		<u>8,880,694</u>	<u>8,245,610</u>	<u>7,596,380</u>

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 M.P.Chitale & Co.
Chartered Accountants

For and on behalf of the Board of Directors

Ashutosh Pednekar
Partner

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

Shahnawaz Khan
Director
DIN: 03053420

Stephen D'souza
Director
DIN: 00045812

Place : Mumbai
Date : August 21, 2017

Nikhil Malpani
Company Secretary

Ravi Shekhar Mitra
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

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

	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
REVENUE			
Revenue from Operations	21	655,321	617,718
Other income	22	562,591	510,375
		<u>1,217,912</u>	<u>1,128,093</u>
EXPENSES			
Employee Benefits Expenses	23	915	1,579
Depreciation, Amortization and Impairment Expenses	2,3,4	23,863	32,952
Finance Costs	24	269,223	291,277
Other Expenses	25	53,631	45,979
		<u>347,632</u>	<u>371,787</u>
PROFIT BEFORE TAX		870,280	756,306
Tax expense:	15		
Current Tax (including MAT payable)		(148,321)	(67,573)
Deferred Tax		(47,192)	(85,343)
PROFIT AFTER TAX BEFORE OTHER COMPREHENSIVE INCOME		674,767	603,390
Other Comprehensive Income			
Income tax related to items that will not be reclassified to profit or loss (remeasurement of deferred tax on fair valuation of equity shares)		-	(1,528)
		-	(1,528)
TOTAL COMPREHENSIVE INCOME		674,767	601,862
Earnings per equity share of Face value of ₹ 10 each	26		
Basic and diluted earnings per share		19.04	17.03
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 M.P.Chitale & Co.
Chartered Accountants

For and on behalf of the Board of Directors

Ashutosh Pednekar
PartnerDr. G. B. Parulkar
Chairman & Managing Director
DIN: 00015668Shahnawaz Khan
Director
DIN: 03053420Stephen D'souza
Director
DIN: 00045812Place : Mumbai
Date : August 21, 2017Nikhil Malpani
Company SecretaryRavi Shekhar Mitra
Chief Financial Officer

Carol Info Services Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

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

Equity Share Capital

Particulars	As at April 01, 2015	Changes in equity share capital during the year	As at March 31, 2016	Changes in equity share capital during the year	As at March 31, 2017
	354,365	-	354,365	-	354,365

Other Equity

Particulars	Reserves & Surplus						Other comprehensive income	Total
	Capital Reserve	Security premium account	Capital Redemption Reserve	Deemed distribution	General Reserve	Surplus (Profit and loss balance) -Refer note 1 below		
Balance at April 01, 2015	158,622	2,716,000	297,500	(5,068,670)	1,216,889	4,294,147	286,762	3,901,250
Profit for the year	-	-	-	-	-	603,390	-	603,390
Other comprehensive income for the year	-	-	-	-	-	-	(1,528)	(1,528)
Total comprehensive income for the year	-	-	-	-	-	603,390	(1,528)	601,862
Balance at March 31, 2016	158,622	2,716,000	297,500	(5,068,670)	1,216,889	4,897,537	285,234	4,503,112
Profit for the year	-	-	-	-	-	674,767	-	674,767
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	674,767	-	674,767
Balance at March 31, 2017	158,622	2,716,000	297,500	(5,068,670)	1,216,889	5,572,304	285,234	5,177,879

Notes :

1) Surplus (Profit and loss balance) as on March 31, 2017, March 31, 2016 and April 01, 2015. 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 M.P.Chitale & Co.
Chartered Accountants

For and on behalf of the Board of Directors

Ashutosh Pednekar
Partner

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

Shahnawaz Khan
Director
DIN: 03053420

Stephen D'souza
Director
DIN: 00045812

Place : Mumbai
Date : August 21, 2017

Nikhil Malpani
Company Secretary

Ravi Shekhar Mitra
Chief Financial Officer

Carol Info Services Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

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

	For the year ended March 31, 2017	For the year ended March 31, 2016
CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES :		
Profit before tax	870,280	756,306
Adjustments for:		
Depreciation, Amortisation and Impairment	23,863	32,952
Liabilities no more payable	(996)	(1,043)
Exchange fluctuation gain, net	-	(588)
Advances no more recoverable	-	202
Reversal of provision for doubtful debts	-	(28)
Bad debts	-	303
Finance costs	269,223	291,277
Interest Income	(298,324)	(269,519)
Loss on Fixed assets	-	118
Profit on sale of investments	-	(4,143)
Debentures measured at fair value	(263,261)	(235,054)
Provision for dimunition in value of investment	1,903	-
Operating profit before working capital changes	602,688	570,783
Movement in working capital:		
(Increase) / Decrease in Trade Receivables	(23,629)	(81,089)
(Increase) / Decrease in Loans and Advances and other assets	(4,287)	(6,312)
Increase / (Decrease) in Liabilities and Provisions	2,955	85,291
Cash generated from operations	577,727	568,673
Income Tax paid	(93,895)	(67,031)
Net cash flows from Operating Activities (A)	483,832	501,642
CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES:		
Purchase of Fixed Assets and Additions to Capital work-in-progress	(1,114)	(131)
Proceeds from sale of Investments	-	21,108
Repayment by / (Loans to) companies/ firms	(1)	200
Margin money and Fixed deposits with maturity of more than 3 months	(173,297)	(51,704)
Interest Received	46,234	39,767
Net cash flows/(used in) from Investing Activities (B)	(128,178)	9,240
CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES:		
Repayment of Borrowings	(180,403)	(144,476)
Finance costs paid	(251,394)	(277,516)
Dividend paid	(712)	(711)
Net cash used in Financing Activities (C)	(432,509)	(422,703)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(76,855)	88,179
CASH AND CASH EQUIVALENTS, at the beginning of the year	113,832	25,653
CASH AND CASH EQUIVALENTS, at the end of the year	36,977	113,832

	For the year ended March 31, 2017	For the year ended March 31, 2016
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Reconciliation of Cash and Cash equivalents with the Balance Sheet

Balance with banks :

On current account	36,924	23,746
Deposits with maturity less than 3 months	-	90,000
Cash on hand	53	86
Cash and Cash equivalents as restated as at the year end	36,977	113,832

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".

