Carol Info Services Limited

ANNUAL REPORT 2019-20

Carol Info Services Limited

BOARD OF DIRECTORS

Dr. G.B. Parulkar
Managing Director
(upto 30th June 2020)

Deepak Madnani
Managing Director
(w.e.f. 27th August 2020)

SATISH AGRAWAL
Executive Director and CFO
(w.e.f. 27th August 2020)

AKHTAR SHAMSI
Chairman & Independent Director

STEPHEN D'SOUZA
Non-Executive Director

VIJAYA NAIR
Independent Director

BANKERS

Axis Bank Limited
IDBI Bank Ltd.

AUDITORS

M/s. Haribhakti & Co. LLP,
Chartered Accountants

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: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

CONTENTS

BOARD'S REPORT

Dear Members,

The Board of Directors take pleasure in presenting the Fortieth Annual Report of the Company along with the Audited Financial Statements for the year ended 31st March, 2020

FINANCIAL RESULTS AND HIGHLIGHTS

(₹ in Thousand)

Particulars	**Year ended 31st March, 2020**	Year ended 31st March, 2019
Consolidated		
Revenue from Operations	**910,949**	712,755
Other Income	**596,623**	563,871
Total Revenue	**1,507,572**	1,276,626
Total Expenses	**782,265**	692,200
Profit Before Tax	**725,307**	584,426
Provision for Tax (Expense)/Credit	**(163,652)**	(59,943)
Profit After Tax before Other Comprehensive Income	**560,487**	524,483
Other Comprehensive (Loss)/Income	**(1,378,888)**	(1)
Total Comprehensive (Loss)/Income	**(818,401)**	524,482
Standalone		
Revenue from Operations	**910,949**	712,755
Other Income	**936,328**	929675
Total Revenue	**1,847,277**	1,642,430
Total Expenses	**1,087,598**	690,063
Profit Before Tax	**759,679**	952,367
Provision for Tax (Expense)/Credit	**(253,619)**	(332,463)
Profit After Tax before Other Comprehensive Income	**506,060**	619,904
Other Comprehensive (Loss)/Income	**(1,378,885)**	(1)
Total Comprehensive (Loss)/Income	**(872,825)**	619,903

STATE OF COMPANY'S AFFAIRS

During the financial year ended 31st March, 2020, in consolidated financial results, the Company registered Total Revenue from Operations of ₹ 910,949 thousand, thereby showing an increase by 27.81% as compared to the previous year. The Total Comprehensive Income reduced from ₹ 524,482 thousand to ₹ (818,340) thousand, thereby registering a reduction of 256.04%.

During the financial year ended 31st March, 2020, in standalone financial results, the Company registered Total Revenue from Operations of ₹ 910,949 thousand, thereby showing an increase by 27.81% as compared to the previous year. The Total Comprehensive Income reduced from ₹ 619,903 thousand to ₹ (872,825) thousand, thereby registering a reduction of 240.80%

During the financial year ended 31st March, 2020, Standalone Profit before tax decreased by 20.23 % at ₹ 759,679 thousand as against ₹ 952,367 thousand in the previous year, whereas Consolidated Profit before tax increased by 24.11.% at ₹ 725,307 thousand as against ₹ 584,426 thousand in the previous year.

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, 2020

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

SHARE CAPITAL

The paid up Equity Share Capital of the Company as on 31st March, 2020 was ₹ 354,365 thousand. The Company has neither issued shares with differential rights as to dividend, voting or otherwise nor issued shares to the Employees or Directors of the Company, under any Scheme.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Resignations and Appointments:

Resignations:

Mr. G. B. Parulkar, Managing Director of the Company, resigned from the close of the business hours of 30th June, 2020 for personal reasons.

Mr. Deepak Madnani who was appointed as the Chief Financial Officer (CFO) of the Company w.e.f 27th September, 2019 resigned from the position of CFO from the close of business hours of 27th August, 2020, to take the role of the Managing Director of the Company w.e.f 27th August, 2020 subject to the approval of the shareholders.

Mr. Neeraj Jain resigned as the Director of the Company w.e.f 24th September, 2019 for personal reasons.

Mr. Ravi Shankar Mitra resigned as the Chief Financial Officer w.e.f 27th September, 2019 for personal reasons

Mr. Nikhil Malpani resigned as the Company Secretary of the Company w.e.f 11th March, 2020 for personal reasons.

The Board of Directors and the Management places on record sincere appreciation for the services rendered by all of the above during their tenure.

Appointments:

The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee approved the appointment of Mr. Deepak Madnani (DIN 07679855) as an Additional Director and Managing Director of the Company for a period of 3 (three) years effective 27th August, 2020 subject to the approval of the shareholders. The terms and conditions of appointment, including remuneration, are provided in detail in the Notice of the ensuing Annual General Meeting of the Company for approval of members and all the relevant information in this regard is provided in the explanatory statement.

The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee approved the appointment of Mr. Satish Agrawal (DIN: 0008840144) as an Additional Director and Executive Director of the Company for a period of 3 (three) years effective 27th August, 2020 subject to the approval of the shareholders. The terms and conditions of appointment, including remuneration, are provided in detail in the Notice of the ensuing Annual General Meeting of the Company for approval of members and all the relevant information in this regard is provided in the Explanatory Statement. He would also be occupying the position of Chief Financial Officer (CFO) of the Company.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Jeevan Mondkar as the Company Secretary of the Company effective 27th August, 2020.

In accordance with the provisions of Section 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Deepak Madnani, Managing Director, Mr. Satish Agrawal, Executive Director and Chief Financial Officer and Mr. Jeevan Mondkar, Company Secretary & Compliance Officer are the Key Managerial Personnel (‘KMP’) of your Company.

Mr. Akhtar Shamsi is the Non- Executive Chairman of the Board.

Director liable to retire by rotation:

Pursuant to the provisions of Section 152 of the Companies Act, 2013 ('the Act') Mr. Stephen D'Souza, Director (DIN: 00045812) retires by rotation as Director at the ensuing AGM and being eligible, offers himself for re-appointment. The Board recommends his re-appointment. A brief resume and other details of Mr. Stephen D'Souza seeking re-appointment are provided in the Notice of AGM.

None of the directors are disqualified under Section 164(2) of the Act.

Independent Directors:

The Independent Directors hold office for a fixed term of 5 (five) years and are not liable to retire by rotation.

Declarations of Independence from the Independent Directors:

During the year under review, 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 'the Act' and there has been no change in the circumstances which may affect their status as Independent Directors during the year. Independent Directors have also submitted declaration that they have registered themselves on the online data bank of Indian Institute of Corporate Affairs (IICA) in accordance with the Companies (Appointment and Qualification of Directors) Fifth Amendment, Rules, 2019.

The Board is of the opinion that the Independent Directors of the Company possesses the requisite qualifications, experience and expertise and they hold the highest standard of integrity.

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 2019-20 are as follows:

Type of Meeting	Number of Meetings	Dates of Meeting
Board	8	25th April, 2019; 10th June, 2019; 26th August, 2019; 27th September, 2019; 22nd November, 2019; 24th December 2019; 7th January, 2020 and 9th March, 2020
Audit Committee	3	25th April, 2019; 26th August, 2019 and 24th December, 2019
Stakeholders Relationship Committee	4	5th April, 2019; 5th July, 2019; 4th October, 2019 and 6th January, 2020
Nomination and Remuneration Committee	3	25th April, 2019; 26th August, 2019 and 27th September, 2019
Corporate Social Responsibility Committee	1	17th March, 2020

The above Board and Board Committee Meetings were attended by all the Directors and members concerned respectively except Mr. Neeraj Jain who could not attend the stakeholders relationship committee meetings held on 5th April, 2019 and 5th July, 2019.

AUDIT COMMITTEE

During the year under review the Audit Committee was re-constituted consequent to the resignation of Mr. Neeraj Jain. The Audit Committee comprises of Mr. Akhtar Shamsi, Chairman, Mr. Stephen DSouza and Ms. Vijaya Nair as its members. Majority of members of the Committee are Independent Directors and recommendations made by the Audit Committee were accepted by the Board of Directors of the Company. Further, the Committee has carried out the role assigned to it.

DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) in the preparation of Annual Accounts for the year ended 31st March, 2020, 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, 2020 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, 2020

(c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Annual Accounts for the year ended 31st March, 2020 have been prepared on a going concern basis;

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

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

STATUTORY AUDITORS AND AUDITORS' REPORT

M/s. Haribhakti & Co. LLP, Chartered Accountants ICAI Firm Registration No.: 103523W/W100048, were appointed as the Statutory Auditors of the Company at the Annual General Meeting ('AGM') of the Company held on 26th September, 2019, for a term of five years i.e. till the conclusion of ensuing 44th AGM (to be held during calendar year 2024).

The reports of the Statutory Auditors on Standalone and Consolidated Ind AS Financial Statements forms part of this Annual Report.

The Auditors' Report does not contain any qualification, reservation, adverse remark, disclaimer or emphasis of matter.

COMPLIANCE WITH SECRETARIAL STANDARDS

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

EXTRACT OF ANNUAL RETURN

As required under Section 134(3)(a) of the Act, the extract of the Annual Return is put on the Company's website and can be accessed at http://www.carolinfoservices.com/FormMGT-9fortheFinancialyearended31stMarch2020.pdf

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

During the year under review the CSR Committee was re-constituted consequent to resignation of Mr. Neeraj Jain and Mr. G.B. Parulkar

The CSR committee comprises of the following Directors:

Name of the Director	Designation
Mr. Stephen D'Souza	Non-Executive Non-Independent Director (Chairman)
Mr. Deepak Madnani	Managing Director (Member)
Mr. Akhtar Shamsi	Independent Director (Member)
Ms. Vijaya Nair	Independent Director (Member)

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

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

The Company has been following well laid down policy on appointment and remuneration of Directors, Senior Management and KMP. The salient features of the Remuneration Policy on appointment and remuneration of Directors and KMP is provided below:

- The appointment of Directors/KMP shall be made pursuant to the recommendation of Nomination and Remuneration Committee ('NRC').
- The remuneration of Whole-time Director/Managing Director shall comprise of Basic Salary, Perquisites and Allowances as may be decided by the NRC/Board subject to overall ceiling as specified under the Act, Rules and Schedules made thereunder.

  Further, approval of shareholders shall be sought for the appointment and payment of remuneration to the Whole-time Director/ Managing Director.

- The remuneration to Non-Executive Directors comprises of sitting fees and commission, if any. During the year under review, the Company has not paid any commission to the Non-Executive Directors. Apart from above, Non-Executive Directors shall also be entitled to reimbursement of expenses incurred by them in connection with attending the Board meetings, committee meetings, general meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out-of-pocket expenses.
- The remuneration of KMP shall be such as decided by the NRC/Board from time to time. The Nomination & Remuneration Policy is directed towards rewarding performance. It is aimed at attracting and retaining high potential talent.

During the year Nomination and Remuneration Committee was re-constituted consequent to the resignation of Mr. Neeraj Jain. The Committee comprises of the following directors:

Name of the Director	**Designation**
Mr. Akhtar Shamsi	Independent Director (Chairman)
Ms. Vijaya Nair	Independent Director (Member)
Mr. Stephen D'Souza	Non-Executive Non-Independent Director (Member)

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

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

STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee comprises of the following directors:

Sr. No.	Name of the Director	Designation
1.	Mr. Akhtar Shamsi	Independent Director (Chairman)
2.	Mr. Stephen D'Souza	Non-Executive Non-Independent Director (Member)
3.	Mr. Deepak Madnani	Managing Director (Member)

The Committee is empowered to looks into redressal of shareholders'/investors' grievance such as complaints relating to transfer/ transmission of shares, change of address, issue of duplicate share certificate, stop transfer request non-receipt of Annual Reports, effective exercise of voting rights by shareholder, service standards for Registrar and Share Transfer Agent, etc

PERFORMANCE EVALUATION OF DIRECTORS

The Nomination and Remuneration Committee of the Board of Directors of the Company have laid down criteria of performance evaluation of the Board of Directors including Independent Directors. Pursuant to the requirement of the Act, the Board has carried out the annual performance evaluation for the financial year 2019-20 of the performance of the Board, its Committees and all the individual Directors including Independent Directors based on the parameters subject to the condition that the Director who is subject to evaluation should not participate. The criteria for performance evaluation of Directors, Board etc. cover the areas relevant to the functioning of Independent Directors such as preparation, participation, conduct and effectiveness. The Board evaluation for financial year 2019-20 was completed and summary of findings and recommendations were discussed by the Directors.

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

INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

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

The provisions of section 148 of the Act are not applicable to the Company. Accordingly, there is no requirement of maintenance of cost records as specified under sub-section (1) of section 148 of the Act.

RISK MANAGEMENT

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

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

The particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided under Note No. 35 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 2019-20 were in the ordinary course of business & on an arm's length basis and the same were reviewed and approved by the Audit Committee. No transaction with any related party was in conflict with the interest of the Company. The Company did not enter into any related party transaction with its KMP.

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

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

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

WHISTLE BLOWER/VIGIL MECHANISM

Pursuant to requirement laid down under Section 177 of the Act, the Company has well laid down Vigil Mechanism. The Whistle Blower Policy/Vigil Mechanism has been formulated for Directors and the Employees to communicate and report genuine concerns about unethical behavior or practices, actual or suspected fraud. The Company has an adequate vigil mechanism system. 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

The disclosures under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to your Company.

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

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

A. CONSERVATION OF ENERGY

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

B. TECHNOLOGY ABSORPTION

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no foreign exchange earnings and outgo during the financial year 2019-20.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANY

Banneret Trading Private Limited is a wholly owned subsidiary of the Company. During the year under review, the Company has exercised the option to convert 530, 0% Unsecured Optionally Convertible Redeemable Debentures (OCD) of ₹ 10,00,000 each issued by Wockhardt Hospitals Limited (WHL) at an agreed price of ₹ 31/- per equity share based on Valuation report of Registered Valuer. Consequently 170,96,774 Equity shares of ₹ 10/- each for cash at a premium of ₹ 21/- per equity share were allotted by WHL. Upon this conversion, the total holding of the Company in WHL has gone up from 16,953,339 equity shares comprising of 18.96% to 34,050,113 equity shares comprising of 31.97%. As a result, WHL has become an Associate Company of the Company as per the provisions of the Companies Act, 2013 w.e.f: 30th March 2020.

Further, WHL allotted 648,148 number of 0.1% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) on 29th June, 2019 at rate of ₹ 54 per Share (Including premium of ₹ 44 per Share) and 483,870 number of OCCRPS were further allotted on 28th Feb, 2020 at rate of ₹ 31 per Share (including premium of ₹ 21 per Share).

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

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

CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statement of your Company for the financial year 2019-20 are prepared in compliance with applicable provisions of the Act read with the Rules issued thereunder and applicable Accounting Standards.

A copy of the Audited Financial Statement of the subsidiary shall be made available for inspection at the Registered Office of the Company during business hours. The Audited Financial Statement of the Company including Consolidated Financial Statement and Financial Statement of its subsidiary and associate are also available on the Company's website www.carolinfoservices.com. Further, any shareholder interested in obtaining a copy of the separate Financial Statement of the subsidiary shall make specific request in writing to the Company Secretary and the same shall be furnished on request. A statement containing the salient features of the subsidiary, associate in the prescribed form AOC-1.

DEPOSITS

During financial year 2019-20, the Company did not accept any deposit within the meaning of Sections 73 and 74 of the Act read together with the Companies (Acceptance of Deposits) Rules, 2014.

SIGNIFICANT AND MATERIAL ORDERS

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

EXPLANATION OR COMMENTS ON THE QUALIFICATION, RESERVATION, ADVERSE REMARK MADE BY THE STATUTORY AUDITORS

During the year under review, there is no qualification, reservation or adverse remark or disclaimer made by the Statutory Auditor appointed under Section 139 of the Act. Hence, the need for explanation or comments by the Board does not arise. The report of the Statutory Auditor forms part of the financial statements.

During the year under review, there were no material or serious instances of fraud falling within the purview of Section 143 (12) of the Act and rules made there under, by officers or employees reported by the Statutory Auditors of the Company during the course of the audit conducted and therefore no details are required to be disclosed under Section 134 (3)(ca) of the Act.

GENERAL

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

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Akhtar Shamsi
Chairman
DIN: 00045731

Place : Mumbai
Date : 27th August 2020

ANNEXURE I TO THE BOARD'S REPORT

REPORT ON CSR ACTIVITIES/INITIATIVES

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

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

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

   Mr. Stephen Dsouza–Chairman (Non-Executive)

   Mr. Deepak Madnani–Member (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 ₹ 414,505,791#

4. **Prescribed CSR expenditure (2% of the amount as in item 3 above):** ₹ 8,290,116

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

   a) **Total amount to be spent for the financial year:** ₹ 8,290,116

   b) **Amount un-spent, if any:** ₹ 8,290,116

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

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

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

   In view of the requirement of the funds for operational purposes and identification of specific areas for carrying out CSR activities, the amount required to be spent on CSR activities during financial year 2019-20 remained unspent as on 31st March 2020. However, the Company stands committed to spend the requisite amount on CSR activities in forthcoming years.

7. **Responsibility Statement**

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

Average Net Profit of the Company for the last 3 financial years as per Section 198 of the Companies Act, 2013 is calculated considering 'previous GAAP' for the year ended 31st March 2017 and 'Ind-AS' for the year ended 31st March, 2018 and 31st March, 2019 (as defined in Notes to Financial Statements)

Deepak Madnani
Managing Director
DIN: 07679855

Stephen D'souza
Chairman of CSR committee
DIN: 00045812

Place: Mumbai
Date: August 27, 2020

ANNEXURE II TO THE BOARD'S REPORT

Criteria for Determining Qualifications, Positive Attributes and Independence of Director

Qualifications:

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

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

Positive Attributes:

The Director shall

a) uphold ethical standards of integrity and probity;

b) act objectively and constructively;

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

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

Independence Criteria:

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

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

ANNEXURE III TO THE BOARD'S REPORT

Form No. AOC – 2

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

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

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

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

(a)	Name(s) of the related party and nature of relationship	Wockhardt Limited ('WL'), Enterprise over which individuals having direct or indirect control over the Company have significant influence/control (Please refer Note No. (i) below)
(b)	Nature of contracts/arrangements/transactions	Leasing of property
(c)	Duration of the contracts/arrangements/transactions	Continuous basis
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	During the year 2019-20, there was transactions relating to lease/rent income from WL aggregating to ₹ 902,395 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/control' under Ind AS 24.

(ii) During the year 2019-20, transaction with WL may be considered material pursuant to Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014. However, no board's and shareholder's approval was required as the transaction was at arm's length basis and in the ordinary course of business.

For and on behalf of the Board of Directors

Akthar Shamsi
Chairman
DIN: 00045731

ANNEXURE IV 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/associate/joint ventures

Part 'A': Subsidiaries

(Amount in ₹ thousand)

Name of Subsidiary	Banneret Trading Private Limited
The date since when Subsidiary was acquired	24th July, 2012
Reporting period for the Subsidiary concerned	01st April – 31st March
Reporting currency for the Subsidiary concerned	INR
Exchange rate as on the last date of relevant financial year in the case of foreign Subsidiary	Not Applicable
Share Capital	100
Reserves and Surplus	(3,061,812)
Total Assets	3,824,788
Total Liabilities ^	3,824,788
Investments	3,824,325
Turnover	–
Profit/(Loss) before Tax	(34,373)
Provision for Tax (Expense)/Credit	12,1705
Profit/(Loss) after Tax/Total Comprehensive Income	87,332
Proposed dividend	Nil
% of shareholding	100

^ Includes Preference Shares

Notes:

a) The above statement also indicates highlights of performance of its subsidiary and its contribution to an overall performance of the Company during the financial year 2019-20.

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

For and on behalf of the Board of Directors

Deepak Madnani
Managing Director
DIN: 07679855

Satish Agrawal
Ex. Director &
Chief Financial Officer
DIN: 0008840144

Stephen D'Souza
Director
DIN: 00045812

Jeevan Mondkar
Company Secretary
ACS: 22565

Place: Mumbai
Date: August 27, 2020

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 Associate/subsidiaries/joint ventures

Part 'B': Associate Company

(Amount in ₹ thousand)

Name of Associates	Wockhardt Hospitals Limited
Latest audited balance sheet	31-Mar-2020
Date on which the associate or joint venture was associated or acquired	30-Mar-2020
Number of Shares of Associate/Joint Ventures held by the Company on the year end.	34,050,113
Amount of Investment in Associates/Joint Ventures	1,055,553
Extent of Holding	31.97%
Description of how there is significant influence	Associate
Reason why the Associate/Joint Venture is not consolidated	NA
Net worth attributable to shareholding as per the latest audited Balance Sheet	1,628,744
Profit/(Loss) for the year	
i. Considered in consolidation	(1,649)
ii. Not considered in consolidation	–
Provision for Tax (Expense)/Credit	477
Profit/(Loss) after tax/Total Comprehensive Income	(1,172)

Notes:

c) 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 2019-20.

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

For and on behalf of the Board of Directors

Deepak Madnani
Managing Director
DIN: 07679855

Satish Agrawal
Ex. Director &
Chief Financial Officer
DIN: 0008840144

Stephen D'Souza
Director
DIN: 00045812

Jeevan Mondkar
Company Secretary
ACS: 22565

Place: Mumbai
Date: August 27, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of CAROL INFO SERVICES LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Carol Info Services Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2020, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the standalone Statement of Cash Flows for the year then ended, and notes to the standalone Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2020, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report including Annexures to Directors' Report (collectively called as "Other Information"), but does not include the standalone Ind AS financial statements, consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance 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 Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

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

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

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

Other Matter

The comparative standalone Ind AS financial statements for the year ended March 31, 2019 included in these Standalone Ind AS financial statements have been audited by M/s. M P Chitale & Co, whose report dated August 26, 2019 expressed an unmodified opinion on those financial statements and which has been relied upon by us for the purpose of our audit of the standalone Ind AS financial statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows 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 Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

   e. On the basis of the written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";

   g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

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

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 36 on Contingent Liabilities and Commitments to the standalone Ind AS financial statements;

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

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

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

Hemant Bhatt
Partner
Membership No. 036834
UDIN: 20036834AAAAED6760

Place: Mumbai
Date: August 27, 2020

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of Carol Info Services Limited on the standalone Ind AS financial statements for the year ended March 31, 2020]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone Ind AS financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has a program of physical verification of fixed assets once in every three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. However, the fixed assets of the Company have not been physically verified by the management during the year and as such, we cannot comment on material discrepancies existing, if any.

(c) According to the information and explanation given to us, the title deeds of immovable properties other than self-constructed properties recorded as Property, Plant and Equipment in the books of account of the Company as on March 31, 2020 are held in the name of the Company, except for the details given below:

(₹ In Thousand)

Land/Building	Gross Block as on March 31, 2020	Net Block as on March 31, 2020	Remarks
Building	104,680	59,752	Held in erstwhile Company's Name
Leasehold Land	195,141	141,827	Held in erstwhile Company's Name
Freehold Land	274	274	Held in erstwhile Company's Name
Building	25,691	18,782	Title deeds not found

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

(iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, clause 3(iii) of the Order is not applicable to the Company.

(iv) The Company has complied with the provisions of sections 185 and 186 of the Act, except, in case of interest free loan of Rs. 7,362,824 thousands given to subsidiary company 'Banneret Trading Private Limited' prior to enactment of the Companies Act, 2013. As per company, section 186(7) of the act is not applicable for this loan (Refer Note 35).

(v) In our opinion, the Company has not accepted any deposits from the public within the provisions of sections 73 to 76 of the Act and the rules framed there under. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

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

(vii) (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, income tax, goods and services tax (GST), cess and any other material statutory dues applicable to it. Employee's State Insurance, duty of Customs and duty of Excise is not applicable to the Company. During the year 2017-18, sales tax, value added tax, service tax and duty of excise subsumed in GST and are accordingly reported under GST.

No undisputed amounts payable in respect of provident fund, income tax, GST, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues outstanding with respect to, income tax, sales tax, service tax, value added tax, GST on account of any dispute, are as follows:

				(₹ In Thousand)
Name of the statute	**Nature of dues**	**Amount ₹**	**Period to which the amount relates**	**Forum where dispute is pending**
Kerala General Sales Tax Act, 1963	Sales Tax Dues	410.00	A.Y. 1994-95	Appellate Tribunal
Finance Act, 1994	Service Tax Dues	14,567.40	2014-2017	The Deputy Commissioner of CGST & Central Excise
Income Tax Act,1961	Income Tax Dues	0.58	A.Y. 1995-96	Pending with Assessing Officer
		816.48	A.Y. 2006-07	Pending with Assessing Officer
		5.74	A.Y. 2009-10	Pending with Assessing Officer
		3,285.15	A.Y. 2011-12	Pending with Assessing Officer
		16.18	A.Y. 2012-13	Pending with Assessing Officer

				(₹ In Thousand)
Name of the statute	**Nature of dues**	**Amount ₹**	**Period to which the amount relates**	**Forum where dispute is pending**
		76,220.87	A.Y. 2014-15	Pending with Income-Tax Appellate Tribunal
		104,793.67	A.Y. 2015-16	Pending with Income-Tax Appellate Tribunal
		115,149.26	A.Y. 2016-17	Pending with Commissioner of Income-Tax (Appeals)
		26,527.75	A.Y. 2017-18	Pending with Commissioner (Appeals)
	TDS Dues	0.24	A.Y. 2013-14	Pending with Commissioner of Income-Tax (Appeals)
		3.10	A.Y. 2016-17	Pending with Assessing Officer
		2.31	A.Y. 2019-20	Pending with Assessing Officer
Punjab Tax on Entry of Goods Into Local Areas Act, 2000	Entry Tax dues	7,240.67	01.04.2011 to 25.07.2012	Pending with Punjab and Haryana High Court

(viii) During the year, the Company has not defaulted in repayment of loans or borrowings to financial institution(s), bank(s), government(s) or dues to debenture holder(s).

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

(xi) Managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, clause 3(xii) of the Order is not applicable to the Company.

(xiii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the details have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause 3(xiv) of the Order is not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with them during the year and hence provisions of section 192 of the Act are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Hemant Bhatt
Partner
Membership No. 036834
UDIN: 20036834AAAAED6760

Place: Mumbai
Date: August 27, 2020

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Carol Info Services Limited on the standalone Ind AS financial statements for the year ended March 31, 2020]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Carol Info Services Limited ("the Company") as of March 31, 2020 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 with reference to financial statements 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Hemant Bhatt
Partner
Membership No. 036834
UDIN: 20036834AAAAED6760

Place: Mumbai
Date: August 27, 2020

BALANCE SHEET AS AT MARCH 31, 2020

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

	Notes	**As at March 31, 2020**	As at March 31, 2019
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	2	**6,654**	154,491
Right of use assets	2	**142,921**	–
Capital work-in-progress	2	–	–
Investment Property	3	**642,839**	658,717
Financial Assets			
Investment in subsidiary	4	**100**	100
Other Investments	4	**5,338,237**	5,984,588
Loans given	5	**3,152,292**	2,550,613
Other Current financial assets	6	**77,378**	–
Non- current tax assets (net)		**533,716**	488,716
Deferred tax assets (net)	25	–	76,858
Other non-current assets	7	**5,524**	6,163
		9,899,661	9,920,246
CURRENT ASSETS			
Financial Assets			
Trade receivables	8	**160,957**	25,155
Cash and cash equivalents	9a	**164,547**	32,220
Bank balances (other than above)	9b	–	185,086
Loans Given	10	**3,581,283**	3,681,682
Others	11	**6,487**	4,313
Other current assets	12	**8,517**	6,966
		3,921,791	3,935,422
TOTAL		**13,821,452**	13,855,668
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13	**354,365**	354,365
Other equity		**9,090,453**	9,693,374
		9,444,818	10,047,739
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	14	**3,308,529**	2,610,000
Lease liabilities	29	**1,077**	–
Provisions	15	**150**	81
Deferred tax liabilities (net)	25	**5,858**	–
		3,315,614	2,610,081
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	16	–	54,690
Trade payables	17		
Due to Micro enterprises and Small enterprises		–	–
Due to Others		**2,026**	2,411
Lease Liabilities	29	**96**	–
Other financial liabilities	18	**728,815**	820,527
Other current liabilities	19	**13,553**	13,431
Provisions	20	**6**	3
Liabilities for current tax (net)		**316,524**	306,786
		1,061,020	1,197,848
TOTAL		**13,821,452**	13,855,668

Significant accounting policies 1(C)

The accompanying notes form an intergral part of these Financial Statements

As per our attached report of even date

For Haribhakti & Co. LLP
Chartered Accountants
Firm Regn. No. 103523W / W100048

Hemant Bhatt
Partner
Membership No. 036834

Place : Mumbai
Date : August 27, 2020

For and on behalf of the Board of Directors

Deepak Madnani
Managing Director
DIN: 07679855

Satish Agrawal
Executive Director & Chief Financial Officer
DIN: 0008840144

Stephen D'Souza
Director
DIN: 00045812

Jeevan Mondkar
Company Secretary
ACS: 22565

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

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

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
REVENUE			
Revenue from operations	21	**910,949**	712,755
Other income	22	**936,328**	929,675
TOTAL		**1,847,277**	1,642,430
EXPENSES			
Employee Benefits Expenses	23	**1,004**	881
Finance costs	24	**661,339**	258,776
Depreciation and Impairment expense	2,3	**21,968**	23,853
Other Expenses	25	**403,287**	406,553
TOTAL		**1,087,598**	690,063
PROFIT BEFORE TAX		**759,679**	952,367
Tax expense:	26		
Current tax		**(142,482)**	(126,122)
Deferred tax credit/(charge)		**(111,137)**	(206,341)
PROFIT AFTER TAX BEFORE OTHER COMPREHENSIVE INCOME		**506,060**	619,904
Other Comprehensive Income			
Items that will not be reclassified to profit or loss – (charge)/credit			
– Re-measurement of net defined benefit (liability)/asset		**(11)**	(2)
Tax on the above		**3**	1
– Fair value gain/(loss) on equity instruments		**(1,558,619)**	–
Tax on the above		**179,742**	–
		(1,378,885)	(1)
TOTAL COMPREHENSIVE INCOME		**(872,825)**	619,903
Earnings per equity share of face value of ₹ 10 each			
Basic and diluted earnings per share in ₹	27	**14.28**	17.49
Significant accounting policies	1(C)		

The accompanying notes form an intergral part of these Financial Statements

As per our attached report of even date
For Haribhakti & Co. LLP
Chartered Accountants
Firm Regn. No. 103523W / W100048

Hemant Bhatt
Partner
Membership No. 036834

Place : Mumbai
Date : August 27, 2020

For and on behalf of the Board of Directors

Deepak Madnani
Managing Director
DIN: 07679855

Satish Agrawal
Executive Director & Chief Financial Officer
DIN: 0008840144

Stephen D'Souza
Director
DIN: 00045812

Jeevan Mondkar
Company Secretary
ACS: 22565

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

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

Equity Share Capital

	As at April 01, 2018	Changes in equity share capital during the year	As at March 31, 2019	Changes in equity share capital during the year	As at March 31, 2020
	354,365	–	354,365	–	**354,365**

Other Equity

	Other Reserves					Other Comprehensive Income		
	Securities Premium Account	Capital Redemption Reserve	General Reserve	Deemed Capital conttibution	Surplus (Profit and loss balance) – Refer note 1 below	Re-measurement of net defined benefit (liability)/ asset	Net gain/ (loss) on Fair value of equity instruments	Total Equity
Balance at April 01, 2018	**2,716,000**	**297,500**	**1,216,889**	–	**4,244,933**	**(1)**	**598,150**	**9,073,471**
Profit for the year	–	–	–	–	619,904	–	–	619,904
Other comprehensive income for the year	–	–	–	–	–	(1)	–	(1)
Total comprehensive income for the year	–	–	–	–	**619,904**	**(1)**	–	**619,903**
Balance at March 31, 2019	**2,716,000**	**297,500**	**1,216,889**	–	**4,864,837**	**(2)**	**598,150**	**9,693,374**
Profit for the year	–	–	–		506,060	–	–	506,060
Other comprehensive income for the year	–	–	–	–	–	(8)	**(1,378,877)**	(1,378,885)
Other adjustments	–	–	–	**269,904**	–	–	–	**269,904**
Total	–	–	–	**269,904**	**506,060**	**(8)**	**(1,378,877)**	**(602,921)**
Balance at March 31, 2020	**2,716,000**	**297,500**	**1,216,889**	**269,904**	**5,370,897**	**(10)**	**(780,727)**	**9,090,453**

Notes:

1) Surplus (Profit and loss balance) as on March 31, 2020 and March 31, 2019 includes ₹ 13,757 thousand being the difference between interest free loan taken from an entity over which Individuals having direct or indirect control over the Company, have significant influence/ control, and the fair value at inception with reference to the market rate.

2) Nature and purpose of reserves:

Securities premium

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

Capital Redemption Reserve

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

Deemed Capital contribution

This represents contribution from Group Companies in the form of purchase of investments at lower rate as compared to the general rate in the market.