As per our attached report of even date

For M.P.Chitale & Co.
Chartered Accountants

Ashutosh Pednekar
Partner

Place : Mumbai
Date : August 21, 2017

For and on behalf of the Board of Directors

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

Shahnawaz Khan
Director
DIN: 03053420

Stephen D'souza
Director
DIN: 00045812

Nikhil Malpani
Company Secretary

Ravi Shekhar Mitra
Chief Financial Officer

Carol Info Services Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(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 activity.

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

The Financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the Section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements are the Company's first Ind AS financial statements and are covered by Ind AS 101, First-time adoption of Indian Accounting Standards (Ind AS 101). The transition to Ind AS has been carried out from the accounting principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP") which is considered as the "Previous GAAP" for purposes of Ind AS 101.

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 unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealized 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 Judgments

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 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.

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.

IC. 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

Carol Info Services Limited

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

Componets 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 recognized 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 recognized 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 recognized 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:

Carol Info Services Limited

- 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 recognized 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.

Carol Info Services Limited

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

The Company recognises revenues on dispatch of goods to customers. Revenues are recorded at invoice value net of sales tax, excise, returns and trade discounts.

Revenue from services are recognised on completion of such services.

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

(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.

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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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

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

A) The changes in the carrying amount of Property, Plant and Equipments for the year ended March 31, 2017 is as follows:

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION AND IMPAIRMENT				NET BLOCK
	As at 1.4.2016	Additions	Deductions/ Other Adjustments	As at 31.3.2017	As at 1.4.2016	For the year	Deductions/ Other Adjustments	As at 31.3.2017	As at 31.3.2017
Tangible Assets									
Freehold Land	274	-	-	274	-	-	-	-	274
Leasehold land	154,999	-	-	154,999	2,642	2,634	-	5,276	149,723
Plant and Equipment	21,687	966	-	22,653	3,648	3,426	-	7,074	15,579
Furniture and Fixtures	6,772	-	-	6,772	3,995	653	-	4,648	2,124
Vehicles	111	-	-	111	111	-	-	111	-
Office equipments	2,577	69	-	2,646	730	908	-	1,638	1,008
Information Technology Equipments	30	-	-	30	28	-	-	28	2
TOTAL	186,450	1,035	-	187,485	11,154	7,621	-	18,775	168,710
Capital Work-In-Progress (Refer note (b) below)	5,511	-	-	5,511	5,511	-	-	5,511	-
TOTAL	191,961	1,035	-	192,996	16,665	7,621	-	24,286	168,710

B) The changes in the carrying amount of Property, Plant and Equipments for the year ended March 31, 2016 is as follows:

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION AND IMPAIRMENT				NET BLOCK
	As at 1.4.2015	Additions	Deductions/ Other Adjustments	As at 31.3.2016	As at 1.4.2015	For the year	Deductions/ Other Adjustments	As at 31.3.2016	As at 31.3.2016
Tangible Assets									
Freehold Land	274	-	-	274	-	-	-	-	274
Leasehold land	154,999	-	-	154,999	-	2,642	-	2,642	152,357
Plant and Equipment	21,805	-	118	21,687	-	3,648	-	3,648	18,039
Furniture and Fixtures	6,772	-	-	6,772	-	3,995	-	3,995	2,777
Vehicles	111	-	-	111	-	111	-	111	-
Office equipments	2,577	-	-	2,577	-	730	-	730	1,847
Information Technology Equipments	30	-	-	30	-	28	-	28	2
TOTAL	186,568	-	118	186,450	-	11,154	-	11,154	175,296
Capital Work-In-Progress (Refer note (b) below)	5,511	-	-	5,511	-	5,511	-	5,511	-
TOTAL	192,079	-	118	191,961	-	16,665	-	16,665	175,296

Note - Of the above, assets on which charge has been created (Refer note 14) amounts to ₹149,652 thousand (March 31, 2016: ₹ 152,285 thousand; April 01, 2015 ₹ 154,926 thousand)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

Notes:

- (a) The Group has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on April 01, 2015 under the previous GAAP.

DESCRIPTION	Gross Block	Accumulated Depreciation	Net Block
Freehold Land	274	-	274
Leasehold land	195,141	40,142	154,999
Plant and Equipment	173,749	151,944	21,805
Furniture and Fixtures	101,530	94,758	6,772
Vehicles	9,061	8,950	111
Office equipments	45,240	42,663	2,577
Information Technology Equipments	85,679	85,649	30
TOTAL	610,674	424,106	186,568

- (b) During the year ended March 31, 2016, Capital-work-in-progress amounting to ₹ 5,511 thousand has been impaired. Impairment provision provided as on that date amounts to ₹ 5,511 thousand.
- (c) Out of the above assets, the following are the details of assets given on lease :

Assets given on lease	2017			2016			2015
	Gross Block	Accumulated Depreciation	Net Block	Gross Block	Accumulated Depreciation	Net Block	Net Block
Furniture and fixtures	5,758	3,746	2,012	5,758	3,222	2,536	5,758
Office equipments	2,604	1,836	768	2,604	938	1,666	1,686
Plant and equipment	21,537	6,671	14,866	21,537	3,350	18,187	21,671
Vehicles*	-	-	-	-	-	-	-
TOTAL	29,899	12,253	17,646	29,899	7,510	22,389	29,115

* Gross value ₹ 985 thousand ;(March 31, 2016: ₹ 985 thousand; April 01, 2015 ₹ 985 thousand) and fully depreciated.

3. INTANGIBLE ASSETS

- A) The changes in the carrying amount of Intangible assets for the year ended March 31, 2017 is as follows:

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION AND IMPAIRMENT				
	As at 1.4.2016	Additions	Deductions/ Other Adjustments	As at 31.3.2017	As at 1.4.2016	For the year	Adjustment due to revaluations	Deductions/ Other Adjustments	As at 31.3.2017
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, 2016 is as follows:

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION AND IMPAIRMENT				
	As at 1.4.2015	Additions	Deductions/ Other Adjustments	As at 31.3.2016	As at 1.4.2015	For the year	Adjustment due to revaluations	Deductions/ Other Adjustments	As at 31.3.2016
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'.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

4. INVESTMENT PROPERTY

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT
	As at 1.4.2016	Additions	Deductions/ Other Adjustments	As at 31.3.2017	As at 1.4.2016	For the year	Deductions/ Other Adjustments	As at 31.3.2017	As at 31.3.2017
Buildings	722,959	-	-	722,959	16,287	16,242	-	32,529	690,430
TOTAL	722,959	-	-	722,959	16,287	16,242	-	32,529	690,430