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 Haribhakti & Co. LLP
Chartered Accountants
Firm Regn. No. 103523W / W100048

Hemant Bhatt
Partner
Membership No. 036834

Place : Mumbai
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CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

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

	For the year ended March 31, 2020	For the year ended March 31, 2019
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:		
Profit before tax	**759,679**	952,367
Adjustments for		
Depreciation and impairment expense	**21,968**	23,853
Liabilities no more payable	–	(43)
Advances no more recoverable	**16**	1,539
Provision for doubtful debts	–	12
Finance costs	**661,339**	258,776
Interest Income	**(682,553)**	(759,717)
Profit on sale of fixed assets	–	(102)
Measurement of debentures at fair value	**(139,090)**	(142,003)
Fair valuation of Optionally Convertible Cumulative Redeemable Preference Shares	**(114,685)**	(27,701)
Loss on conversion of Optionally Convertible Redeemable Debentures	**356,294**	357,192
Operating profit before Working Capital changes	**862,968**	664,173
Movement in working capital:		
(Increase)/Decrease in Trade Receivables	**(135,802)**	242,900
(Increase)/Decrease in Loans and Advances and Other assets	**(82,841)**	(1,997)
Increase/(Decrease) in Liabilities and Provisions	**12**	15,805
Cash Generated from Operations	**644,337**	920,881
Income taxes paid	**(137,305)**	(140,965)
Net cash from Operating Activities (A)	**507,032**	779,916
CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:		
Purchase of Fixed Assets and Additions to Capital work-in-progress	–	(625)
Proceeds from sale of Fixed assets	–	102
Purchase of Investments	**(634,000)**	(2,169,600)
Repayment by/(Loans to) companies net	**(171,000)**	(300)
Fixed deposits with maturity of more than 3 months and other bank balances	**107,708**	923,240
Interest received	**13,397**	80,418
Net cash used in Investing Activities (B)	**(683,895)**	(1,166,765)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES:(Refer note 37)		
Proceeds from borrowings	**3,500,000**	–
Repayment of borrowings	**(2,821,060)**	(154,886)
Repayment of short term Borrowings	**(54,690)**	–
Repayment of Lease liabilities (refer note 3 below)	**(100)**	–
Finance costs paid	**(314,960)**	(235,741)
Net cash from/(used in) Financing Activities (C)	**309,190**	(390,627)

	For the year ended March 31, 2020	For the year ended March 31, 2019
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**132,327**	(777,476)
CASH AND CASH EQUIVALENTS, at beginning of year	**32,220**	809,696
CASH AND CASH EQUIVALENTS, at end of year	**164,547**	32,220
Component of Cash and Cash equivalents, at end of year		
Balance with banks :		
In current account	**64,190**	32,067
Deposit with maturity period less than 3 months	**100,004**	–
Cash in hand	**353**	153
Total	**164,547**	32,220

Notes:

1. The above statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.
2. Income taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
3. Repayment of lease liabilities consists of:
   Payment of interest ₹ 98 thousand
   Payment of Principal ₹ 2 thousand
4. Figures in bracket indicate cash outflow.

As per our attached report of even date
For Haribhakti & Co. LLP
Chartered Accountants
Firm Regn. No. 103523W / W100048

Hemant Bhatt
Partner
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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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

1A. BACKGROUND

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

1B. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

I. Statement of compliance

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

II. Basis of preparation

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

III. Use of Estimates and Judgements

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

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

Critical judgements in applying accounting policies:

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

(i) Leasehold land:

The Company has entered into several arrangements for lease of land/building from Government entities and other parties. The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Significant judgment is involved in assessing whether such arrangements are in the nature of finance or operating lease. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. 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. The discount rate used for assets taken on lease is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

(ii) Current tax and deferred tax:

The Company's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process in each respective entities within the Company. The final resolution of some of these items may give rise to material profits/losses and/or cash flows.

The complexity of the Company's structure makes the degree of estimation and judgement more challenging. The resolution of issues is not always within the control of the Company and it is often dependent on the efficiency of the legal processes. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items.

The recognition of deferred tax assets is based upon whether it is probable that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits which are based on budgeted cash flow projections, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

(iii) Estimation of useful life:

The useful life used to amortise or depreciate intangible assets or property, plant and equipment respectively relates to the expected future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from asset. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Standalone statement of profit and loss.

The useful lives of Company's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

(iv) Post employment benefits:

The costs of providing gratuity are charged to the income statement in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by management. These assumptions include future earnings and salary increases, discount rates, expected long-term rates of return on assets and mortality rates.

(v) Recoverability of Capital work in progress:

Old capital work in progress is assessed for recoverability based on management's utilization plans, technical assessment of current condition of the underlying assets. Company does a periodic physical verification and inspection of these assets using internal and external experts to determine the condition and usability of these assets.

(vi) 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.

(vii) Legal and other disputes:

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

1C. SIGNIFICANT ACCOUNTING POLICIES:

(a) Property, Plant and Equipment and Depreciation

I. Recognition and Measurement:

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

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

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

II. Subsequent expenditure

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

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

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

III. Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

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 Rs 5,000 or less are depreciated fully in the year of acquisition.

(b) Impairment of assets

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

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

The recoverable amount is the greater of the fair value less cost of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

(c) Foreign currency transactions/translations:

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

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

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

(d) Financial Instruments

I. Financial assets

(i) Classification of financial assets

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

Debt instruments at amortised cost:

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

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

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

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

Debt instruments at fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the EIR method. The Company does not have any instruments classified as fair value through other comprehensive income (FVOCI).

Debt instruments measured at fair value through profit and loss (FVTPL):

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

Equity investments:

Investment in subsidiary is measured at cost.

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

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

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

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

(ii) Initial recognition and measurement

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

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

(iii) Derecognition of financial assets

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

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

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

  (a) The Company has transferred substantially all the risks and rewards of the asset, or

  (b) The Company has neither transferred or retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

(iv) Impairment of financial assets

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

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

b) Trade receivables.

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

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, historical observed default rates are updated and changes in the forward-looking estimates are analysed.

II. Financial Liabilities and equity instruments:

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

(i) Equity instruments:

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

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

(ii) Financial liabilities:- Classification:

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

(iii) Initial recognition and measurement:

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

(iv) Derecognition:

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

III. Fair value:

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

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

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

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

(e) Income tax

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

Current tax

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

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

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

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

Deferred tax

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

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

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

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

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

Deferred tax assets and liabilities are offset only if:

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

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

(f) 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.

(g) Revenue recognition

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

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

(h) Leases

I. Assets taken on lease:

The Companys's lease asset classes primarily consist of leases for land. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangement s in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease

The right-of-use assets are initially recognized at cost and subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

II. Assets given on lease:

Determination of lease arrangement

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

1. fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset);and
2. 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.

Operating Lease

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

Payments received 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.

(i) 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.

(j) 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.

(k) 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.

(l) Segment reporting

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

(m) Operating cycle

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

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

The changes in the carrying amount of fixed assets for the year ended March 31, 2020 is as follows:

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION AND IMPAIRMENT				NET BLOCK
	As at 1.4.2019	Additions	Deductions/ Other Adjustments	**As at 31.3.2020**	As at 1.4.2019	For the year	Deductions/ Other Adjustments	**As at 31.3.2020**	**As at 31.3.2020**
Tangible Assets									
Freehold Land	274	–	–	**274**	–	–	–	–	**274**
Plant and Equipment	22,630	–	–	**22,630**	13,443	3,253	–	**16,696**	**5,934**
Furniture and Fixtures	6,772	–	–	**6,772**	6,237	111	–	**6,348**	**424**
Office equipments	2,646	–	–	**2,646**	2,608	18	–	**2,626**	**20**
Information Technology Equipments	30	–	–	**30**	28	–	–	**28**	**2**
	32,352	–	–	**32,352**	**22,316**	**3,382**	–	**25,698**	**6,654**
Right of use assets (refer note 2.1)									
Leasehold land	156,173	–	–	**156,173**	10,544	2,708	–	**13,252**	**142,921**
	156,173	–	–	**156,173**	**10,544**	**2,708**	–	**13,252**	**142,921**
Capital Work-In-Progress	5,511	–	–	5,511	5,511	–	–	**5,511**	–
	5,511	–	–	**5,511**	**5,511**	–	–	**5,511**	–
TOTAL	**194,036**	–	–	**194,036**	**38,371**	**6,090**	–	**44,461**	**149,575**

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

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

Notes:

2.1 Opening balance of Right of Use Assets is on account of transition to Ind AS 116.

2.2 Of the above, assets on which charge has been created (Refer note 14) amounts to ₹142,861 thousand (Previous year - ₹ 144,393 thousand)

2.3 Out of the above assets, the following are the details of assets given on lease:

Assets given on lease	As at March 31, 2020			As at March 31, 2019		
	Gross Block	**Accumulated Depreciation**	**Net Block**	Gross Block	Accumulated Depreciation	Net Block
Furniture and fixtures	**5,758**	**5,712**	**46**	5,758	5,702	56
Office equipments	**2,604**	**2,604**	–	2,604	2,604	–
Plant and equipment	**21,735**	**16,618**	**5,117**	21,735	13,413	8,322
Vehicles*	–	–	–	–	–	–
TOTAL	**30,097**	**24,934**	**5,163**	30,097	21,719	8,378

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

3. INVESTMENT PROPERTY

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT
	As at 1.4.2019	Additions	Deductions/ Other Adjustments	**As at 31.3.2020**	As at 1.4.2019	For the year	Deductions/ Other Adjustments	**As at 31.3.2020**	**As at 31.3.2020**
Buildings	722,959	–	–	**722,959**	64,242	15,878	–	**80,120**	**642,839**
TOTAL	**722,959**	–	–	**722,959**	**64,242**	**15,878**	–	**80,120**	**642,839**

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

Note: Of the above, assets on which charge has been created (Refer note 14) amounts to ₹ 609,759 thousand (Previous year - ₹ 571,253 thousand). The company's investment properties consists of office buildings rented out to third parties.

Information regarding Income and Expenditure of Investment Property

Particulars	**2019-20**	2018-19
Rental Income derived from investment Properties	**665,739**	712,755
Less - Depreciation	**15,878**	16,243
Less: Other expenses	**35,121**	37,750
Profit arising from Investment Properties before indirect expenses	**614,740**	658,762

The fair value of the investment property as on March 31, 2020 is ₹ 5,715,716 thousand (Previous year – ₹ 5,715,566 thousand). These fair values of the investment property are categorised as level 2 in the fair valuation hierarchy and has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

4. NON-CURRENT INVESTMENTS

		As at March 31, 2020	As at March 31, 2019
A.	**Investment in Subsidiary at cost**		
	Unquoted Equity Shares		
	10,000 (Previous year – 10,000) Equity shares of ₹ 10 each fully paid-up in Banneret Trading Private Limited [including 6 (Previous year – 6) fully paid-up shares of par value held in the name of the nominees of the Company]	**100**	100
B.	**Other Investments – Investment in Optionally Convertible Redeemable Debentures – Fair value through Profit and Loss**		
	1,149 (Previous year – 1,095) 0% Optionally Convertible Redeemable Debentures of ₹ 1,000,000 each fully paid-up of the following series in Wockhardt Hospitals Limited: – Nil (Previous year – 530) Series B Debentures (refer note 32) – 1,149 (Previous year – 565) Series C Debentures	**1,903,087**	1,685,503
		1,903,087	1,685,503
C.	**Other Investments – Investments in Optionally Convertible Cumulative Redeemable Preference Shares – Fair value through Profit and Loss**		
	41,635,920 (Previous Year – 40,503,902) 0.1% Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 10/- each in Wockhardt Hospitals Limited	**2,379,597**	2,214,912
D.	**Investment in equity instruments of Associates**		
	34,050,113 (Previous Year – Nil) Equity shares of ₹ 10 each fully paid-up in Wockhardt Hospitals Limited. (Refer note 32)	**1,055,553**	–
E.	**Other Investments – Investment in equity instruments – Fair value through Other Comprehensive Income (OCI)**		
	Nil (Previous Year – 16,953,339) Equity shares of ₹ 10 each fully paid-up in Wockhardt Hospitals Limited	–	2,084,173
	780,000 (Previous year – 780,000) Equity shares of ₹ 10 each fully paid-up in Al Barr Finance House Limited	17,583	17,583
	Less: Impairment provision	**(17,583)**	(17,583)
		–	–
		–	2,084,173
	Total	**5,338,337**	5,984,688
	Aggregate book value of unquoted investments	**5,338,337**	5,984,688

5. LOANS GIVEN- (Non-current)

	As at March 31, 2020	As at March 31, 2019
Loans to related parties (Refer note 32 and note 35)		
Unsecured, considered good	**3,152,292**	2,550,613
Unsecured, considered doubtful	–	16,064
Less: Loss allowance	–	(16,064)
	–	–
Total	**3,152,292**	2,550,613

6. OTHER NON-CURRENT FINANCIAL ASSETS

Deposits with maturity more than 12 months	**77,378**	–
Total	**77,378**	–

7. OTHER NON-CURRENT ASSETS

Capital advances	–	625
Security Deposits	**5,524**	5,538
Total	**5,524**	6,163

8. TRADE RECEIVABLES (Refer note 32 for related party balances)

Unsecured, considered good	**160,957**	25,155
Unsecured, considered doubtful	**271**	271
Less: Loss allowance	**(271)**	(271)
	–	–
Total	**160,957**	25,155

Note:

Trade receivables pledged as collateral as refered to in Note 14 ₹ 160,957 thousand (Previous year – ₹ 25,049 thousand).

9a. CASH AND CASH EQUIVALENTS

i) Balance with banks :		
In current account	**64,190**	32,067
Deposit with maturity period less than 3 months	**100,004**	–
ii) Cash in hand	**353**	153
Total	**164,547**	32,220

9b. OTHER BANK BALANCES

Deposits with maturity more than 12 months	–	73,704
Deposits with maturity equal to 12 months [includes deposit under lien during previous year ₹ 101,482 thousand]	–	111,382
Total	–	185,086

10. LOANS GIVEN (Current)

Unsecured :		
Loans to Subsidiaries (Refer note 32 and Note 35)	**3,408,070**	3,681,682
Loans to other parties: (Refer note 32 and Note 35)		
Considered good	**173,213**	–
Considered doubtful	**16,064**	–
Less: provision for doubtful balances	**(16,064)**	–
Total	**3,581,283**	3,681,682

11. OTHER CURRENT FINANCIAL ASSETS

Interest Accrued	**1,670**	4,313
Other Receivable	**4,817**	–
Total	**6,487**	4,313

12. OTHER CURRENT ASSETS

	As at March 31, 2020	As at March 31, 2019
Advances:		
Unsecured, considered good	**8,517**	6,966
Unsecured, considered doubtful	**129**	129
Less: Provision for doubtful advances	**(129)**	(129)
Total	**8,517**	6,966

13. SHARE CAPITAL

	As at March 31, 2020 Number of shares	As at March 31, 2020 Amount	As at March 31, 2019 Number of shares	As at March 31, 2019 Amount
AUTHORISED				
Equity shares of ₹ 10 each	**90,000,000**	**900,000**	90,000,000	900,000
Preference shares of ₹ 10 each	**10,000,000**	**100,000**	10,000,000	100,000
	100,000,000	**1,000,000**	100,000,000	1,000,000
ISSUED				
Equity shares of ₹ 10 each	**35,519,797**	**355,198**	35,519,797	355,198
SUBSCRIBED AND PAID UP				
Equity shares of ₹ 10 each	**35,436,472**	**354,365**	35,436,472	354,365

Notes:

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

	As at March 31, 2020	As at March 31, 2019
Outstanding at the beginning of the year	**35,436,472**	35,436,472
Additions during the year	**–**	–
Outstanding at the end of the year	**35,436,472**	35,436,472

13.2 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.

13.3 Shares held by holding company

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

13.4 Shareholders holding more than 5% shares in the company is set out below:

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% of holding	No. of Shares	% of holding
Khorakiwala Holdings and Investments Private Limited	**32,671,905**	**92.20**	32,671,905	92.20

14. NON–CURRENT FINANCIAL LIABILITIES – BORROWINGS

	As at March 31, 2020	As at March 31, 2019
SECURED		
Term loan from bank (Refer note below)	**3,308,529**	2,610,000
Total	**3,308,529**	2,610,000

Note:

The term loan taken during the year is secured by exclusive charge by way of mortgage of leasehold rights in premises situated at Bandra Kurla Complex, Mumbai , and also leasehold rights and title in the premises situated at Aurangabad ,exclusive charge by way of hypothecation of all present and future receivables from customers,exclusive charge on Escrow Account, and pledge of shares of Wockhardt Limited held by Humuza Consultants amounting to market value of not less than ₹ 150 crores with a minimum of 72 lakh shares. An amount equivalent to two months' equated monthly installment is kept as DSRA in form of Fixed Deposit with the Lender, This term loan carrying interest rate at Project LHPLR minus 530 BPS p.a is repayable by way of monthly instalments and will be fully repaid by January 2035

The Company has prepaid the entire loan that was outstanding during previous year.

15. PROVISIONS (NON-CURRENT)

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits (Refer note 28)		
Gratuity (unfunded)	**46**	25
Compensated absences (unfunded)	**104**	56
Total	**150**	81

16. CURRENT FINANCIAL LIABILITIES– BORROWINGS

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

17. TRADE PAYABLES

Trade payables		
Due to Micro enterprises and Small enterprises	–	–
Due to Others	**2,026**	2,411
	2,026	2,411

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, 2020 ₹ Nil (Prevuious year – ₹ Nil). The above information is given to the extent information available with the Company and relied upon by the auditors.