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT
	As at 1.4.2015	Additions	Deductions/ Other Adjustments	As at 31.3.2016	As at 1.4.2015	For the year	Deductions/ Other Adjustments	As at 31.3.2016	As at 31.3.2016
Buildings	722,959	-	-	722,959	-	16,287	-	16,287	706,672
TOTAL	722,959	-	-	722,959	-	16,287	-	16,287	706,672

Note - Of the above, assets on which charge has been created (Refer note 14) amounts to ₹ 597,509 thousand (March 31, 2016: ₹ 610,978 thousand; April 01, 2015 ₹ 624,484 thousand)

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

The Group has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its investment properties as recognised in the financial statements as at the date of transition to Ind AS's, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (April 01, 2015), as per the following details

Particulars	Gross Block (At Cost)	Accumulated Depreciation	Net Block/ Deemed Cost as per Ind AS
	As at April 01, 2015		
Buildings	944,742	221,783	722,959
TOTAL	944,742	221,783	722,959

Information regarding Income and Expenditure of Investment Property

Particulars	2016-17	2015-16
Rental Income derived from investment Properties	655,321	617,718
Less - Depreciation	16,242	16,287
Less: Other expenses	40,984	37,923
Profit arising from Investment Properties before indirect expenses	598,095	563,508

As at March 31, 2017, March 31, 2016 and April 01, 2015 the fair values of the investment property are ₹ 4,682,303 thousand, ₹ 4,047,290 thousand and ₹ 4,045,713 thousand respectively. 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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
5. NON-CURRENT INVESTMENTS			
A. Other Investments - Investment in equity instruments- Fair value through Other Comprehensive Income (OCI)			
6,750,000 (March 31, 2016- 6,750,000, April 01, 2015- 6,750,000) Equity shares of ₹ 10 each fully paid-up in Wockhardt Hospitals Limited	420,781	420,781	420,781
Nil (March 31, 2016- Nil, April 01, 2015 - 167,800) Equity shares of CHF 1 each fully paid-up in Swiss Biosciences AG (Liquidated)	-	-	5,577
780,000 (March 31, 2016- 780,000, April 01, 2015- 780,000) Equity shares of ₹ 10 each fully paid-up in Al Barr Finance House Limited	17,583	17,583	17,583
Less: Impairment provision	(17,583)	(15,680)	(15,680)
	<u>420,781</u>	<u>422,684</u>	<u>428,261</u>
B. Other Investments - Fair value through Profit and Loss			
Investment in Redeemable Debentures			
2,500 (March 31, 2016- 2,500, April 01, 2015- 2,500) 0% Optionally Convertible Redeemable Debentures of ₹ 1,000,000 each fully paid-up of the following series in Wockhardt Hospitals Limited:	3,223,116	2,959,855	2,724,800
- 1,405 (March 31, 2016- 1,405, April 01, 2015- 1,405) Series A Debentures			
- 530 (March 31, 2016- 530, April 01, 2015- 530) Series B Debentures			
- 565 (March 31, 2016- 565, April 01, 2015- 565) Series C Debentures			
Investment in Redeemable Bonds			
9,000,000 (Previous Year - 9,000,000) Zero coupon Non-Convertible Redeemable Bonds of Khorakiwala Holdings and Investments Private Limited of ₹ 100 each	1,044,129	972,055	901,380
	<u>4,267,245</u>	<u>3,931,910</u>	<u>3,626,180</u>
C. Other Investments - Investment in redeemable preference shares - amortised cost			
369,942,639 (March 31, 2016 - 369,942,639, April 01, 2015- 369,942,639) 3% Non-Convertible Cumulative Redeemable Preference Shares of Dartmour Holdings Private Limited of ₹ 10 each fully paid up	1,068,974	971,795	883,450
29,508,863 (March 31, 2016- 29,508,863, April 01, 2015- 29,508,863) 3% Non-Convertible Cumulative Redeemable Preference Shares of Palanpur Holdings and Investments Private Limited of ₹ 100 each fully paid up	852,679	775,162	704,693
	<u>1,921,653</u>	<u>1,746,957</u>	<u>1,588,143</u>
	<u>6,609,679</u>	<u>6,101,551</u>	<u>5,642,584</u>
Aggregate book value of unquoted investments	6,609,679	6,101,551	5,642,584

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
6. NON-CURRENT FINANCIAL ASSETS - LOANS			
Loans to related parties (Refer note 33)			
Unsecured, considered good	467	465	664
Unsecured, considered doubtful	16,064	16,064	16,064
Less: Loss allowance	<u>(16,064)</u>	<u>(16,064)</u>	<u>(16,064)</u>
	<u>467</u>	<u>465</u>	<u>664</u>
7. OTHER NON-CURRENT FINANCIAL ASSETS			
Deposits with maturity more than 12 months (under lien)	-	119,195	-
Deposits with maturity more than 12 months	17,787	-	-
Margin money (under lien)	-	156	-
	<u>17,787</u>	<u>119,351</u>	<u>-</u>
8. OTHER NON-CURRENT ASSETS			
Capital advances	74	-	-
Security Deposits	4,953	4,953	4,051
	<u>5,027</u>	<u>4,953</u>	<u>4,051</u>
9. TRADE RECEIVABLES			
Unsecured, considered good	238,029	214,400	133,790
Unsecured, considered doubtful	72	72	100
Less: Loss allowance	<u>(72)</u>	<u>(72)</u>	<u>(100)</u>
	<u>238,029</u>	<u>214,400</u>	<u>133,790</u>
Trade receivables pledged as collateral as referred to in Note 14 ₹ 207,689 thousand (March 31, 2016: ₹ 210,890 thousand; April 01, 2015: ₹ 112,396 thousand)			
10a. CASH AND CASH EQUIVALENTS			
Balance with banks :			
In current account	36,924	23,746	25,492
Deposit with maturity of less than 3 months	-	90,000	-
Cash on hand	53	86	161
	<u>36,977</u>	<u>113,832</u>	<u>25,653</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
10b. OTHER BANK BALANCES			
Unpaid dividend accounts	754	1,466	2,177
Deposits with maturity more than 3 months but less than 12 months	134,105	179,856	121,286
Deposits with maturity more than 12 months (includes deposit under lien ₹ 126,884 thousand; Deposit under lien- March 31, 2016: ₹ Nil; April 01, 2015: ₹ 110,718 thousand).	429,795	165,722	302,265
Deposits with maturity equal to 12 months	98,020	41,481	31,055
Margin money under lien	-	-	100
	<u>662,674</u>	<u>388,525</u>	<u>456,883</u>

Disclosure for Specified Bank Notes (SBNs)	Specified Bank Notes (SBNs)	Other denomination notes	Total
Closing Balance as at November 8, 2016	3,083	8	3,091
Add: Withdrawal from bank accounts	-	50	50
Add: Permitted receipts	-	-	-
Add: Non-Permitted receipts	-	-	-
Less :Permitted payments	-	5	5
Less :Non-Permitted payments	-	-	-
Less: Deposited in bank accounts	3,083	-	3,083
Closing Balance as at December 30, 2016	-	53	53

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
11. OTHER CURRENT FINANCIAL ASSETS			
Interest accrued on deposits	2,255	2,688	3,817
Other Receivable	-	-	10,800
	<u>2,255</u>	<u>2,688</u>	<u>14,617</u>
12. OTHER CURRENT ASSETS			
Balance with customs, excise and sales tax authorities	11,673	7,776	4,698
Other advances	8,115	7,014	3,973
	<u>19,788</u>	<u>14,790</u>	<u>8,671</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

13. SHARE CAPITAL	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
AUTHORISED						
Unclassified shares of ₹10 each	100,000,000	<u>1,000,000</u>	100,000,000	<u>1,000,000</u>	100,000,000	<u>1,000,000</u>
ISSUED						
Equity shares of ₹10 each	35,519,797	<u>355,198</u>	35,519,797	<u>355,198</u>	35,519,797	<u>355,198</u>
SUBSCRIBED AND PAID UP:						
Equity shares of ₹10 each	35,436,472	<u>354,365</u>	35,436,472	<u>354,365</u>	35,436,472	<u>354,365</u>

Notes:**a. Reconciliation of number of Equity share outstanding at the beginning and end of the year :**

	As at March 31, 2017	As at March 31, 2016
Outstanding at the beginning of the year	35,436,472	35,436,472
Additions during the year	-	-
Outstanding at the end of the year	<u>35,436,472</u>	<u>35,436,472</u>

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

32,665,270 (March 31, 2016: 32,651,170; April 01, 2015: 32,638,645) 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, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Khorakiwala Holdings and Investments Private Limited	32,665,270	92.18	32,651,170	92.14	32,638,645	92.10

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
14. NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS			
SECURED			
Term loan from bank (Refer Note (a) below)	1,747,613	1,983,589	2,159,073
UNSECURED			
Loan from related party (refer note (b) below)	-	18,643	40,933
Preference share liability (refer note (c) below)	39,542	35,305	31,522
	<u>1,787,155</u>	<u>2,037,537</u>	<u>2,231,528</u>

Notes:

- a) Term loan is secured by exclusive charge by way of mortgage of land and building situated at Bandra Kurla Complex, Mumbai and exclusive charge by way of hypothecation of lease rentals receivables from the said property. This term loan carrying interest rate at Bank Base rate plus 235 BPS p.a. is repayable by monthly instalment and will be fully repaid by March 2022.
- b) Interest free loan from related party ₹ 54,690 thousand (March 31, 2016 - ₹.54,690 thousand, April 01, 2015- ₹ 54,690 thousand) are repayable by 2018 in 2 equal annual instalment subject to any further amendment with mutual understanding. Also, Refer note 33.
- c) Preference shares:
- i) Reconciliation of number of shares outstanding at the beginning and end of the year :
- 3% Non Convertible Cumulative Redeemable Preference shares of ₹ 10 each fully paid up:
- | | | |
|---|----------------|----------------|
| Shares outstanding at the beginning of the year - 19,000,000 shares | 190,000 | 190,000 |
| Add: Issued during the year | - | - |
| Shares outstanding at the end of the year - 19,000,000 shares | <u>190,000</u> | <u>190,000</u> |
- 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%.

15 INCOME TAXES

(a) Amounts recognised in profit or loss

	For the year ended March 31, 2017	For the year ended March 31, 2016
Current income tax expense	148,321	67,573
Changes in estimates related to prior period	-	-
	<u>148,321</u>	<u>67,573</u>
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences including MAT credit entitlement	47,952	103,232
Increase in Indian Corporate tax rate	(760)	(17,889)
Deferred tax expense	<u>47,192</u>	<u>85,343</u>
Tax expense for the year	<u>195,513</u>	<u>152,916</u>
Tax recognised in Other Comprehensive income		
Income tax related to items that will not be reclassified to profit or loss being remeasurement of deferred tax on fair valuation of equity shares)	-	1,528
Tax expense for the year	-	1,528
Total tax expense for the year	<u>195,513</u>	<u>154,444</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

(b) Reconciliation of effective tax rate

	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit before tax (a)	870,280	756,305
Tax using the Company's domestic tax rate (March 31, 2017 : 34.608%, March 31, 2016 : 34.608%)	301,187	261,742
Tax effect of:		
Deductions admissible under section 24 and 25 of the Income Tax Act, 1961	(72,296)	(66,072)
Items on which no tax payable	(58,180)	(54,147)
Expenses not deductible for tax purposes	30,134	29,289
Impact due to differential tax rate	-	12,693
Impact of re measurement of tax due to rate change	(5,332)	(14,148)
Derecognition of net deferred tax liability created in earlier years		(16,441)
Tax expense as per profit or loss (b)	195,513	152,916
Effective tax rate for the year (b/a)	22.47%	20.22%

The decrease in the rate is mainly on account of exempt income on which no tax is levied , deduction of expenses under section 24 and section 25 ,on account of disallowance of actual expenses and also on account of impact of remeasurement of tax due to change in tax rate.