18. OTHER CURRENT FINANCIAL LIABILITIES

Current maturities of long-term debt (Refer note 14)	**125,519**	217,434
Other payables		
Deposits payable	**590,868**	590,568
Employee liabilities	**120**	24
Other payables	**12,308**	12,501
Total	**728,815**	820,527

19. OTHER CURRENT LIABILITIES

	As at March 31, 2020	As at March 31, 2019
Statutory dues and other payables	**13,553**	13,431
Total	**13,553**	13,431

20. PROVISIONS

Provision for employee benefits (Refer note 28)		
Gratuity (unfunded)#	–	–
#as at March 31, 2020 ₹ 62 (Previous year – ₹ 38)		
Compensated absences (unfunded)	**6**	3
Total	**6**	3

	For the year ended March 31, 2020	For the year ended March 31, 2019
21. REVENUE FROM OPERATIONS		
Lease income (Refer note 29 B)	**665,739**	712,755
Other Operating income	**245,210**	–
Total	**910,949**	712,755
22. OTHER INCOME		
Interest Income	**682,553**	759,717
Fair valuation of debentures	**139,090**	142,003
Fair valuation of Optionally Convertible Cumulative Redeemable Preference Shares	**114,685**	27,701
Profit on sale of fixed assets	–	102
Miscellaneous income (Refer note below)	–	152
Total	**936,328**	929,675

Note:

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

23. EMPLOYEE BENEFITS EXPENSES		
Salaries and wages (Refer note 28)	**970**	852
Contribution to provident and other funds (Refer note 28)	**29**	28
Staff welfare expenses	**5**	1
Total	**1,004**	881
24. FINANCE COSTS		
Interest Expenses on:		
term loans	**293,451**	257,292
lease liabilties	**98**	–
others	**3,019**	1,176
Loss on modification of terms of loan	**341,169**	–
Other borrowing costs	**23,602**	308
Total	**661,339**	258,776

	For the year ended March 31, 2020	For the year ended March 31, 2019
25. OTHER EXPENSES		
Travelling and conveyance	–	120
Power and fuel	**6,484**	7,690
Rent	–	100
Rates and taxes	**16,135**	16,431
Repairs and maintenance:		
Building	**2,061**	1,465
Others	**4,677**	5,146
Insurance	**2,447**	1,715
Provision for doubtful debts	–	12
Legal and professional charges	**5,603**	7,409
Security services	**2,657**	5,444
Secretarial expenses	**1,232**	1,288
Loss on conversion of Optionally Convertible Redeemable Debentures	**356,294**	357,192
Miscellaneous expenses (Refer note below)	**5,697**	2,541
Total	**403,287**	406,553

Note:
Payment to auditors included in Miscellaneous expenses

Audit fees	**615**	615
Other services	**100**	100
Out of pocket expenses	**35**	35
	750	750

26. INCOME TAXES

(a) Amounts recognised in profit or loss

Current income tax expense	**142,482**	126,122
Deferred income tax liability/(asset), net		
Origination and reversal of temporary differences (including MAT credit entitlement)	**111,137**	143,870
Decrease in Indian corporate tax rate resulting in decrease in opening deferred tax asset	–	62,471
Deferred tax expense	**111,137**	206,341
Total tax expense	**253,619**	332,463

(b) Amount recognised in other comprehensive income

Items that will not be reclassified to profit or loss

Re-measurements of the defined benefit plans – (charge)/credit	**3**	(1)
Fair value on equity instruments – (charge)/credit	**179,742**	–
Total	**179,745**	(1)

	For the year ended March 31, 2020	For the year ended March 31, 2019
(c) Reconciliation of effective tax rate		
Profit before tax (a)	**759,679**	952,367
Tax using the Company's domestic tax rate (Current year – 29.120 % and Previous year – 29.120 %)	**221,219**	277,329
Tax effect of:		
Deductions admissible under section 24 and 25 of the Income Tax Act, 1961	**(61,985)**	(64,552)
Expenses not deductible for tax purposes	**21,056**	21,743
Items on which no tax is payable	**1**	75
Rate difference on taxable profits/loss	**(2,337)**	3,008
Decrease in Indian corporate tax rate resulting in decrase in opening deferred tax asset	–	62,471
Disallowance under section 14A	**75,665**	32,389
Tax expense as per profit or loss (b)	**253,619**	332,463
Effective tax rate for the year (b)/(a)	**33.39%**	34.91%

Note:

The reason for higher effective tax rate is mainly on account of disallowances under Section 14A.

(d) Movement in deferred tax balances

Particulars	**Net balance April 01, 2019**	**Recognised in profit and loss**	**Recognised in OCI**	**Recognised in Equity**	**MAT utilisation**	**As at March 31, 2020**		
						Net deferred tax asset/ (liability)	**Deferred tax asset**	**Deferred tax liability**
Investments	(153,026)	84,170	179,742	(110,886)	–	–	–	–
Loans given	329,446	(95,640)	–	–	–	**233,806**	**233,806**	–
Debentures	(171,954)	(47,634)	–	–	–	**(219,588)**	–	**(219,588)**
Lease rent	13,740	(52,032)	–	–	–	**(38,292)**	–	**(38,292)**
Employee Benefits	1	(1)	3	–	–	**3**	**3**	–
MAT Credit	58,651	–	–	–	(40,438)	**18,213**	**18,213**	–
Tax assets/(Liabilities)	**76,858**	**(111,137)**	**179,745**	**(110,886)**	**(40,438)**	**(5,858)**	**252,022**	**(257,880)**

Particulars	Net balance April 01, 2018	Recognised in profit and loss	Recognised in OCI	MAT utilization	As at March 31, 2019		
					Net deferred tax asset/(liability)	Deferred tax asset	Deferred tax liability
Investments	(165,057)	12,031	–	–	(153,026)	–	(153,026)
Loans given	628,643	(299,197)	–	–	329,446	329,446	–
Debentures	(253,814)	81,860	–	–	(171,954)	–	(171,954)
Lease rent	14,775	(1,035)	–	–	13,740	13,740	–
Employee Benefits	–	–	1	–	1	1	–
MAT Credit	72,313	–	–	(13,662)	58,651	58,651	–
Tax assets /(Liabilities)	296,860	(206,341)	1	(13,662)	76,858	401,838	(324,980)

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

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

During the year, the Company has utilised tax credit in respect of Minimum Alternative Tax (MAT credit) of ₹ 40,438 thousand (March 31, 2019: ₹ 13,662 thousand)

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

	For the year ended March 31, 2020	For the year ended March 31, 2019
27. 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	**506,060**	619,904
Net profit for calculation of Basic/Diluted EPS	**506,060**	619,904
Reconciliation of number of shares	**35,436,472**	35,436,472
Weighted average number of shares in calculating Basic/Diluted EPS	**35,436,472**	35,436,472
Earnings per share (nominal value ₹ 10 each)		
Earnings per share – Basic/Diluted in ₹	**14.28**	17.49

28. EMPLOYEE BENEFITS

	For the year ended March 31, 2020 Gratuity (Non-funded)	For the year ended March 31, 2019 Gratuity (Non-funded)
(A) Defined benefit plans –		
I. Expenses recognised in profit or loss during the year		
1. Current Service Cost	**8**	7
2. Interest cost	**2**	1
Total Expenses	**10**	8
II. Expenses recognised in Other Comprehensive Income		
1. Actuarial changes arising from changes in demographic assumptions	**–**	–
2. Actuarial changes arising from changes in financial assumptions	**7**	0.3
3. Actuarial changes arising from changes in experience adjustments	**4**	2
	11	2
III. Net Asset/(Liability) recognised as at balance sheet date		
1. Present value of defined benefit obligation	**46**	25
2. Net Asset/(Liability)	**(46)**	(25)
IV. Reconciliation of Net Asset/(Liability) recognised as at balance sheet date		
1. Net Asset/(Liability) at the beginning of year	**(25)**	(15)
2. Expense as per I and II above	**(21)**	(10)
3. Employer contributions	**–**	–
4. Liabilty settled on resignation of the employee	**–**	–
5. Excess provision written back	**–**	–
6. Net asset/(liability) at the end of the year	**(46)**	(25)

	For the year ended March 31, 2020 Gratuity (Non-funded)	For the year ended March 31, 2019 Gratuity (Non-funded)
V. Maturity profile of defined benefit obligation		
Within the next 12 months (next annual reporting period)	**0.06**	0.04
Between 2 and 5 years	**2**	1
Between 6 and 10 years	**4**	3
VI. Quantitative sensitivity analysis for significant assumptions:		
1. Increase/(decrease) on present value of defined benefit obligation at the end of the year		
(i) One percent point increase in discount rate	**(7)**	(4)
(ii) One percent point decrease in discount rate	**9**	5
(iii) One percent point increase in rate of salary increase	**8**	5
(iv) One percent point decrease in rate of salary increase	**(7)**	(4)
(v) One percent point increase in attrition rate	**(0.01)**	(0.6)
(vi) One percent point decrease in attrition rate	**0.01**	0.6
2. Sensitivity analysis method		
The Sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occuring at the end of the reporting period ,while holding all other assumptions constant.		
VII. Actuarial Assumptions		
1. Discount rate	**6.85%**	7.79%
2. Expected rate of salary increase	**8.00%**	8.00%
3. Attrition rate	**1.00%**	1.00%
4. Mortality	**Indian Assured Lives Mortality (2012-14)**	Indian Assured Lives Mortality (2006-08)

Notes:

a) Amounts recognised as an expense and included in the Note 23 - 'Salaries and wages':

Gratuity ₹ 10 thousand (Previous year – ₹ 8 thousand) and Compensated absence ₹ 50 thousand (Previous year – ₹ 25 thousand).

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

c) The plan above is typically exposed to actuarial risk such as interest risk, Mortality risk, Liquidity risk, salary risk and legislative risk:

– Interest risk: The decrease in the interest rate linked to Government securities will increase the liability.

– Mortality risk: An increase in the life expectancy of the plan participants will increase the plan's liability.

– Liquidity risk: Retirement/resignation of Plan participants with higher salaries and long duration or higher in hierarcy may lead strain in the cashflows due to significant accumulation of their accumulated benefits.

– Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

– Legislative risk: Any change in the legislation/regulation would change the present value of defined benefit plan liability.

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

(B) Defined contribution plan –

Amount recognised as an expense and included in the Note 23 – 'Contribution to provident and other funds' ₹ 29 thousand (Previous year – ₹ 28 thousand).

29. LEASES

A. Leases as lessee

Effective April 1,2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01,2019. Consequently the Company has re-assessed the lease period and recognised lease income over the revised lease period. With respect to assets taken on lease by the Company, the Company has applied the standard using modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at value equal to the lease liability. The Company has accordingly not restated the comparative information.

Consequent to the new standard, the Company has recorded Right-of-Use assets ₹ 145,629 thousand as on April 01, 2019. Refer Note 2 for details of Right-of-Use Assets and depreciation thereon. Lease liability as on April 01, 2019 amounts to ₹ 1,174 thousand as per Ind AS 116.

Lease liability as on the balance sheet date is as follows:

Non -current portion	1,077
Current	96
	1,173

The weighted average incremental borrowing rate used for discounting is 8.75%

Refer Note 24 for Interest on lease Liabilities.

In accordance with the practical expedients available within the standard, the Company has applied Ind AS 116 only to contracts that were previously identified as leases under Ind AS 17.

The Company's lease assets consist of 2 lands.The leasehold land at Aurangabad is for a period of 19 years and can be extended with mutual consent. The aforesaid lease right can be sublet, sold, assigned or transferred. The lease term has been dertermined taking into consideration the non cancelellable lease period as per the agreement and such further period of extention is reasonably certain.

The land at Mumbai is for a period of 80 years. Except for the initial payment there are no material annual payments for the aforesaid lease.

B. Leases as lessor

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

The maturity analysis of lease payments, showing the undiscounted lease payments over the estimated lease period to be received are as follows:

Period	2020-21	2021-22	2022-23	2023-24	2024-25	Beyond March 25
Amount	561,073	582,920	603,140	640,975	683,355	1,606,951

Future lease rentals receivables disclosed during the previous year are as follows:

	March 31, 2019			
	For the year	Not later than one year	Later than one year and not later than five years	Later than five years
Lease Rent Receivable	707,227	773,925	304,388	–

The future lease rentals receivables disclosed during previous year have changed mainly due to change in lease classification and change in estimate of lease period.

30. FINANCIAL INSTRUMENTS

Financial instruments – Fair values and risk management

A. Accounting classification and fair values

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

March 31, 2020	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	4,282,684	–	–	4,282,684	4,282,684
Loans given	–	–	6,733,575	6,733,575	6,746,485
Trade receivables	–	–	160,957	160,957	160,957
Cash and cash equivalents	–	–	164,547	164,547	164,547
Other bank balances including fixed deposits with banks	–	–	77,378	77,378	67,320
Other current financial assets	–	–	6,487	6,487	6,487
Total	**4,282,684**	–	**7,142,944**	**11,425,628**	**11,428,480**
Financial liabilities					
Borrowings	–	–	3,434,048	3,434,048	3,434,048
Lease liabilties	–	–	1,173	1,173	1,262
Trade payables	–	–	2,026	2,026	2,026
Other financial liabilities	–	–	603,296	603,296	603,296
Total	–	–	**4,040,543**	**4,040,543**	**4,040,632**

March 31, 2020	**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	–	–	4,282,684	4,282,684
Loans given	–	6,746,485	–	6,746,485
Other non-current financial assets	–	67,320	–	67,320
Trade receivables	–	–	–	–
Cash and cash equivalents	–	–	–	–
Other bank balances including fixed deposits with banks	–	–	–	–
Other current financial assets	–	–	–	–
Total	–	**6,813,805**	**4,282,684**	**11,096,489**
Financial liabilities				
Borrowings	–	3,434,048	–	3,434,048
Lease liabilities	–	1,262	–	1,262
Trade payables	–	–	–	–
Other financial liabilities	–	–	–	–
Total	–	**3,435,310**	–	**3,435,310**

March 31, 2019	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	3,900,415	2,084,173	–	5,984,588	5,984,588
Loans given	–	–	6,232,295	6,232,295	6,137,396
Trade receivables	–	–	25,155	25,155	25,155
Cash and cash equivalents	–	–	32,220	32,220	32,220
Other bank balances	–	–	185,086	185,086	185,086
Other current financial assets	–	–	4,313	4,313	4,313
Total	**3,900,415**	**2,084,173**	**6,479,069**	**12,463,657**	**12,368,758**
Financial liabilities					
Borrowings	–	–	2,882,124	2,882,124	2,882,124
Trade payables	–	–	2,411	2,411	2,411
Other financial liabilities	–	–	603,093	603,093	603,093
Total	–	–	**3,487,628**	**3,487,628**	**3,487,628**

March 31, 2019	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	–	–	5,984,588	5,984,588
Loans given	–	6,137,396	–	6,137,396
Other non-current financial assets	–	–	–	–
Trade receivables	–	–	–	–
Cash and cash equivalents	–	–	–	–
Other bank balances	–	–	–	–
Other current financial assets	–	–	–	–
Total	–	**6,137,396**	**5,984,588**	**12,121,984**
Financial liabilities				
Borrowings	–	2,882,124	–	2,882,124
Trade payables	–	–	–	–
Other financial liabilities	–	–	–	–
Total	–	**2,882,124**	–	**2,882,124**

B. Measurement of fair values

The fair value of the financial assets and liabilties 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 currenly available for debt/instruments on similar terms, credit risks and remaining maturities. These valuations requires management to use certain unobservable inputs to be disclosed in the table below. Management regularly assesses a range of reasonably possible alternatives for those significant observable inputs and determines their impact on the total fair value.

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

Financial instruments measured at fair value

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

C. Financial risk management

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

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

Risk management framework

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

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

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness 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 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, 2020 and March 31, 2019, the Company did not have any significant concentration of credit risk with any external customers (i.e customers other than entities over which Individuals having direct or indirect control over the Company, have significant influence/control).

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

	Net Carrying amount	
	As at March 31, 2020	As at March 31, 2019
Not due	**131,496**	–
Past due 1-180 days	**8,983**	23,474
Past due 181-360 days	**9,477**	270
More than 360 days	**11,001**	1,411
	160,957	25,155

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

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

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

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

Balance as at April 01, 2018	259
Impairment loss recognised	12
Amounts written off	–
Balance as at March 31, 2019	271
Impairment loss recognised	–
Amounts written off	–
Balance as at March 31, 2020	**271**

Cash and bank balances

The Company held cash and bank balances of ₹ 164,547 thousand (Previous year – ₹ 217,306 thousand). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

Others

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

ii. Liquidity risk

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

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

Exposure to liquidity risk

March 31, 2020	**Carrying amount**	**Contractual cash flows**				
		Total	**Upto 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Borrowings	**3,434,048**	**6,887,294**	464,268	928,535	928,535	4,565,956
Lease liabilities	**1,173**	**4,783**	100	200	200	4,283
Trade payables	**2,026**	**2,026**	2,026	–	–	–
Deposits payable	**590,868**	**590,868**	590,868	–	–	–
Employee liabilities	**120**	**120**	120	–	–	–
Other payables	**12,308**	**12,308**	12,308	–	–	–

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

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 classifed as Currency risk and Interest rate risk. The Company does not have any currency risk.

a) 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, 2020	As at March 31, 2019
Variable-rate instruments		
Financial liabilities	**3,434,048**	2,827,434
	3,434,048	2,827,434

Cash flow sensitivity analysis for variable-rate instruments

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

	Impact on Profit/(loss)- Increase/(Decrease) in Profit	
Particulars	**For the year ended March 31, 2020**	For the year ended March 31, 2019
Variable-rate instruments		
100 bp increase	**(34,066)**	(28,050)
100 bp decrease	**34,066**	28,050

31. CAPITAL MANAGEMENT

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

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

The Company monitors the capital structure on the basis of 'adjusted net debt' to 'adjusted equity'. For this purpose adjusted net debt is defined as total liabilities comprising loans and borrowings excluding lease liabilities under Ind AS 116 , less cash and cash equivalents, Bank balance and current investments. Adjusted equity comprises 'Total Equity'.