(c) Movement in deferred tax balances

Particulars	As at March 31, 2017					
	Net balance April 01, 2016	Recognised in profit or loss	Recognised in OCI	Net deferred tax asset/ (liability)	Deferred tax asset	Deferred tax liability
Investments	(108,341)	(18,362)	-	(126,703)	-	(126,703)
Borrowings	(8,855)	3,545	-	(5,310)	-	(5,310)
Debentures	(159,146)	(91,109)	-	(250,255)	-	(250,255)
Lease rent	1,534	(197)	-	1,337	1,337	-
MAT Credit	-	58,931	-	58,931	58,931	-
Tax assets/(Liabilities)	(274,808)	(47,192)	-	(322,000)	60,268	(382,268)

Particulars	As at March 31, 2016					
	Net balance April 01, 2015	Recognised in profit or loss	Recognised in OCI	Net deferred tax asset/ (liability)	Deferred tax asset	Deferred tax liability
Property, plant and equipments	(23,613)	23,613	-	-	-	-
Employee benefits	32	(32)	-	-	-	-
Investments	(84,444)	(22,369)	(1,528)	(108,341)	-	(108,341)
Borrowings	(12,087)	3,232	-	(8,855)	-	(8,855)
Debentures	(76,410)	(82,736)	-	(159,146)	-	(159,146)
Lease rent	1,445	89	-	1,534	1,534	-
MAT Credit	7,140	(7,140)	-	-	-	-
Tax assets /(Liabilities)	(187,937)	(85,343)	(1,528)	(274,808)	1,534	(276,342)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

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 accounted tax charge in respect of Minimum Alternative Tax (MAT credit) of ₹ Nil (March 31, 2016 : ₹ Nil, April 01, 2015 ₹ 7,140 thousand) of earlier years as the Group was not reasonably certain of availing the said MAT credit in future years against the normal tax expected to be paid in those year

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
16. PROVISIONS (NON-CURRENT)			
Provision for employee benefits (Refer note 27)			
Gratuity (unfunded)	-	-	91
Leave Encashment (unfunded)	-	-	122
	<u>-</u>	<u>-</u>	<u>213</u>
17. TRADE PAYABLES			
Trade payables	<u>3,035</u>	<u>3,303</u>	<u>2,850</u>
	<u>3,035</u>	<u>3,303</u>	<u>2,850</u>
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, 2017 ₹ Nil (March 31, 2016 : ₹ Nil; April 01, 2015: ₹ 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)	292,204	207,748	144,475
Unpaid dividends	754	1,466	2,177
Deposits payable	577,464	577,464	487,908
Employee liabilities	74	20	55
Other payables	14,459	12,594	18,151
	<u>884,955</u>	<u>799,292</u>	<u>652,766</u>
19. OTHER CURRENT LIABILITIES			
Other payables	<u>1,267</u>	<u>1,048</u>	<u>1,137</u>
	<u>1,267</u>	<u>1,048</u>	<u>1,137</u>
20. PROVISIONS			
Provision for employee benefits (Refer note 27)			
Gratuity (unfunded)	24	-	-
Compensated absences (unfunded)	60	-	-
	<u>84</u>	<u>-</u>	<u>-</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

	For the year ended March 31, 2017	For the year ended March 31, 2016
21. REVENUE FROM OPERATIONS		
Rent income (Refer note 28)	655,321	617,718
	<u>655,321</u>	<u>617,718</u>
22. OTHER INCOME		
Interest Income	298,324	269,519
Exchange fluctuation gain, net	-	588
Profit on sale of Investment	-	4,143
Fair valuation of debentures	263,261	235,054
Miscellaneous income (Refer note below)	1,006	1,071
	<u>562,591</u>	<u>510,375</u>
Miscellaneous income to the extent of ₹ 996 thousand (Previous Year- ₹ 1,043 thousand) is on account of liabilities no more payable.		
23. EMPLOYEE BENEFITS EXPENSE		
Salaries and wages (Refer note 27)	738	1,252
Contribution to provident and other funds (Refer note 27)	24	93
Staff welfare expenses	153	234
	<u>915</u>	<u>1,579</u>
24. FINANCE COSTS		
Interest Expenses on		
on term loans	254,546	281,917
others	13,823	9,360
Other borrowing costs	854	-
	<u>269,223</u>	<u>291,277</u>
25. OTHER EXPENSES		
Travelling and conveyance	268	136
Power and fuel	9,200	8,304
Rent	100	100
Rates and taxes	17,819	16,125
Repairs and maintenance		
Building	5,907	3,013
Others	1,786	5,246
Insurance	1,793	1,109
Bad debts	-	303
Legal and professional charges	8,587	4,661
Security services	4,479	3,934
Secreterial expenses	1,190	1,761
Provision for permanent diminution in investment	1,903	-
Miscellaneous expenses	599	1,287
	<u>53,631</u>	<u>45,979</u>

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

	For the year ended March 31, 2017	For the year ended March 31, 2016
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 attributable to equity holders	674,767	603,390
Net profit for calculation of Basic/Diluted EPS	<u>674,767</u>	<u>603,390</u>
Reconciliation of number of shares		
Weighted average number of shares in calculating Basic/Diluted EPS	<u>35,436,472</u>	<u>35,436,472</u>
Basic and Diluted earnings per share (nominal value ₹ 10 each)		
Basic and diluted earnings per share in ₹	19.04	17.03
27. EMPLOYEE BENEFITS		
(A) Defined benefit plans -		
	For the year ended March 31, 2017	For the year ended March 31, 2016
	Gratuity (Non-funded)	Gratuity (Non-funded)
I Expenses recognised in statement of profit and loss during the year:		
1 Current Service Cost	-	-
2 Interest cost	-	-
3 Actuarial Losses/(Gains)	-	-
Total Expenses	<u>-</u>	<u>-</u>
II Expenses recognised in OCI		
1 Actuarial changes arising from changes in demographic assumptions	-	-
2 Actuarial changes arising from changes in financial assumptions	-	-
3 Actuarial changes arising from changes in experience adjustments	-	-
	<u>-</u>	<u>-</u>
III Net Asset /(Liability) recognised as at balance sheet date		
1 Present value of defined benefit obligation	-	-
2 Net Asset/(Liability)	-	-
IV Reconciliation of Net Asset/(Liability) recognised as at balance sheet date		
1 Net Asset/(Liability) at the beginning of year	-	(91)
2 Expense as per I and II above	-	-
3 Employer contributions	-	-
4 Liability settled on resignation of the employee	-	77
5 Excess provision written back	-	14
6 Net asset/(liability) at the end of the year	-	-
V Maturity profile of defined benefit obligation	Not applicable	Not applicable
VI Quantitative sensitivity analysis for significant assumptions:	Not applicable	Not applicable
VII Actuarial Assumptions	Not applicable	Not applicable
VIII Expected contribution to the plan for the next annual reporting period	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

Notes:

- a) There was no material amount of gratuity liability as on March 31, 2017, hence no actuarial valuation was carried out during the year
- b) Amounts recognised as an expense and included in the Note 23 - "Salaries and wages" :
Gratuity ₹ 24 thousand (March 31, 2016 - ₹ Nil) and leave encashment ₹ 60 thousand (March 31, 2016 - ₹ Nil).

(B) Defined contribution plan -

Amount recognised as an expense and included in the Note 23 - "Contribution to provident and other funds" ₹ 24 thousand (March 31, 2016 - ₹ 93 thousand).

28. LEASES**A. Operating leases****Leases as lessor**

The Group has given on operating lease various office and factory premises. These lease 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, 2017			
	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	63,000	65,363	16,538	-

	March 31, 2016			
	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	62,250	63,000	81,900	-

B. Finance leases**Leases as lessee**

The Group 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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

29 SEGMENT INFORMATION

A. General Information

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

The operations of the Company 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

Particulars	Rental income	
	For the year ended March 31, 2017	For the year ended March 31, 2016
External revenues	655,321	617,718
Segment revenue	655,321	617,718

C. Information about geographical areas

(a) Revenue from external customers	For the year ended March 31, 2017	For the year ended March 31, 2016
India	655,321	617,718

(b) Non current assets (other than financial instruments, deferred tax assets, post employment benefit assets, and rights under insurance contracts)*	As at March 31, 2017	As at March 31, 2016
India	859,140	881,968

*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 ₹ 654,990 thousand (previous year 2 customers - ₹ 617,601 thousand) in the Group's total revenues

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

30. FINANCIAL INSTRUMENTS
1. 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, 2017	Carrying amount				Total Fair value
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Total
Financial assets					
Non-current investments	4,267,245	420,781	1,921,653	6,609,679	6,609,679
Loans - non-current	-	-	467	467	467
Other non-current financial assets	-	-	17,787	17,787	17,787
Trade receivables	-	-	238,029	238,029	238,029
Cash and cash equivalents	-	-	36,977	36,977	36,977
Other bank balances	-	-	662,674	662,674	662,674
Other current financial assets	-	-	2,255	2,255	2,255
	4,267,245	420,781	2,879,841	7,567,867	7,567,867
Financial liabilities					
Borrowings	-	-	2,039,817	2,039,817	2,039,817
Preference share liability	-	-	39,542	39,542	39,542
Trade payables	-	-	3,035	3,035	3,035
Other financial liabilities	-	-	592,751	592,751	592,751
	-	-	2,675,145	2,675,145	2,675,145

March 31, 2017	Fair value			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets				
Non-current investments	-	2,965,782	3,643,897	6,609,679
Loans - non-current	-	467	-	467
Other non-current financial assets	-	-	-	-
Trade receivables	-	-	-	-
Cash and cash equivalents	-	-	-	-
Other bank balances	-	-	-	-
Loans - current	-	-	-	-
Other current financial assets	-	-	-	-
	-	2,966,249	3,643,897	6,610,146
Financial liabilities				
Borrowings	-	2,039,817	-	2,039,817
Trade payables	-	-	-	-
Other financial liabilities	-	-	-	-
	-	2,039,817	-	2,039,817

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

March 31, 2016	Carrying amount				Total Fair value
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Total
Financial assets					
Non-current investments	3,931,910	422,684	1,746,957	6,101,551	6,101,551
Loans - non-current	-	-	465	465	465
Other non-current financial assets	-	-	119,351	119,351	119,351
Trade receivables	-	-	214,400	214,400	214,400
Cash and cash equivalents	-	-	113,832	113,832	113,832
Other bank balances	-	-	388,525	388,525	388,525
Other current financial assets	-	-	2,688	2,688	2,688
	3,931,910	422,684	2,586,218	6,940,813	6,940,813
Financial liabilities					
Borrowings	-	-	2,209,980	2,209,980	2,209,980
Preference share liability	-	-	35,305	35,305	35,305
Trade payables	-	-	3,303	3,303	3,303
Other financial liabilities	-	-	591,544	591,544	591,544
	-	-	2,840,131	2,840,131	2,840,131

March 31, 2016	Fair value			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets				
Non-current investments	-	2,719,012	3,382,539	6,101,551
Loans - non-current	-	465	-	465
Other non-current financial assets	-	-	-	-
Trade receivables	-	-	-	-
Cash and cash equivalents	-	-	-	-
Other bank balances	-	-	-	-
Loans - current	-	-	-	-
Other current financial assets	-	-	-	-
	-	2,719,477	3,382,539	6,102,016
Financial liabilities				
Borrowings	-	2,209,980	-	2,209,980
Preference share liability	-	35,305	-	35,305
Trade payables	-	-	-	-
Other financial liabilities	-	-	-	-
	-	2,245,285	-	2,245,285

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

April 01, 2015	Carrying amount				Total Fair value
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Total
Financial assets					
Non-current investments	3,626,180	428,261	1,588,143	5,642,584	5,642,584
Loans - non-current	-	-	664	664	664
Trade receivables	-	-	133,790	133,790	133,790
Cash and cash equivalents	-	-	25,653	25,653	25,653
Other bank balances	-	-	456,883	456,883	456,883
Other current financial assets	-	-	14,617	14,617	14,617
	3,626,180	428,261	2,219,750	6,274,191	6,274,191
Financial liabilities					
Borrowings	-	-	2,344,481	2,344,481	2,344,481
Preference share liability	-	-	31,522	31,522	31,522
Trade payables	-	-	2,850	2,850	2,850
Other financial liabilities	-	-	508,291	508,291	508,291
	-	-	2,887,144	2,887,144	2,887,144

April 01, 2015	Fair value			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets				
Non-current investments	-	2,489,523	3,153,062	5,642,584
Loans - non-current	-	664	-	664
Other non-current financial assets	-	-	-	-
Trade receivables	-	-	-	-
Cash and cash equivalents	-	-	-	-
Other bank balances	-	-	-	-
Loans - current	-	-	-	-
Other current financial assets	-	-	-	-
	-	2,490,187	3,153,062	5,643,248
Financial liabilities				
Borrowings	-	2,344,481	-	2,344,481
Preference share liability	-	31,522	-	31,522
Trade payables	-	-	-	-
Other financial liabilities	-	-	-	-
	-	2,376,003	-	2,376,003

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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 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 here higher/(lower)
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 16.5%	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.	(i) Risk adjusted discount rate of 10% (ii) Discounted cash inflows	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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Borrowings	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"
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
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

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 Board of directors of each Company in the Group have overall responsibility for the establishment and oversight of the Company'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 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 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, 2017, March 31, 2016 and April 01, 2015, the Group did not have any significant concentration of credit risk with any external customers. (i.e. customer other than entities over which Individuals having direct or indirect control over the Company, have significant influence/control).