The following table summarises the capital of the Company:

	As at March 31, 2020	As at March 31, 2019
Total liabilities	**3,434,048**	2,827,434
Less: Cash and cash equivalent and other bank balances	**164,547**	217,306
Adjusted net debt	**3,269,501**	2,610,128
Total equity	**9,444,818**	10,047,739
Adjusted equity	**9,444,818**	10,047,739
Adjusted net debt to adjusted equity ratio	**0.35**	0.26

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

(a) Parties where control exists

Holding Company

Khorakiwala Holdings and Investments Private Limited

Subsidiary Company

Banneret Trading Private Limited

Associate Company

Wockhardt Hospitals Limited (w.e.f. March 30, 2020)

Individuals having direct or indirect control over the Company

H. F. Khorakiwala

Entities having direct or indirect control over the Company

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

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

Wockhardt Hospitals Limited (upto March 29, 2020)

Merind Limited

Holmdene Constructions

Wockhardt Limited

Humuza Consultants

Key Managerial Personnel

G.B. Parulkar – Managing Director (upto June 30, 2020)

Stephen D'Souza – Non Executive Non Independent Director

Vijaya Nair – Independent Director

Akhtar Shamsi – Chairman and Independent Director

Neeraj Jain – Non Executive Non Independent Director (w.e.f April 25, 2018 and upto September 24, 2019)

b) Transactions with related parties during the year

(All the amounts mentioned below for the disclosure are the contractual amounts based on the arrangement with respective parties)

		For the year ended March 31, 2020	For the year ended March 31, 2019
(b)	**Transactions with related parties during the year**		
	Holding Company		
	Rent paid	**100**	100
	Subsidiary Company		
	Loan given	**31**	528
	Interest income	**34**	31
	During the year, the repayment period of first installment of the Loan given to Subsidiary Company has been amended by mutual agreement, without changing the other terms of existing loan. Under Ind AS notional loss on account of such amendment amounts to	**341,169**	–
	Transactions with enterprises over which Individuals having direct or indirect control over the Company, having significant influence/control		
	Rent received from Wockhardt Limited	**902,395**	708,809
	Recovery of Electricity Charges from Wockhardt Limited	**16,846**	17,785
	Advance received from Wockhardt Limited	–	50,511
	Advance repaid to Wockhardt Limited	–	50,511
	Advance paid to Wockhardt Hospitals Limited	–	469,600
	Recovery of Expenses from Wockhardt Hospitals Limited	**5,063**	1,052
	Security Deposit paid on behalf of Wockhardt Hospitals Limited	–	900
	Interest Income from Wockhardt Hospitals Limited	–	17,611
	Advance and Interest on Advance adjusted against Investment in 0.1% Optionally Convertible Cummulative Redeemable Preference Shares	–	487,211
	Investment in 0.1% Optionally Convertible Cumulative Redeemable Preference Shares	**50,000**	2,187,211
	Purchase of 0% Optionally Convertible Redeemable Debentures of Wockhardt Hospitals Limited from Merind Limited	**584,000**	–
	Loan Repaid to Merind Limited	**54,690**	–
	Interest income from Holmdene Constructions	**1**	1
	Loan given to Holmdene Constructions	**1**	1
	Loan repaid by Holmdene Constructions	–	200
	Loan Given to Humuza Consultants	**312,945**	–
	Loan Repaid by Humuza Consultants	**140,000**	–
	Interest Income from Humuza Consultants	**2,161**	–
	In accordance with the terms of debenture issue and amendments thereafter, during the year, 530 (Previous year – 740) Optionally Convertible Redeemable Debentures of Wockhardt Hospitals Limited of ₹ 1,000,000 each have been converted into 17,096,773 (Previous year – 5,374,001) Equity Shares. Consequently Wockhardt Hospitals Limited has become an Associate of the Company. Under Ind AS the Company has recorded the following:		
	Loss on conversion of Optionally Convertible Redeemable Debentures of Wockhardt Hospitals Limited	**356,294**	357,192
(c)	**Managerial remuneration to Managing Director**	**300**	300
(d)	**Director's sitting fees**		
	[Akhtar Shamsi ₹ 11 thousand (Previous year – ₹ 11 thousand), Stephen D'Souza ₹ 10 thousand (Previous year – ₹ 10 thousand), Vijaya Nair ₹ 11 thousand (Previous year – ₹ 9 thousand), Neeraj Jain ₹ 6 thousand (Previous year – ₹ 9 thousand)]	**38**	39

	As at March 31, 2020	As at March 31, 2019
(e) **Related party balances outstanding** (All the amounts mentioned below for the disclosure are the contractual amounts based on the arrangement with respective parties. Where such amounts are different from carrying amounts as per requirements of IndAS, their carrying amounts have been disclosed separately.)		
Payable to Holding Company	**118**	49
Receivable from Subsidiary – Transaction Value	**7,363,395**	7,363,364
[Carrying value: ₹ 6,560,363 thousand (Previous year – ₹ 6,232,026 thousand)]		
Security deposit payable to Wockhardt Limited	**555,000**	555,000
Receivable from Enterprises where significant influence/control exists (Net of Provision)	**396,975**	56,337
[Holmdene Constructions ₹ 268 thousand (Previous Year – ₹ 268 thousand); Wockhardt Limited* ₹ 223,762 thousand (Previous Year – ₹ 56,069 thousand), Humuza Consultant ₹ 172,945 thousand (Previous year – ₹ Nil)] * Including receivable on account of lease equalisation.		
Receivable from Associates	**4,817**	–
Payable to Enterprises where significant influence exists – Transaction value	–	54,936
[Merind Limited ₹ Nil (Previous Year – ₹ 54,690 thousand); Wockhardt Hospitals Limited ₹ Nil (Previous Year – ₹ 246 thousand)		
Managerial remuneration payable to Key managerial personnel	**300**	300
Director Sitting fees payable	**38**	35
[Akhtar Shamsi ₹ 11 thousand (Previous year – ₹ 9 thousand), Stephen D'Souza ₹ 10 thousand (Previous year – ₹ 8 thousand), Vijaya Nair ₹ 11 thousand (Previous year – ₹ 9 thousand), Neeraj Jain ₹ 6 thousand, (Previous year – ₹ 9 thousand)]		

33. SUBSEQUENT EVENTS

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

34. SEGMENT INFORMATION

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

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

Name of the Entity	Outstanding as at the beginning of the year	Given during the year	Repaid during the year	*Adjustments	Closing at the end of the year	Purpose
Banneret Trading Private Limited#	**7,363,364**	**31**	–	–	**7,363,395**	General purpose
(Previous year)	7,362,838	528	–	–	7,363,364	
Sharanya Chemicals and Pharmaceuticals Private Limited*	**16,064**	–	–	**16,064**	–	General purpose
(Previous year)	16,064	–	–	16,064	–	
Humuza Consultants		**312,945**	**140,000**	–	**172,945**	General purpose
(Previous year)	–	–	–	–	–	
Holmdene Construction	**268**	**1**	–	–	**269**	General purpose
(Previous year)	467	1	**200**	–	268	

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

As referred in note 32 during the year, the repayment period of first installment of the Loan given Subsidiary Company has been amended by mutual agreement, without changing the other terms of the existing loan. Interest free loan amounting to ₹ 7,362,824 thousand was given prior to enactment of Companies Act, 2013.

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

36. CONTINGENT LIABILITY AND COMMITMENTS

(a) Demands for ₹ 410 thousand (Previous Year - ₹ 410 thousand) have been raised by Sales Tax Authorities. The Company has disputed the said demands.

(b) Demands by Service Tax authorities ₹ 14,567 thousand (Previous Year – ₹ Nil) disputed by the Company.

(c) Demand by Income tax authorities ₹ 326,821 thousand (Previous Year – ₹ 300,430 thousand) disputed by the Company.

(d) Claims against the Company not acknowledged as debt pertaining to interest ₹ 9,266 thousand (Previous Year – ₹ 5,897 thousand).

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

Particulars	Balance as on March 31, 2020	Balance as on April 01, 2019	Non cash changes	Cash flows - inflow/(Outflow)
			Ind AS/ Reclassification adjustments	
Borrowings (Net)	**3,434,048**	**2,882,124**	**(72,326)**	**624,250**
Previous year	2,882,124	3,014,576	22,434	(154,886)

38. The Company is yet to spend an amount of ₹ 8,290 thousand for the year for specified CSR activities as per the provisions of Section 135 of the Companies Act, 2013.

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

As per our attached report of even date
For Haribhakti & Co. LLP
Chartered Accountants
Firm Regn. No. 103523W / W100048

Hemant Bhatt
Partner
Membership No. 036834

Place : Mumbai
Date : August 27, 2020

For and on behalf of the Board of Directors

Deepak Madnani
Managing Director
DIN: 07679855

Satish Agrawal
Executive Director & Chief Financial Officer
DIN: 0008840144

Stephen D'Souza
Director
DIN: 00045812

Jeevan Mondkar
Company Secretary
ACS: 22565

INDEPENDENT AUDITOR'S REPORT

To the Members of Carol Info Services Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Carol Info Services Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, comprising of the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated Ind AS financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditor(s) on separate Ind AS financial statements and on the other financial information of the subsidiary and associate, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the consolidated state of affairs of the Group and its associate as at March 31, 2020, their consolidated profit (including other comprehensive income), their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Holding Company's Directors' Report including Annexures to Directors' Report, but does not include the standalone Ind AS financial statements, consolidated Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of other auditor(s), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associates 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company, its subsidiary company and associate company, which are companies incorporated in India, have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the Ind AS financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

(a) We did not audit the Ind AS financial statements of Banneret Trading Private Limited, whose Ind AS financial statements reflects total assets of ₹ 38,24,790 thousands as at March 31, 2020, total revenues of ₹ 6,39,290 thousands and net cash outflow amounting to ₹ 146 thousands for the year ended on that date, as considered in the consolidated Ind AS financial statements.

The consolidated Ind AS financial statements also include Group's share of net loss (including other comprehensive income) of ₹ 1,171 thousands for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, in respect of the associate, whose Ind AS financial statements have not been audited by us. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

(b) The comparative consolidated Ind AS financial statements for the year ended March 31, 2019 included in these consolidated Ind AS financial statements have been audited by M/s. M P Chitale & Co, whose report dated August 26, 2019 expressed an unmodified opinion on those financial statements and which has been relied upon by us for the purpose of our audit of the consolidated Ind AS financial statements.

Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the Ind AS financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditor(s) on separate Ind AS financial statements and the other financial information of subsidiary and associate, as noted in the Other Matters section above we report, to the extent applicable, 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 relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and associate company, incorporated in India, none of the directors of the Group companies and its associate company, incorporated in India, is disqualified as on March 31, 2020 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 with reference to financial statements of the Holding Company, its subsidiary company and associate company incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure";

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us by the Holding Company and the report of the statutory auditor of its subsidiary and associate incorporated in India, the remuneration paid/ provided by the Holding Company, its subsidiary and associate to its directors during the year is in accordance with the provisions of section 197 of the Act;

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

   (i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates– Refer Note 40 to the consolidated Ind AS financial statements;

   (ii) The Group and its associates did not have any material foreseeable losses on long term contracts including derivative contracts;

   (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company, and associate company incorporated in India.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Hemant Bhatt
Partner
Membership No. 036834
UDIN: 20036834AAAAEE5419

Place: Mumbai
Date: August 27, 2020

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Carol Info Services Limited on the consolidated Ind AS financial statements for the year ended March 31, 2020]

Report on the Internal Financial Controls with reference to Financial Statements 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 Carol Info Services Limited ("Holding Company") as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company and its associate company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary company and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of Holding Company, its subsidiary company and its associate company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of Holding Company, its subsidiary company and its associate company.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 to the best of our information and according to the explanations given to us and based on consideration of reporting of other auditors as mentioned in Other Matters paragraph below, the Holding Company, its subsidiary company and its associate company, which are companies incorporated in India, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to one subsidiary company and one associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

Hemant Bhatt
Partner
Membership No. 036834
UDIN: 20036834AAAAEE5419

Place: Mumbai
Date: August 27, 2020

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

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

	Notes	**As at March 31, 2020**	As at March 31, 2019
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	2	**6,654**	154,491
Right of use assets	2	**142,921**	–
Capital work-in-progress	2	–	–
Intangible assets	3	**57**	57
Investment Property	4	**642,839**	658,717
Investment in equity accounted investees	5	**1,054,381**	–
Financial Assets			
Other Investments	6	**8,107,009**	8,309,788
Loans given	7	–	268
Others	8	**77,378**	–
Non-current tax assets (net)		**533,941**	488,716
Other non-current assets	9	**5,534**	6,175
		10,570,714	9,618,212
CURRENT ASSETS			
Financial Assets			
Trade receivables	10	**160,957**	25,155
Investments	11	–	1,205,980
Cash and cash equivalents	12a	**164,777**	32,595
Bank balances (other than above)	12b	–	185,086
Loans Given	13	**173,213**	–
Others	14	**6,487**	4,313
Other current assets	15	**8,388**	6,966
		513,822	1,460,095
TOTAL		**11,084,536**	11,078,307
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	16	**354,365**	354,365
Other equity		**5,995,792**	6,544,289
		6,350,157	6,898,654
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	17	**3,364,082**	2,659,601
Lease liabilities	32	**1,077**	–
Provisions	18	**150**	81
Deferred tax liabilities (net)	29	**307,986**	322,033
		3,673,295	2,981,715
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	19	–	54,690
Trade payables	20		
Due to Micro enterprises and Small enterprises		–	–
Due to Others		**2,026**	2,411
Lease liabilities	32	**96**	–
Other financial liabilities	21	**728,876**	820,615
Other current liabilities	22	**13,556**	13,433
Provisions	23	**6**	3
Liabilities for current tax (net)		**316,524**	306,786
		1,061,084	1,197,938
TOTAL		**11,084,536**	11,078,307
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 Haribhakti & Co. LLP
Chartered Accountants
Firm Regn. No. 103523W/W100048

Hemant Bhatt
Partner
Membership No. 036834

Place : Mumbai
Date : August 27, 2020

For and on behalf of the Board of Directors

Deepak Madnani
Managing Director
DIN: 07679855

Satish Agrawal
Executive Director & Chief Financial Officer
DIN: 0008840144

Stephen D'souza
Director
DIN: 00045812

Jeevan Mondkar
Company Secretary
ACS: 22565

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

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

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
REVENUE			
Revenue from operations	24	**910,949**	712,755
Other income	25	**596,623**	563,871
TOTAL		**1,507,572**	1,276,626
EXPENSES			
Employee Benefits Expenses	26	**1,033**	911
Finance costs	27	**355,890**	260,728
Depreciation, Amortisation and Impairment Expense	2,3,4	**21,968**	23,853
Other Expenses	28	**403,374**	406,708
TOTAL		**782,265**	692,200
PROFIT BEFORE TAX		**725,307**	584,426
Tax expense:	29		
Current tax		**(149,277)**	(133,634)
Deferred tax credit/(charge)		**(14,375)**	73,691
PROFIT AFTER TAX BEFORE OTHER COMPREHENSIVE INCOME AND LOSS IN ASSOCIATES		**561,655**	524,483
Share of loss in associates		**(1,168)**	–
PROFIT AFTER TAX BEFORE OTHER COMPREHENSIVE INCOME		**560,487**	524,483
Other Comprehensive Income			
Items that will not be reclassified to profit or loss - (charge)/credit			
– Re-measurement of net defined benefit (liability)/asset		**(11)**	(2)
Tax on the above		**3**	1
– Fair value gain/(loss) on equity instruments		**(1,558,619)**	–
Tax on the above		**179,742**	–
Items that will be reclassified to profit or loss - (charge)/credit			
– Share in the OCI of associates		**(3)**	–
		(1,378,888)	(1)
TOTAL COMPREHENSIVE INCOME		**(818,401)**	524,482
Earnings per equity share of face value of ₹ 10 each			
Basic and diluted earnings per share in ₹	30	**15.85**	14.80
Significant accounting policies	1(C)		

The accompanying notes form an intergral part of these Financial Statements

As per our attached report of even date

For Haribhakti & Co. LLP
Chartered Accountants
Firm Regn. No. 103523W/W100048

Hemant Bhatt
Partner
Membership No. 036834

Place : Mumbai
Date : August 27, 2020

For and on behalf of the Board of Directors

Deepak Madnani
Managing Director
DIN: 07679855

Satish Agrawal
Executive Director & Chief Financial Officer
DIN: 0008840144

Stephen D'souza
Director
DIN: 00045812

Jeevan Mondkar
Company Secretary
ACS: 22565

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

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

Equity Share Capital

	As at April 01, 2018	Changes in equity share capital during the year	As at March 31, 2019	Changes in equity share capital during the year	As at March 31, 2020
	354,365	–	354,365	–	**354,365**

Other Equity

	Reserves and Surplus							Other Comprehensive Income		
	Capital Reserve	Securities Premium Account	Capital Redemption Reserve	Deemed distribution	Deemed Capital contribution	General Reserve	Surplus (Profit and loss balance) - Refer note 1 below	Re-measurement of net defined benefit (liability)/ asset	Net gain/ (loss) on Fair value of equity instruments	Total Equity
Balance at March 31, 2018	**158,622**	**2,716,000**	**297,500**	**(5,068,670)**	–	**1,216,889**	**6,101,316**	–	**598,149**	**6,019,806**
Profit for the year	–	–	–	–	–	–	524,483	–	–	524,483
Other comprehensive income for the year	–	–	–	–	–	–	1	(1)	–	–
Balance at March 31, 2019	**158,622**	**2,716,000**	**297,500**	**(5,068,670)**	–	**1,216,889**	**6,625,800**	**(1)**	**598,149**	**6,544,289**
Profit for the year	–	–	–	–	–	–	560,487	–	–	560,487
Other comprehensive income for the year	–	–	–	–	–	–	–	(8)	(1,378,877)	(1,378,885)
Other adjustments	–	–	–	–	269,904	–	–	(3)		269,901
Balance at March 31, 2020	**158,622**	**2,716,000**	**297,500**	**(5,068,670)**	**269,904**	**1,216,889**	**7,186,287**	**(12)**	**(780,728)**	**5,995,792**

Notes:

1) Surplus (Profit and loss balance) as on Balance sheet date includes Rs. 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.