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

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

	Net Carrying amount		
	March 31, 2017	March 31, 2016	April 01, 2015
Neither past due not impaired			
Past due not impaired			
Past due 1–180 days	237,953	214,400	130,588
Past due 181–365 days	76		
More than 365 days	-	-	3,202
	<u>238,029</u>	<u>214,400</u>	<u>133,790</u>

Expected credit loss assessment for customers as at April 01, 2015, March 31, 2016 and March 31, 2017

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, 2015	100
Impairment loss recognised	(28)
Amounts written off	-
Balance as at March 31, 2016	72
Impairment loss recognised	-
Amounts written off	-
Balance as at March 31, 2017	<u><u>72</u></u>

Cash and cash equivalents

The Group held cash and cash equivalents of ₹ 36,977 thousand at March 31, 2017 (March 31, 2016: ₹ 113,832 thousand, April 01, 2015 : ₹ 25,653 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 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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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, 2017	Carrying amount	Total	Contractual cash flows			
			Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	2,039,817	2,739,291	516,880	1,033,294	1,189,117	-
Preference share liability	39,542	304,000	-	-	-	304,000
Trade payables	3,035	3,035	3,035	-	-	-
Unclaimed dividends	754	754	754	-	-	-
Deposits payable	577,464	577,464	577,464	-	-	-
Employee liabilities	74	74	74	-	-	-
Other payables	14,459	14,459	14,459	-	-	-

March 31, 2016	Carrying amount	Total	Contractual cash flows			
			Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings - non-current	2,209,980	3,169,679	457,733	990,761	1,108,227	612,958
Preference share liability	35,305	304,000	-	-	-	304,000
Trade payables	3,303	3,303	3,303	-	-	-
Unclaimed dividends	1,466	1,466	1,466	-	-	-
Deposits payable	577,464	577,464	577,464	-	-	-
Employee liabilities	20	20	20	-	-	-
Other payables	12,594	12,594	12,594	-	-	-

April 01, 2015	Carrying amount	Total	Contractual cash flows			
			Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings - non-current	2,344,481	3,590,999	421,320	947,268	1,033,294	1,189,117
Preference share liability	31,522	304,000	-	-	-	304,000
Trade payables	2,850	2,850	2,850	-	-	-
Unclaimed dividends	2,177	2,177	2,177	-	-	-
Deposits payable	487,908	487,908	487,908	-	-	-
Employee liabilities	55	55	55	-	-	-
Other payables	18,151	18,151	18,151	-	-	-

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 Group is exposed can be classified as Currency risk and Interest rate risk .

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

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, 2017	As at March 31, 2016	As at April 01, 2015
Fixed-rate instruments			
Financial assets	2,965,782	2,719,012	2,489,523
	2,965,782	2,719,012	2,489,523
Fixed-rate instruments			
Financial liabilities	39,542	35,305	31,522
	39,542	35,305	31,522

	Nominal amount		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Variable-rate instruments			
Financial liabilities	2,039,817	2,209,980	2,344,481
	2,039,817	2,209,980	2,344,481

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.

Variable-rate instruments	Impact on Profit/ (loss)- Increase/(Decrease) in Profit	
	Particulars	March 31, 2017
100 bp increase	(20,398)	(22,100)
100 bp decrease	20,398	22,100

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 summarizes the capital of the Group:

	March 31, 2017	March 31, 2016	April 01, 2015
Total liabilities	2,039,817	2,209,980	2,344,481
Less : Cash and cash equivalent and other bank balances	699,651	502,357	482,536
Adjusted net debt	1,340,166	1,707,623	1,861,945
Total equity	5,532,244	4,857,477	4,255,615
Adjusted equity	5,532,244	4,857,477	4,255,615
Adjusted net debt to adjusted equity ratio	0.24	0.35	0.44

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

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. RELATED PARTY TRANSACTIONS

a) Parties where control exists

Holding company

Khorakiwala Holdings and Investments Private Limited

Fellow Subsidiary

Wockhardt Limited (upto July 07, 2014)

Enterprise that directly or indirectly through one or more intermediaries control or are controlled by the Company

Vinton Healthcare Limited (amalgamated with Wockhardt Limited effective April 01, 2014)

Individuals having direct or indirect control over the Company

H. F. Khorakiwala

Entities having direct or indirect control over the Company

Habil Khorakiwala Trust (w.e.f March 30, 2017). 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

Palanpur Holdings and Investments Private Limited

Wockhardt Hospitals Limited

Merind Limited

Sharanya Chemicals and Pharmaceuticals Private Limited

Holmdene Constructions

Wockhardt Limited (w.e.f July 08, 2014)

Key Managerial Personnel

G.B. Parulkar - Chairman and Managing Director

Shahnawaz Khan - Non Executive Director

Akhtar Shamsi - Non Executive Director Independent Director

Stephen D'Souza - Non Executive Director

Vijaya Nair - Non Executive Director Independent Director

Shiva Subramanian - Independent Director

Shobhana Nagwekar - Independent Director

b) Transactions with related parties during the year

	For the year ended March 31, 2017	For the year ended March 31, 2016
Holding company		
Rent paid	100	100
Interest income on Zero Coupon Non-Convertible Redeemable Bonds	18,000	4500
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	619,413	583,337
Recovery of Electricity Charges from Wockhardt Limited	15,847	18,286
Security Deposit received from Wockhardt Limited	-	90,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

Loans / Advances repaid by Holmdene Constructions	-	200	
Interest income from Holmdene Constructions	1	1	
Loan given to Holmdene Constructions	1	1	
c) Managerial remuneration payable/paid to Key managerial personnel	425	200	
	As at	As at	As at
	March 31, 2017	March 31, 2016	April 01, 2015
d) Related party balances outstanding (All the amounts mentioned below for the disclosure are the contractual amounts based on the arrangement with respective parties)			
Receivable from/(payable to) Holding Company	15,157	3,010	-
Security deposit payable to Wockhardt Limited	555,000	555,000	465,000
Receivable from Enterprises where significant influence exists (Net of Provision)	241,998	215,788	134,081
[Holmdene Constructions ₹ 466 thousand (March 31, 2016 - ₹ 465 thousand; April 01, 2015: ₹ 664 thousand); Wockhardt Limited ₹ 241,532 thousand (March 31, 2016 - ₹ 215,323 thousand ; April 01, 2015: ₹ 133,417 thousand)]			
Payable to Enterprises where significant influence exists- Transaction value	55,127	55,127	55,127
[Merind Limited ₹ 54,690 thousand (March 31, 2016 - ₹ 54,690 thousand; April 01, 2015: ₹ 54,690 thousand); Wockhardt Hospitals Limited ₹ 437 thousand (March 31, 2016 - 437 thousand; April 01, 2015: ₹ 437 thousand)]			
Payable to Key managerial personnel	225	-	-

34. 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	152.63%	8,443,754	118.37%	798,753	-	-	118.37%	798,753
Subsidiary in India								
Banneret Trading Private Limited	-51.48%	(2,848,065)	-15.68%	(105,813)	-	-	-15.68%	- 105,813
Sub total	101.15%	5,595,689	102.69%	692,940	-	-	102.69%	692,940
Inter company elimination	1.15%	63,445	2.69%	18,173			2.69%	18,173
Total	100.00%	5,532,244	100.00%	674,767	-	-	100.00%	674,767

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

35. CONTINGENT LIABILITY AND COMMITMENTS

- (a) Demands for ₹ 410 thousand (March 31, 2016 - ₹ 410 thousand, April 01, 2015 ₹ 14,316 thousand) have been raised by Sales Tax Authorities. The Company has filed appeals against the said demands.
- (b) Demand by Income tax authorities ₹ 80,348 thousand (March 31, 2016 - ₹ 4,127 thousand, April 01, 2015 ₹ 17 thousand) disputed by the Company.

36. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 101 FIRST TIME ADOPTION ON INDIAN ACCOUNTING STANDARDS

Transition to Ind AS:

For the purposes of reporting as set out in Note 1, Group have transitioned our basis of accounting from Indian generally accepted accounting principles ("IGAAP") to Ind AS. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 01, 2015 (the "transition date").

In preparing our opening Ind AS balance sheet, Group have adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected our financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, Group did not revise estimates previously made under IGAAP except where required by Ind AS.

Reconciliation of net worth

Particulars	Note	As at March 31, 2016	As at April 01, 2015
Net worth under IGAAP		9,150,213	8,892,535
Summary of Ind AS adjustments			
Loans measured at amortised cost	1	8,702	13,757
Equity investments measured at fair value	2	370,781	370,781
Debentures measured at fair value	2	459,853	224,800
Amortisation of processing fees	3	16,833	21,803
Notional interest on bonds	4	68,947	1,380
Investment in preference shares	5	(4,903,356)	(5,062,170)
Amortised Cost impact of Preference share capital	5	(35,305)	(31,522)
Reversal of lease straightlining	6	(4,432)	(4,253)
Deferred tax on above adjustments	6	(274,809)	(171,496)
Total Ind AS adjustments		(4,292,736)	(4,636,920)
Net worth under Ind AS		4,857,477	4,255,615

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

Reconciliation of Comprehensive income for the year ended on March 31, 2016

Particulars	Note	For the year ended March 31, 2016
Comprehensive income under IGAAP		257,678
Summary of Ind AS adjustments		
Notional interest on interest free long-term borrowings	1	(5,055)
Debentures measured at fair value	2	235,054
Amortisation of processing fees	3	(4,920)
Interest on preference share capital	5	(3,783)
Interest/Dividend accrued on investments	5	158,814
Fair valuation of investment in bonds	4	67,567
Reversal of lease straightlining	6	(180)
Deferred tax on above adjustments	7	(103,313)
Total Ind AS adjustments		344,184
Comprehensive income under Ind AS		601,862

Notes to the reconciliation:

- Under Ind AS, interest-free borrowings and interest-free loans and advances are required to be measured at amortised cost, using a market interest rate.
- Under previous GAAP, current investments were measured at lower of cost or market price as of each reporting date while long term investments were measured at cost reduced for dimution.

Under Ind AS, all financial assets are required to be assessed based on characteristics of their cash flows and/or the business model for managing such instruments. Accordingly, the appropriate classification of such investments will be fair value through profit or loss/other comprehensive income as applicable.
- Under previous GAAP, the loan arrangement fees was accounted as an expense. However under Ind AS, loan arrangement fees have to be amortised on EIR basis.
- Under previous GAAP, non-current investments were measured at lower of cost or market price as of each reporting date while long term investments were measured at cost reduced for dimution.

Under Ind AS, all financial assets are required to be assessed based on characteristics of their cash flows and/or the business model for managing such instruments. Accordingly, the appropriate classification of investment in bonds will be at fair value through profit or loss.
- Under previous GAAP, non-current investments were measured at lower of cost or market price as of each reporting date while long term investments were measured at cost reduced for dimution.

Under Ind AS, all financial assets are required to be assessed based on characteristics of their cash flows and/or the business model for managing such instruments. Accordingly, the appropriate classification of investments in preference shares will be at amortised cost.

Under previous GAAP, preference shares were shown as part of equity and acrried at cost. Under Ind AS, Preference shares which are mandatorily redeemable on a specific date are classified as liabilities.The dividends on these preference shares are recognised in profit or loss as finance cost.
- This comprises of lease straightlining adjusted as per the rquirement of applicable IndAS
- Tax adjustments includes the tax effects of certain pre-tax Previous GAAP to Ind AS adjustments described above as applicable

Carol Info Services Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

37. EXEMPTIONS AVAILABLE UNDER IND AS 101

Optional Exemptions

The Group has elected to measure some items of property, plant and equipment at the date of transition to Ind ASs at their fair value and use that fair value as its deemed cost at that date.

Mandatory Exemptions

Upon an assessment of the estimates made under Indian GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS, except where estimates were required by Ind AS and not required by Indian GAAP.

38. These financial statements are the Group's first Ind AS financial statements and accordingly previous year figures have been regrouped where necessary to conform to current year's classification.

For and on behalf of the Board of Directors

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

Shahnawaz Khan
Director
DIN: 03053420

Stephen D'souza
Director
DIN: 00045812

Place : Mumbai
Date : August 21, 2017

Nikhil Malpani
Company Secretary

Ravi Shekhar Mitra
Chief Financial Officer

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