Deemed Capital contribution

This represents contribution from Group Companies in the form of purchase of investments at lower rate as compared to the general rate in the market.

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 Haribhakti & Co. LLP
Chartered Accountants
Firm Regn. No. 103523W/W100048

Hemant Bhatt
Partner
Membership No. 036834

Place : Mumbai
Date : August 27, 2020

For and on behalf of the Board of Directors

Deepak Madnani
Managing Director
DIN: 07679855

Satish Agrawal
Executive Director & Chief Financial Officer
DIN: 0008840144

Stephen D'souza
Director
DIN: 00045812

Jeevan Mondkar
Company Secretary
ACS: 22565

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

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

	For the year ended March 31, 2020	For the year ended March 31, 2019
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:		
Profit before tax	**725,307**	584,426
Adjustments for		
Depreciation, amortisation and impairment expense	**21,968**	23,853
Liabilities no more payable	–	(43)
Advances no more recoverable	**16**	1,539
Provision for doubtful debts	–	12
Finance costs	**355,890**	260,728
Interest Income	**(342,848)**	(393,912)
Profit on sale of fixed assets	–	(102)
Fair value of debentures	**(139,090)**	(142,003)
Fair valuation of Optionally Convertible Cumulative Redeemable Preference Shares	**(114,685)**	(27,701)
Loss on Conversion of Optionally Convertible Redeemable Debentures	**356,294**	357,192
Operating profit before Working Capital changes	**862,852**	663,989
Movement in working capital:		
(Increase)/Decrease in Trade Receivables	**(135,802)**	242,900
(Increase)/Decrease in Loans and Advances and Other assets	**(82,843)**	(2,009)
Increase/(Decrease) in Liabilities and Provisions	**(15)**	15,818
Cash Generated from Operations	**644,192**	920,698
Income taxes paid	**(144,325)**	(148,479)
Net cash from Operating Activities (A)	**499,867**	772,219
CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:		
Purchase of Fixed Assets and Additions to Capital work-in-progress	–	(625)
Proceeds from sale of Fixed assets	–	102
Purchase of Investments (Net of refund)	**(634,000)**	(2,169,604)
Repayment by/(Loans to) companies/firms	**(171,000)**	200
Fixed deposits with maturity of more than 3 months	**107,708**	923,240
Interest received	**20,417**	87,931
Net cash used in Investing Activities (B)	**(676,875)**	(1,158,756)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES (refer note 41):		
Proceeds from borrowings	**3,500,000**	–
Repayment of borrowings	**(2,821,060)**	(154,886)
Repayment of short term Borrowings	**(54,690)**	–
Repayment of Lease liabilities (refer note 3 below)	**(100)**	–
Finance costs paid	**(314,960)**	(235,737)
Net cash from/(used in) Financing Activities (C)	**309,190**	(390,623)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**132,182**	(777,160)
CASH AND CASH EQUIVALENTS, at beginning of year	**32,595**	809,755
CASH AND CASH EQUIVALENTS, at end of year	**164,777**	32,595
Component of Cash and Cash equivalents, at end of year		
Balance with banks :		
In current account	**64,420**	32,442
Deposit with maturity period less than 3 months	**100,004**	–
Cash in hand	**353**	153
Total	**164,777**	32,595

Notes:

1. The above statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.
2. Income taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
3. Repayment of lease liabilities consists of:
   Payment of interest Rs. 98 thousand
   Payment of Principal Rs. 2 thousand
4. Figures in bracket indicate cash outflow.

As per our attached report of even date

For Haribhakti & Co. LLP
Chartered Accountants
Firm Regn. No. 103523W/W100048

Hemant Bhatt
Partner
Membership No. 036834

Place : Mumbai
Date : August 27, 2020

For and on behalf of the Board of Directors

Deepak Madnani
Managing Director
DIN: 07679855

Satish Agrawal
Executive Director & Chief Financial Officer
DIN: 0008840144

Stephen D'souza
Director
DIN: 00045812

Jeevan Mondkar
Company Secretary
ACS: 22565

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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

1A. BACKGROUND

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

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

During the year , in accordance with the terms of debenture issue and amendments thereafter, the Group exercised the option of converting the Optionally Convertible Redeemable Debentures of Wockhardt Hospitals Limited ('WHL') into Equity Shares. Consequently its holding in WHL increased to 31.97% and wef March 30,2020, WHL became the Associate of the Group

1B. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

I. Statement of compliance

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

II. Basis of preparation

The consolidated 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') and includes share of loss of the associate Wockhardt Hospitals Limited' for the year ended March 31, 2020. The financial statement of the Subsidiary and its Associate 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. The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, income and expenses. For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Company.

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

Associates are those entities in which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control those policies. Significant influence is presumed to exist when the Company holds between 20 and 50 percent of the voting power of another entity. The results, assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting from the date in which the investee and will continue until the date that significant influence ceases. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee.

When the Company transacts with an associate of the Company, unrealised profits and losses are eliminated to the extent of the Company's interest in its associate.

IV. Use of Estimates and Judgements

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

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

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 Group has entered into several arrangements for lease of land/building from Government entities and other parties. The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Significant judgment is involved in assessing whether such arrangements are in the nature of finance or operating lease. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. In making such an assessment, the Group 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. The discount rate for assets taken on lease is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

(ii) Current tax and deferred tax:

The Group's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Group's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process in each respective entities within the Group. The final resolution of some of these items may give rise to material profits/ losses and/or cash flows.

The complexity of the Group's structure makes the degree of estimation and judgement more challenging. The resolution of issues is not always within the control of the Group and it is often dependent on the efficiency of the legal processes. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items.

The recognition of deferred tax assets is based upon whether it is probable that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits which are based on budgeted cash flow projections, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

(iii) Estimation of useful life:

The useful life used to amortise or depreciate intangible assets or property, plant and equipment respectively relates to the expected future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from asset. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Standalone statement of profit and loss.

The useful lives of group's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

(iv) Post employment benefits:

The costs of providing gratuity are charged to the income statement in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by management. These assumptions include future earnings and salary increases, discount rates, expected long-term rates of return on assets and mortality rates.

(v) Recoverability of Capital work in progress:

Old capital work in progress is assessed for recoverability based on management's utilization plans, technical assessment of current condition of the underlying assets. Group does a periodic physical verification and inspection of these assets using internal and external experts to determine the condition and usability of these assets.

(vi) Impairment of trade receivables:

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

(vii) Legal and other disputes:

The Group 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 Group. These estimates take into account the specific circumstances of each dispute and relevant external advice are inherently judgmental 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 Group 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 Group.

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

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

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 Group 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 Rs 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 Group 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 Group 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 Group decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Group 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 Group 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 Group 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 Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

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

– The Group 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:

(a) The Group has transferred substantially all the risks and rewards of the asset, or

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

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group 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 Group could be required to repay.

(iv) Impairment of financial assets

In accordance with Ind AS 109, the Group 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 Group 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 Group 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 Group 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 the Group 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 Group 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 Group 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 Group 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 Group 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) 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 Group 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 Group'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 Group, 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 Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group'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.

(g) 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.

(h) Revenue recognition

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

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

(i) Leases

I. Assets taken on lease:

The Groups's lease asset classes primarily consist of leases for land. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract involves the use of an identified asset (2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangement s in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease

The right-of-use assets are initially recognized at cost and subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

II. Assets given on lease:

Determination of lease arrangement

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

1. fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset);and
2. the arrangement conveys a right to use the asset.

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

At inception or on reassessment of an arrangement that contains a lease, the Group 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.

Operating Lease

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

Payments received 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 Group 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 if any, 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 Group 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) Segment reporting

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

(m) Operating cycle

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

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

A) The changes in the carrying amount of fixed assets for the year ended March 31, 2020 is as follows:

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION AND IMPAIRMENT				NET BLOCK
	As at 1.4.2019	Additions	Deductions/ Other Adjustments	**As at 31.3.2020**	As at 1.4.2019	For the year	Deductions/ Other Adjustments	**As at 31.3.2020**	**As at 31.3.2020**
Tangible Assets									
Freehold Land	274	–	–	**274**	–	–	–	–	**274**
Plant and Equipment	22,630	–	–	**22,630**	13,443	3,253	–	**16,696**	**5,934**
Furniture and Fixtures	6,772	–	–	**6,772**	6,237	111	–	**6,348**	**424**
Office equipments	2,646	–	–	**2,646**	2,608	18	–	**2,626**	**20**
Information Technology Equipments	30	–	–	**30**	28	–	–	**28**	**2**
	32,352	–	–	**32,352**	**22,316**	**3,382**	–	**25,698**	**6,654**
Right of use assets (refer note 2.1)									
Leasehold land	156,173	–	–	156,173	10,544	2,708	–	**13,252**	**142,921**
	156,173	–	–	**156,173**	**10,544**	**2,708**	–	**13,252**	**142,921**
Capital Work-In-Progress	5,511	–	–	**5,511**	5,511	–	–	**5,511**	–
	5,511	–	–	**5,511**	**5,511**	–	–	**5,511**	–
TOTAL	**194,036**	–	–	**194,036**	**38,371**	**6,090**	–	**44,461**	**149,575**

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

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

Notes:

2.1 Opening balance of Right of Use Assets is on account of transition to Ind AS 116.

2.2 Of the above, assets on which charge has been created (Refer note 17) amounts to ₹ 142,861 thousand (Previous year - ₹ 144,393 thousand)

2.3 Out of the above assets, the following are the details of assets given on lease :

Assets given on lease	**As at March 31, 2020**			As at March 31, 2019		
	Gross Block	**Accumulated Depreciation**	**Net Block**	Gross Block	Accumulated Depreciation	Net Block
Furniture and fixtures	**5,758**	**5,712**	**46**	5,758	5,702	56
Office equipments	**2,604**	**2,604**	–	2,604	2,604	–
Plant and equipment	**21,735**	**16,618**	**5,117**	21,735	13,413	8,322
Vehicles*	–	–	–	–	–	–
TOTAL	**30,097**	**24,934**	**5,163**	30,097	21,719	8,378

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

3. INTANGIBLE ASSETS

A) The changes in the carrying amount of Intangible assets for the year ended March 31, 2020 is as follows:

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION AND IMPAIRMENT				NET CARRYING AMOUNT
	As at 1.4.2019	Additions	Deductions/ Other Adjustments	As at 31.3.2020	As at 1.4.2019	For the year	Deductions/ Other Adjustments	**As at 31.3.2020**	**As at 31.3.2020**
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, 2019 is as follows:

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

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

4. INVESTMENT PROPERTY

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

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT
	As at 1.4.2019	Additions	Deductions/ Other Adjustments	As at 31.3.2020	As at 1.4.2019	For the year	Deductions/ Other Adjustments	**As at 31.3.2020**	**As at 31.3.2020**
Buildings	722,959	–	–	**722,959**	64,242	15,878	–	**80,120**	**642,839**
TOTAL	**722,959**	–	–	**722,959**	**64,242**	**15,878**	–	**80,120**	**642,839**

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

Note - Of the above, assets on which charge has been created (Refer note 17) amounts to ₹ 609,759 thousand (Previous year- ₹ 571,253 thousand).

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

Information regarding Income and Expenditure of Investment Property

Particulars	**2019-20**	2018-19
Rental Income derived from investment Properties	**665,739**	712,755
Less - Depreciation	**15,878**	16,243
Less: Other expenses	**35,121**	37,750
Profit arising from Investment Properties before indirect expenses	**614,740**	658,762

The fair value of the investment property as on March 31, 2020 is ₹ 5,715,716 thousand (Previous year - ₹ 5,715,566 thousand). These fair values of the investment property are categorised as level 2 in the fair valuation hierarchy and has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

	As at March 31, 2020	As at March 31, 2019
5. INVESTMENT IN EQUITY ACCOUNTED INVESTEES		
Investment in Associates		
34,050,113 Equity shares of ₹ 10 each fully paid-up in Wockhardt Hospitals Limited	**1,054,381**	–
Total	**1,054,381**	–

Notes

a. In accordance with the terms of debenture issue and amendments thereafter, during the year, 530 Optionally Convertible Redeemable Debentures of Wockhardt Hospitals Limited of ₹ 1,000,000 each have been converted into 17,096,773 Equity Shares. Consequently wef March 30, 2020, Wockhardt Hospitals Limited became the Associate of the Group. (Also refer note 35)

Wockhardt Hospitals Limited ('WHL' or 'Associate') is a separate legal entity incorporated in India and the Group holds 31.97% interest in the net assets of WHL.

b. The Carrying amount of Group's interest as on March 31, 2020 in WHL is as follows:

	Rs. Thousand
Non current assets	8,778,910
Current assets	1,038,409
Non current liabilities	(3,156,943)
Current liabilities	(1,565,775)
Net assets	5,094,601
Percentage ownership interest	31.97%
Group's share	1,628,744
Carrying value	1,054,381

Since the Fair value of net assets of WHL on March 30, 2020 was equal to the investment value, Goodwill on this acquisition is Nil

c. Reconcilation of share of assets to carrying amount of investments:

Fair value on the date of invesments in associate	1,055,553
Share of loss post acquisition	(1,168)
Share in Other Comprehensive Income post acquisition	(3)
Total	1,054,381
Investment in Equity accounted Investee above	1,054,381

d. The Financial information for the period from March 30 to March 31, 2020 in WHL is as follows:

	Rs. Thousand
Total Revenue	27,154
Total expenses	(32,312)
Total profit/(loss) before tax	(5,158)
Total profit/(loss) after tax	(3,655)
Other comprehensive income	(11)
Percentage ownership interest	31.97%
Group's share	
Total profit/(loss) before tax	(1,649)
Total profit/(loss) after tax	(1,172)

e. Reconciliation of share of net income to carrying amount of its interest in associates:

	Rs. Thousand
Net Income as financial information of WHL	(1,172)
Share included in Investment in Equity accounted Investee above	(1,172)

		As at March 31, 2020	As at March 31, 2019
6.	**OTHER NON-CURRENT INVESTMENTS**		
A.	**Investment in equity instruments-- Fair value through Other Comprehensive Income (OCI)**		
	Nil (Previous Year - 16,953,339) Equity shares of ₹ 10 each fully paid-up in Wockhardt Hospitals Limited	–	20,84,173
	780,000 (Previous year - 780,000) Equity shares of ₹ 10 each fully paid-up in Al Barr Finance House Limited	**17,583**	17,583
	Less: Impairment provision	**(17,583)**	(17,583)
		–	–
	Total	–	2,084,173
B.	**Other Investments**		
	Investment in Optionally Covertible Redeemable Debentures - Fair value through Profit and Loss.		
	1,149 (Previous year - 1,095) 0% Optionally Convertible Redeemable Debentures of ₹ 1,000,000 each fully paid-up of the following series in Wockhardt Hospitals Limited:	**1,903,087**	1,685,503
	– Nil (Previous year - 530) Series B Debentures (Refer note 35)		
	– 1,149 (Previous year - 565) Series C Debentures		
	Investment in Non-Convertible Reedemable Bonds- Fair value through profit and loss		
	9,000,000 (Previous year - Nil) Zero Coupon Non-Convertible Reedemable Bonds of Khorakiwala Holdings and Investments Private Limited of ₹ 100 each	**1,265,968**	–
C.	**Other Investments- Investments in Optionally Convertible Cumulative Redeemable Preference Shares - Fair value through Profit and Loss**		
	41,635,920 (Previous Year- 40,503,902) 0.1% Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 10/- each in Wockhardt Hospitals Limited	**2,379,597**	2,214,912
		5,548,652	3,900,415
D.	**Other Investments - Investment in Non-Convertible Cumulative redeemable preference shares - Amortised Cost**		
	369,942,639 (Previous year - 369,942,639) 3% Non-Convertible Cumulative Redeemable Preference Shares of Dartmour Holdings Private Limited of ₹ 10 each fully paid up	**1,423,159**	1,293,459
	29,508,863 (Previous year - 29,508,863) 3% Non-Convertible Cumulative Redeemable Preference Shares of Palanpur Holdings and Investments Private Limited of ₹ 100 each fully paid up	**1,135,198**	1,031,741
		2,558,357	2,325,200
	Total	**8,107,009**	8,309,788
	Aggregate book value of unquoted investments	**8,107,009**	8,309,788
7.	**LOANS GIVEN- (Non-current)**		
	Loans to related parties (Refer note 35)		
	Unsecured, considered good	–	268
	Unsecured, considered doubtful	–	16,064
	Less: Loss allowance	–	(16,064)
		–	–
	Total	–	268
8.	**OTHER NON-CURRENT FINANCIAL ASSETS**		
	Deposits with maturity more than 12 months	**77,378**	–
	Total	**77,378**	–

	As at March 31, 2020	As at March 31, 2019
9. OTHER NON-CURRENT ASSETS		
Capital advances	–	625
Security Deposits	**5,534**	5,550
Total	**5,534**	6,175
10. TRADE RECEIVABLES (Refer note 35 for related party balances)		
Unsecured, considered good	**160,957**	25,155
Unsecured, considered doubtful	**271**	271
Less: Provision for doubtful debts	**(271)**	(271)
	–	–
Total	**160,957**	25,155

Note:

Trade receivables pledged as collateral as refered to in Note 17 ₹ 160,957 thousand (Previous year - ₹ 25,049 thousand).

	As at March 31, 2020	As at March 31, 2019
11. CURRENT INVESTMENTS		
Other Investments - Investment in Non-Convertible Reedemable Bonds- Fair value through profit and loss		
Nil (Previous year - 9,000,000) Zero Coupon Non-Convertible Reedemable Bonds of Khorakiwala Holdings and Investments Private Limited of ₹ 100 each	–	1,205,980
Total	–	1,205,980
12a. CASH AND CASH EQUIVALENTS		
a) Balance with banks :		
In current account	**64,420**	32,442
Deposit with maturity less than 3 months	**100,004**	–
b) Cash in hand	**353**	153
Total	**164,777**	32,595
12b. OTHER BANK BALANCES		
Deposits with maturity more than 12 months	–	73,704
Deposits with maturity equal to 12 months [includes deposit under lien during previous year ₹ 101,482 thousand]	–	111,382
Total	–	1,85,086
13. LOANS GIVEN (Current)		
Unsecured :		
Loans to other parties: (Refer note 35)		
Considered good	173,213	
Considered doubtful	16,064	–
Less: provision for doubtful balances	(16,064)	–
Total	**173,213**	–
14. OTHER CURRENT FINANCIAL ASSETS		
Interest Accrued	**1,670**	4,313
Other Receivable	**4,817**	–
Total	**6,487**	4,313

	As at March 31, 2020	As at March 31, 2019
15. OTHER CURRENT ASSETS		
Advances		
Unsecured, considered good	**8,388**	6,966
Unsecured, considered doubtful	**129**	129
Less: provision for doubtful advances	**(129)**	(129)
	–	–
Total	**8,388**	6,966

16. SHARE CAPITAL

	As at March 31, 2020 Number of shares	As at March 31, 2020 Amount	As at March 31, 2019 Number of shares	As at March 31, 2019 Amount
AUTHORISED				
Equity shares of ₹ 10 each	**90,000,000**	**900,000**	90,000,000	900,000
Preference shares of ₹ 10 each	**10,000,000**	**100,000**	10,000,000	100,000
	100,000,000	**1,000,000**	100,000,000	1,000,000
ISSUED				
Equity shares of ₹ 10 each	**35,519,797**	**355,198**	35,519,797	355,198
SUBSCRIBED AND PAID UP:				
Equity shares of ₹ 10 each	**35,436,472**	**354,365**	35,436,472	354,365

Notes:

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

	As at March 31, 2020	As at March 31, 2019
Outstanding at the beginning of the year	**35,436,472**	35,436,472
Additions during the year	**–**	–
Outstanding at the end of the year	**35,436,472**	35,436,472

b. Terms/Rights attached to Equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share held and is entitled to dividend, if declared at the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding company

32,671,905 (Previous year - 32,671,905) 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, 2020		As at March 31, 2019	
	No. of Shares	**% of holding**	No. of Shares	% of holding
Khorakiwala Holdings and Investments Private Limited	**32,671,905**	**92.20**	32,671,905	92.20

17. NON-CURRENT FINANCIAL LIABILITIES- BORROWINGS

	As at March 31, 2020	As at March 31, 2019
SECURED		
Term loan from bank (Refer note (a) below)	**3,308,529**	2,610,000
UNSECURED		
Preference shares (Refer note (b) below)	**55,553**	49,601
Total	**3,364,082**	2,659,601

Notes:

a) The term loan taken during the year is secured by exclusive charge by way of mortgage of leasehold rights in premises situated at Bandra Kurla Complex, Mumbai , and also leasehold rights and title in the premises situated at Aurangabad ,exclusive charge by way of hypothecation of all present and future receivables from customers,exclusive charge on Escrow Account, and pledge of shares of Wockhardt Limited held by Humuza Consultants amounting to market value of not less than Rs. 150 crores with a minimum of 72 lakh shares. An amount equivalent to two months' equated monthly installment is kept as DSRA in form of Fixed Deposit with the Lender, This term loan carrying interest rate at Project LHPLR minus 530 BPS p.a is repayable by way of monthly instalments and will be fully repaid by January 2035

The Company has prepaid the entire loan that was outstanding during previous year.

b) **Preference shares**

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	**Amount**	No. of Shares held	Amount
i) Details of preference shares				
Authorised				
Preference shares of ₹ 10 each	**19,950,000**	**199,500**	19,950,000	199,500
		199,500		199,500
Issued, subscribed and paid up				
3% Non Convertible Cumulative Redeemable Preference shares of ₹ 10 each fully paid up:				
Shares outstanding at the beginning of the year	**19,000,000**	**190,000**	19,000,000	190,000
Add: Issued during the year	–	–	–	–
Shares outstanding at the end of the year	**19,000,000**	**190,000**	19,000,000	190,000

ii) **Terms/Rights attached to Preference shares**

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

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

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

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	**% of Holding**	No. of Shares held	% of Holding
Merind Limited	**19,000,000**	**100%**	19,000,000	100%

18. PROVISIONS (NON-CURRENT)

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits (Refer Note 31)		
Gratuity (unfunded)	**46**	25
Compensated absences (unfunded)	**104**	56
Total	**150**	81

19. CURRENT FINANCIAL LIABILITIES- BORROWINGS

Unsecured		
Loans repayable on demand- Interest free (Refer note 35)	–	54,690
Total	–	54,690

	As at March 31, 2020	As at March 31, 2019
20. TRADE PAYABLES		
Trade payables		
Due to Micro enterprises and Small enterprises	–	–
Due to Others	**2,026**	2,411
Total	**2,026**	2,411

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, 2020 ₹ Nil (Prevuious year - ₹ Nil). The above information is given to the extent information available with the Company and relied upon by the auditors.

	As at March 31, 2020	As at March 31, 2019
21. OTHER CURRENT FINANCIAL LIABILITIES		
Current maturities of long-term debt (Refer note 17)	**125,519**	217,434
Other payables		
Deposits payable	**590,868**	590,568
Employee liabilities	**140**	54
Other payables	**12,349**	12,559
Total	**728,876**	820,615
22. OTHER CURRENT LIABILITIES		
Statutory dues and other payables	**13,556**	13,433
Total	**13,556**	13,433
23. PROVISIONS		
Provision for employee benefits (Refer note 31)		
Gratuity (unfunded)#	–	–
#as at March 31, 2020 ₹ 62 (Previous year- ₹ 38)		
Compensated absences (unfunded)	**6**	3
Total	**6**	3

	For the year ended March 31, 2020	For the year ended March 31, 2019
24. REVENUE FROM OPERATIONS		
Lease income (Refer note 32B)	**665,739**	712,755
Other Operating income	**245,210**	–
Total	**910,949**	712,755
25. OTHER INCOME		
Interest Income	**342,848**	393,912
Profit on sale of Fixed assets	–	102
Fair valuation of debentures	**139,090**	142,003
Fair valuation of Optionally Convertible Cumulative Redeemable Preference Shares	**114,685**	27,701
Miscellaneous income (Refer note below)	–	153
Total	**596,623**	563,871

Note:
Miscellaneous income to the extent of ₹ Nil (Previous year- ₹ 43 thousand) is on account of liabilities no more payable.

	For the year ended March 31, 2020	For the year ended March 31, 2019
26. EMPLOYEE BENEFITS EXPENSES		
Salaries and wages (Refer note 31)	**999**	882
Contribution to provident and other funds (Refer note 31)	**29**	28
Staff welfare expenses	**5**	1
Total	**1,033**	911

	For the year ended March 31, 2020	For the year ended March 31, 2019
27. FINANCE COSTS		
Interest Expenses on		
term loans	**293,451**	249,850
lease liabilties	**98**	–
others	**8,971**	10,570
Loss on modfication of loan	**29,768**	–
Other borrowing costs	**23,602**	308
Total	**355,890**	260,728
28. OTHER EXPENSES		
Travelling and conveyance	**18**	143
Power and fuel	**6,484**	7,690
Rent	–	100
Rates and taxes	**16,135**	16,431
Repairs and maintenance:		
Building	**2,061**	1,465
Others	**4,677**	5,146
Insurance	**2,447**	1,715
Provision for doubtful debts	–	12
Legal and professional charges	**5,643**	7,487
Security services	**2,657**	5,444
Secretarial expenses	**1,232**	1,288
Loss on conversion of Optionally Convertible Redeemable Debentures	**356,294**	357,192
Miscellaneous expenses (Refer note below)	**5,726**	2,595
Total	**403,374**	406,708
Note:		
Payment to auditors included in Miscellaneous expenses		
Audit fees*	**645**	649
Other services	**100**	100
Out of pocket expenses	**35**	35
	780	784

* Audit fees for FY 2018-19 includes charges pertaining to FY 2017-18 ₹ 4.5 thousand

	For the year ended March 31, 2020	For the year ended March 31, 2019
29. INCOME TAXES		
(a) Amounts recognised in profit or loss		
Current income tax expense	**149,277**	133,634
Tax balances written off (net)	–	–
Deferred income tax liability/(asset), net		
Origination and reversal of temporary differences including MAT credit entitlement	**23,800**	(113,251)
Changes in Indian corporate tax rate in deferred tax	**(9,425)**	39,560
Deferred tax expense	**14,375**	(73,691)
Tax expense for the year	**163,652**	59,943
(b) Amount recognised in other comprehensive income		
Items that will not be reclassified to profit or loss		
Re-measurements of the defined benefit plans -(charge)/credit	**3**	(1)
Fair value on equity instruments – (charge)/credit	**179,742**	–
Total	**179,745**	(1)

	For the year ended March 31, 2020	For the year ended March 31, 2019
(c) Reconciliation of effective tax rate		
Profit before tax (a)	**725,307**	584,426
Tax using the Company's domestic tax rate (Curent year - 29.12 % and Previous year - 29.12 %)	**211,209**	170,185
Tax effect of:		
Deductions admissible under section 24 and 25 of the Income Tax Act, 1961	**(61,985)**	(65,616)
Expenses not deductible for tax purposes	**21,095**	22,376
Items on which no tax is payable	**(57,181)**	(61,480)
Rate difference on taxable profits	**(2,335)**	3,008
Impact of re-measurement of tax due to rate change	**(11,200)**	(39,560)
Tax balances written off	**75,665**	32,389
Impact of differential tax rates applicable to the respective entity	**(11,616)**	(1,359)
Tax expense as per profit or loss (b)	**163,652**	59,943
Effective tax rate for the year (b)/(a)	**22.56%**	10.26%

Note:

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

(d) Movement in deferred tax balances

Particulars	**Net balance April 01, 2019**	**Recognised in profit or loss**	**Recognised in OCI**	**Recognised in Equity**	**MAT utilisation**	**As at March 31, 2020** Net deferred tax asset/ (liability)	**Deferred tax asset**	**Deferred tax liability**
Investments	(222,471)	85,293	179,742	–	(110,886)	**(68,322)**	–	**(68,322)**
Debentures	(171,953)	(47,636)	–	–	–	**(219,589)**	–	**(219,589)**
Lease rent	13,740	(52,032)	–	–	–	**(38,292)**	–	**(38,292)**
Employee Benefits	–	–	3	–	–	**3**	3	–
MAT Credit	58,651	–	–	–	(40,438)	**18,213**	**18,213**	–
Tax assets/(Liabilities)	**(322,033)**	**(14,375)**	**179,745**		**(151,324)**	**(307,987)**	**18,216**	**(326,203)**

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

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

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

During the year, the Group has utilised tax credit in respect of Minimum Alternative Tax (MAT credit) of ₹ 40,438 thousand (March 31, 2019: ₹ 13,662 thousand)

	For the year ended March 31, 2020	For the year ended March 31, 2019
30. 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	**561,655**	524,483
Net profit for calculation of Basic/Diluted EPS	**561,655**	524,483
Reconciliation of number of shares		
Weighted average number of shares in calculating Basic/Diluted EPS	**35,436,472**	35,436,472
	35,436,472	35,436,472
Earnings per share (nominal value ₹ 10 each)		
Earnings per share - Basic/Diluted in ₹	**15.85**	14.80

31. EMPLOYEE BENEFITS

	For the year ended March 31, 2020 Gratuity (Non-funded)	For the year ended March 31, 2019 Gratuity (Non-funded)
(A) Defined benefit plans –		
I. Expenses recognised in profit or loss during the year		
1. Current Service Cost	**8**	7
2. Interest cost	**2**	1
Total Expenses	**10**	8
II. Expenses recognised in Other Comprehensive Income		
1. Actuarial changes arising from changes in demographic assumptions	**–**	–
2. Actuarial changes arising from changes in financial assumptions	**7**	0.3
3. Actuarial changes arising from changes in experience adjustments	**4**	2
	11	2
III. Net Asset/(Liability) recognised as at balance sheet date		
1. Present value of defined benefit obligation	**46**	25
2. Net Asset/(Liability)	**(46)**	(25)
IV. Reconciliation of Net Asset/(Liability) recognised as at balance sheet date		
1. Net Asset/(Liability) at the beginning of year	**(25)**	(15)
2. Expense as per I and II above	**(21)**	(10)
3. Employer contributions	**–**	–
4. Liabilty settled on resignation of the employee	**–**	–
5. Excess provision written back	**–**	–
6. Net asset/(liability) at the end of the year	**(46)**	(25)
V. Maturity profile of defined benefit obligation		
Within the next 12 months (next annual reporting period)	**0.06**	0.04
Between 2 and 5 years	**2**	1
Between 6 and 10 years	**4**	3
VI. Quantitiative sensitivity analysis for significant assumptions		
1. Increase/(decrease) on present value of defined benefit obligation at the end of the year		
(i) One percent point increase in discount rate	**(7)**	(4)
(ii) One percent point decrease in discount rate	**9**	5
(iii) One percent point increase in rate of salary increase	**8**	5
(iv) One percent point decrease in rate of salary increase	**(7)**	(4)
(v) One percent point increase in attrition rate	**(0.01)**	(0.6)
(vi) One percent point decrease in attrition rate	**0.01**	0.6

	For the year ended March 31, 2020 Gratuity (Non-funded)	For the year ended March 31, 2019 Gratuity (Non-funded)
2. The Sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occuring at the end of the reporting period, while holding all other assumptions constant.		
VII. Actuarial Assumptions		
1. Discount rate	**6.85%**	7.79%
2. Expected rate of salary increase	**8.00%**	8.00%
3. Attrition rate	**1.00%**	1.00%
4. Mortality	**Indian Assured Lives Mortality (2012-14)**	Indian Assured Lives Mortality (2006-08)

Notes:

(a) Amounts recognised as an expense and included in the Note 26 – "Salaries and wages" :

Gratuity ₹ 10 thousand (Previous year – ₹ 8 thousand) and Compensated absence ₹ 50 thousand (Previous year – ₹ 25 thousand).

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

(c) The plan above is typically exposed to actuarial risk such as interest risk, Mortality risk, Liquidity risk, salary risk and legislative risk:

- Interest risk: The decrease in the interest rate linked to Government securities will increase the liability.
- Mortality risk: An increase in the life expectancy of the plan participants will increase the plan's liability.
- Liquidity risk: Retirement/resignation of Plan participants with higher salaries and long duration or higher in hierarcy may lead strain in the cashflows due to significant accumulation of their accumulated benefits.
- Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.
- Legislative risk: Any change in the legislation/regulation would change the present value of defined benefit plan liability.

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

(B) Defined contribution plan –

Amount recognised as an expense and included in the Note 26 – "Contribution to provident and other funds" ₹ 29 thousand (Previous year – ₹ 28 thousand).

32. LEASES

A. Leases as lessee

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019. Consequently the Company has re-assessed the lease period and recognised lease income over the revised lease period. With respect to assets taken on lease by the Company, the Company has applied the standard using modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at value equal to the lease liability. The Company has accordingly not restated the comparative information.

Consequent to the new standard, the Company has recorded Right-of-Use assets ₹ 145,629 thousand as on April 01, 2019. Refer Note 2 for details of Right-of-Use Assets and depreciation thereon. Lease liability as on April 01, 2019 amounts to ₹ 1,174 thousand as per Ind AS 116.

Lease liability as on the balance sheet date is as follows:

Non-current portion	1,077
Current	96
	1,173

The weighted average incremental borrowing rate used for discounting is 8.75%

Refer Note 27 for Interest on lease Liabilities.

In accordance with the practical expedients available within the standard, the Company has applied Ind AS 116 only to contracts that were previously identified as leases under Ind AS 17.

The Company's lease assets consist of 2 lands .The leasehold land at Aurangabad is for a period of 19 years and can be extended with mutual consent. The aforesaid lease right can be sublet, sold , assigned or transferred. The lease term has been dertermined taking into consideration the non cancelellable lease period as per the agreement and such further period of extention is reasonably certain.

The land at Mumbai is for a period of 80 years. Except for the initial payment there are no material annual payments for the aforesaid lease.

B. Leases as lessor

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

The maturity analysis of lease payments, showing the undiscounted lease payments over the estimated lease period to be received are as follows:

Period	2020-21	2021-22	2022-23	2023-24	2024-25	Beyond March 25
Amount	**561,073**	**582,920**	**603,140**	**640,975**	**683,355**	**1,606,951**

Future lease rentals receivables disclosed during the previous year are as follows:

	March 31, 2019			
	For the year	Not later than one year	Later than One Year and not later than five years	Later than five years
Lease Rent Receivable	707,227	773,925	304,388	–

The future lease rentals receivables diclosed during previous year have changed mainly due to change in lease classification and change in estimate of lease period.

33. FINANCIAL INSTRUMENTS

Financial instruments – Fair values and risk management

A. Accounting classification and fair values

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

	Carrying amount				Total Fair value
March 31, 2020	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Total
Financial assets					
Non-current investments	5,548,652	–	2,558,357	8,107,009	12,563,046
Loans given	–	–	173,213	173,213	173,213
Other bank balances including fixed deposits with banks	–	–	77,378	77,378	67,320
Trade receivables	–	–	160,957	160,957	160,957
Cash and cash equivalents	–	–	164,777	164,777	164,777
Other current financial assets	–	–	6,487	6,487	6,487
Total	**5,548,652**	**–**	**3,141,169**	**8,689,821**	**13,135,800**
Financial liabilities					
Borrowings	–	–	3,434,048	3,434,048	3,434,048
Preference share liability	–	–	55,553	55,553	113,898
Trade payables	–	–	2,026	2,026	2,026
Lease liabilities	–	–	1,173	1,173	1,258
Other financial liabilities	–	–	603,357	603,357	603,357
Total	**–**	**–**	**4,096,157**	**4,096,157**	**4,154,587**

March 31, 2020	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	–	7,224,809	5,338,237	12,563,046
Loans given	–	173,213	–	173,213
Other non-current financial assets	–	67,320	–	67,320
Total	–	**7,465,342**	**5,338,237**	**12,803,579**
Financial liabilities				
Borrowings	–	3,434,048	–	3,434,048
Preference share liability	–	113,898	–	113,898
Lease liabilities		1,258	–	1,258
Total	–	**3,549,204**	–	**3,549,204**

March 31, 2019	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	3,900,415	2,084,173	2,325,200	8,309,788	10,906,681
Loans given	–	–	268	268	268
Trade receivables	–	–	25,155	25,155	25,155
Investments (Current)	1,205,980			1,205,980	1,205,980
Cash and cash equivalents	–	–	32,595	32,595	32,595
Other bank balances	–	–	185,086	185,086	185,086
Other current financial assets	–	–	4,313	4,313	4,313
Total	**5,106,395**	**2,084,173**	**2,572,617**	**9,763,185**	**12,360,078**
Financial liabilities					
Borrowings	–	–	2,882,124	2,882,124	2,882,124
Preference share liability	–	–	49,601	49,601	89,375
Trade payables	–	–	2,411	2,411	2,411
Other financial liabilities	–	–	603,181	603,181	603,181
Total	–	–	**3,537,317**	**3,537,317**	**3,577,091**

March 31, 2019	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	–	4,922,093	5,984,588	10,906,681
Loans given	–	268	–	268
Total	–	**4,922,361**	**5,984,588**	**10,906,949**
Financial liabilities				
Borrowings	–	2,882,124	–	2,882,124
Preference share liability	–	89,375	–	89,375
Total	–	**2,971,499**	–	**2,971,499**

B. Measurement of fair values

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

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

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

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

Financial instruments measured at fair value

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

C. Financial risk management

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

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

Risk management framework

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

The Group has defined and adopted a Risk Management Policy, which not only assesses the risks but also helps in timely ratification and 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 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, 2020 and March 31, 2019, the Group did not have any significant concentration of credit risk with any external customers (i.e customers other than entities over which Individuals having direct or indirect control over the Company, have significant influence/control).

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

	Net Carrying amount	
	As at March 31, 2020	As at March 31, 2019
Not due	**131,496**	–
Past due 1–180 days	**8,983**	23,474
Past due 181–360 days	**9,477**	270
More than 360 days	**11,001**	1,411
	160,957	25,155

Expected credit loss assessment for customers as at Balance sheet date

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

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

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

Balance as at April 01, 2018	259
Impairment loss recognised	12
Amounts written off	–
Balance as at March 31, 2019	271
Impairment loss recognised	–
Amounts written off	–
Balance as at March 31, 2020	**271**

Cash and Bank balances

The Group held cash and bank balances of ₹ 164,777 thousand (Previous Year – ₹ 217,681 thousand). These balances are held with bank and financial institution counterparties with good credit ratings.

Others

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

ii. Liquidity risk

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

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

Exposure to liquidity risk

March 31, 2020	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	**3,434,048**	**6,887,294**	464,268	928,535	928,535	4,565,956
Preference share liability	**55,553**	**304,000**	–	–	–	304,000
Lease liabilities	**1,173**	**4,783**	100	200	200	4,283
Trade payables	**2,026**	**2,026**	2,026	–	–	–
Deposits payable	**590,868**	**590,868**	590,868	–	–	–
Employee liabilities	**140**	**140**	140	–	–	–
Other payables	**12,349**	**12,349**	12,349	–	–	–

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

iii. Market risk

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

Interest rate risk

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

Exposure to interest rate risk

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

	Nominal amount	
	As at March 31, 2020	As at March 31, 2019
Variable-rate instruments		
Financial liabilities	**3,434,048**	2,827,434
	3,434,048	2,827,434
Fixed-rate instruments		
Financial liabilities	**55,553**	49,601
	55,553	49,601

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	**For the year ended March 31, 2020**	For the year ended March 31, 2019
100 bp increase	**(34,066)**	(28,050)
100 bp decrease	**34,066**	28,050

34. CAPITAL MANAGEMENT

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

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

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

The following table summarises the capital of the Group:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Total liabilities	**3,434,048**	2,827,434
Less: Cash and cash equivalent and other bank balances	**164,777**	217,681
Adjusted net debt	**3,269,271**	2,609,753
Total equity	**6,350,157**	6,898,654
Adjusted equity	**6,350,157**	6,898,654
Adjusted net debt to adjusted equity ratio	**0.51**	0.38

35. RELATED PARTY TRANSACTIONS

a) Parties where control exists

Holding company

Khorakiwala Holdings and Investments Private Limited

Individuals having direct or indirect control over the Company

H. F. Khorakiwala

Entities having direct or indirect control over the Company

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

Associate Company

Wockhardt Hospitals Limited (w.e.f. March 30, 2020)

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

Palanpur Holdings and Investments Private Limited
Wockhardt Hospitals Limited (upto March 29, 2020)
Merind Limited
Sharanya Chemicals and Pharmaceuticals Private Limited
Holmdene Constructions
Wockhardt Limited
Humuza Consultants

Key Managerial Personnel

G.B. Parulkar – Managing Director (upto June 30, 2020)
Stephen D'Souza – Non Executive Non Independent Director
Vijaya Nair – Independent Director
Akhtar Shamsi – Chairman and Independent Director
Neeraj Jain – Non Executive Non Independent Director (w.e.f April 25, 2018 and upto September 24, 2019)
Shiva Subramanian – Independent Director
Shobhana Nagwekar – Independent Director

b) Transactions with related parties during the year

	For the year ended March 31, 2020	For the year ended March 31, 2019
Holding Company		
Rent paid	**100**	100
Interest income on Zero Coupon Non-Convertible Redeemable Bonds	**27,000**	27,000

Transactions with enterprises over which Individuals having direct or indirect control over the Company, having significant influence/control

	For the year ended March 31, 2020	For the year ended March 31, 2019
(All the amounts mentioned below for the disclosure are the contractual amounts based on the arrangement with respective parties)		
Rent received from Wockhardt Limited	**902,395**	708,809
Recovery of Electricity Charges from Wockhardt Limited	**16,846**	17,785
Advance received from Wockhardt Limited	–	50,511
Advance repaid to Wockhardt Limited	–	50,511
Advance paid to Wockhardt Hospitals Limited	–	469,600
Recovery of Expenses from Wockhardt Hospitals Limited	**5,063**	1,052
Security Deposit paid on behalf of Wockhardt Hospitals Limited	–	900
Interest Income from Wockhardt Hospitals Limited	–	17,611
Advance and Interest on Advance adjusted against Investment in 0.1% Optionally Convertible Cummulative Redeemable Preference Shares	–	487,211
Investment in 0.1% Optionally Convertible Cummulative Redeemable Preference Shares	**50,000**	2,187,211
Purchase of 0% Optionally Convertible Redeemable Debentures of Wockhardt Hospitals Limited from Merind Limited	**584,000**	–
Loan Repaid to Merind Limited	**54,690**	–
Interest income from Holmdene Constructions	**1**	1
Loan given to Holmdene Constructions	**1**	1
Loan repaid by Holmdene Constructions	–	200
Loss on conversion of Optionally Convertible Redeemable Debentures of Wockhardt Hospitals Limited	**356,294**	357,192
Loan Given to Humuza Consultants	**312,945**	–
Loan Repaid by Humuza Consultants	**140,000**	–
Interest Income from Humuza Consultants	**2,161**	–

In accordance with the terms of debenture issue and amendments thereafter, during the year, 530 (Previous year – 740) Optionally Convertible Redeemable Debentures of Wockhardt Hospitals Limited of ₹ 1,000,000 each have been converted into 17,096,773 (Previous year – 5,374,001) Equity Shares. Consequently wef March 30,2020, Wockhardt Hospitals Limited became ths Associate of the Company.

c) Managerial remuneration payable/paid to Managing Director	**300**	300
d) Director's sitting fees paid	**38**	39

[Akhtar Shamsi ₹ 11 thousand (Previous year – ₹ 11 thousand), Stephen D'Souza ₹ 10 thousand (Previous year – ₹ 10 thousand), Vijaya Nair ₹ 11 thousand (Previous year – ₹ 9 thousand), Neeraj Jain ₹ 6 thousand (Previous year – ₹ 9 thousand)]

e) Reimbursement of Expenses to Key Managerial personnel	**18**	24

[Shiva Subramanian ₹ 6 thousand (Previous Year – ₹ 9 thousand), Shobhana Nagwekar ₹ 6 thousand (Previous Year – ₹ 9 thousand), Vijaya Nair ₹ 6 thousand (Previous Year – ₹ 6 thousand)]

	As at March 31, 2020	As at March 31, 2019
f) Related party balances outstanding (All the amounts mentioned below for the disclosure are the contractual amounts based on the arrangement with respective parties. Where such amounts are different from carrying amounts as per requirements of Ind AS, their carrying amounts have been disclosed in brackets.)		
Receivable from/(payable to) Holding Company	**67,748**	47,837
[Carrying value: ₹ – 118 thousand (Previous Year- ₹ – 49 thousand)]		
Security deposit payable to Wockhardt Limited	**555,000**	555,000
Receivable from Enterprises where significant influence/control exists (Net of Provision)		
[Holmdene Constructions ₹ 268 thousand (Previous Year – ₹ 268 thousand); Wockhardt Limited ₹ 223,762 thousand* (Previous Year – ₹ 56,069 thousand)]		
* Including receivable on account of lease equalisation	**224,030**	56,337
Receivable from Associate	**4,817**	–
Payable to Enterprises where significant influence/control exists – Transaction value		
[Merind Limited ₹ Nil (Previous year – ₹ 54,690 thousand); Wockhardt Hospitals Limited ₹ Nil (Previous year – 246 thousand)	–	54,936
Preference shares outstanding – held by Merind Limited	**190,000**	190,000
[Carrying amount ₹ 55,553 thousand (Previous year: ₹ 49,601 thousand)]		
Receivable from Humuza Consultants	**172,945**	–
Managerial remuneration to Managing Director	**300**	300
Director Sitting fees payable		
[Akhtar Shamsi ₹ 11 thousand (Previous year – ₹ 9 thousand), Stephen D'Souza ₹ 10 thousand (Previous year – ₹ 8 thousand), Vijaya Nair ₹ 11 thousand (Previous year – ₹ 9 thousand), Neeraj Jain ₹ 6 thousand, (Previous year – ₹ 9 thousand)]	**38**	35
Expenses payable to Key Managerial personnel	**3**	22
[Shiva Subramanian ₹ 1 thousand (Previous Year – ₹ 8 thousand), Shobhana Nagwekar ₹ 1 thousand (Previous Year – ₹ 8 thousand), Vijaya Nair ₹ 1 thousand (Previous Year – ₹ 6 thousand)]		

36. SEGMENT INFORMATION

A. General Information

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

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

(b) Following are reportable segments

Reportable segment

Rental Income

B. Information about reportable segments

Particulars	Rental income: For the year ended March 31, 2020	Rental income: For the year ended March 31, 2019
External revenues	**910,949**	712,755
Segment revenue	**910,949**	712,755

C. Information about geographical areas

	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Revenue from external customers		
India	**910,949**	712,755
(b) Non current assets (other than financial instruments, deferred tax assets, post employment benefit assets, and rights under insurance contracts)*		
India	**792,414**	813,208

* Non-current assets for this purpose consist of property, plant and equipment and Investment properties in India.

D. Information about major customer

Revenues from 1 customer of the Group represents approximately ₹ 880,309 thousand (Previous year – 1 customer ₹ 705,735 thousand) in the Group's total revenues.

37. SUBSEQUENT EVENTS

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

38. The Company is yet to spend an amount of ₹ 8,290 thousand for the year for specified CSR activities as per the provisions of Section 135 of the Companies Act, 2013.

39. ADDITONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANY'S ACT, 2013, OF ENTITY CONSOLIDATED AS SUBSIDIARY/ASSOCIATE:

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	148.73%	9,444,818	90.29%	506,060	100.00%	(1,378,885)	106.65%	(872,825)
Subsidiary in India								
Banneret Trading Private Limited	(48.21%)	(3,061,712)	15.58%	87,332	–	–	(10.67%)	87,332
Associate in India								
Wockhardt Hospitals Limited	25.65%	1,628,744	(0.21%)	(1,168)	0.0002%	(3)	(0.21%)	(1,171)
Sub total	**126.17%**	**8,011,850**	**105.66%**	**592,224**	**100.00%**	**(1,378,888)**	**95.98%**	**(785,493)**
Inter company elimination/Other adjustments	26.17%	1,661,693	5.66%	31,737	–	–	(4.02%)	32,908
Total	**100.00%**	**6,350,157**	**100.00%**	**560,487**	**100.00%**	**(1,378,888)**	**100.00%**	**(818,401)**

40. CONTINGENT LIABILITY AND COMMITMENTS

(a) Demands for ₹ 410 thousand (Previous Year – Rs. 410 thousand) have been raised by Sales Tax Authorities. The Company has disputed the said demands.

(b) Demands by Service Tax authorities ₹ 14,567 thousand (Previous Year – ₹ Nil) disputed by the Company.

(c) Demand by Income tax authorities ₹ 326,821 thousand (Previous Year – ₹ 300,430 thousand) disputed by the Company.

(d) Claims against the Company not acknowledged as debt pertaining to interest ₹ 9,266 thousand (Previous Year – ₹ 5,897 thousand).

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

Particulars	Balance as on March 31, 2020	Balance as on March 31, 2019	Non cash changes	Cash flows-inflow/ (Outflow)
			Ind AS/ Reclassification adjustments	
Borrowings (Net)	**3,489,601**	**2,931,725**	**(66,374)**	**624,250**
Previous year	2,931,725	3,062,224	24,387	(154,886)

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

For and on behalf of the Board of Directors

For Haribhakti & Co. LLP
Chartered Accountants
Firm Regn. No. 103523W/W100048

Hemant Bhatt
Partner
Membership No. 036824

Place : Mumbai
Date : August 27, 2020

Deepak Madnani
Managing Director
DIN: 07679855

Satish Agrawal
Executive Director & Chief Financial Officer
DIN: 0008840144

Stephen D'souza
Director
DIN: 00045812

Jeevan Mondkar
Company Secretary
ACS: 22565

NOTES

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