REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

1. Your Directors submit their Report for the financial year ended 31st March, 2019.

2. **PERFORMANCE OF THE COMPANY**

During the year, your Company earned revenue of ₹ 300.69 lakhs from its operations, with total income being ₹ 532.91 lakhs. The Company continues to engage in building maintenance and property management. It presently maintains the ITC Centre and certain other properties owned by ITC Limited, the ultimate Holding Company.

The financial results of your Company, summarised, are as under:

	For the year ended 31st March, 2019 (₹)	For the year ended 31st March, 2018 (₹)
Profits		
a. Profit Before Tax	2,40,99,067	2,59,34,425
b. Less : Tax Expense	62,74,591	72,80,651
c. Profit After Tax	1,78,24,476	1,86,53,774
d. Add : Other Comprehensive Income / (Loss)	(1,52,672)	6,53,708
e. Total Comprehensive Income	1,76,71,804	1,93,07,482
Retained Earnings		
a. At the beginning of the year	2,05,42,994	8,98,25,108
b. Add : Profit for the year	1,78,24,476	1,86,53,774
c. Add : Other Comprehensive Income / (Loss)	(1,52,672)	6,53,708
d. Less : Interim Dividend paid	—	7,36,05,291
e. Less : Income Tax on Interim Dividend	—	1,49,84,305
f. At the end of the year	3,82,14,798	2,05,42,994

During the year under review, the Company, with a view to exploring other business opportunities, has taken your approval for alteration of the Objects Clause of the Memorandum of Association to cover the business of providing Engineering, Procurement and Construction Management (EPCM) services and project management consultancy services. The Company is in the process of obtaining statutory registrations / approvals to commence the said business.

3. **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

(a) <u>Changes in Directors and Key Managerial Personnel during the year</u>

During the year under review, the Board of Directors of your Company ('the Board') appointed Mr. Chitranjan Dar (DIN: 03191054) as an Additional Director of the Company with effect from 1st December, 2018. In accordance with Section 161 of the Companies Act, 2013 ('the Act') and Article 130 of the Articles of Association of the Company, Mr. Dar will vacate office at the ensuing Annual General Meeting ('AGM') and is eligible for appointment as a Director of the Company.

Your Board at the meeting held on 23rd April, 2019 recommended for the approval of the Members, the appointment of Mr. Dar as a Non-Executive Director of your Company, liable to retire by rotation. Requisite Notice under Section 160 of the Act has been received by the Company for appointment of Mr. Dar, who has filed his consent to act as a Director of your Company, if appointed. Appropriate resolution seeking your approval to Mr. Dar's appointment is appearing in the Notice convening the ensuing AGM of the Company.

Mr. Pretiush Kumar was re-appointed, with your approval, as the Manager of the Company for a period of two years with effect from 27th December, 2018, in terms of the provisions of Sections 196, 197 and 203 of the Act. Mr. Kumar is also the Company Secretary of the Company.

(b) <u>Retirement by Rotation</u>

In accordance with the provisions of Section 152 of the Act read with Article 143 of the Articles of Association of the Company, Mr. Saradindu Dutta (DIN: 00058639), Director, will retire by rotation at the ensuing AGM of the Company, and being eligible, offers himself for re-election. Your Board has recommended his re-election.

(c) <u>Board evaluation</u>

The Board carried out annual performance evaluation of its own performance and that of the individual Directors, as required under Section 134 of the Act, based on criteria approved by the Board.

4. **BOARD MEETINGS**

Four meetings of the Board were held during the year ended 31st March, 2019.

5. **DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 134 of the Act, your Directors confirm having:

i) followed in the preparation of the Annual Accounts, the applicable Accounting Standards with proper explanation relating to material departures, if any;

ii) selected such accounting policies and applied them consistently and made judgements and estimates 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 that period;

iii) taken proper and sufficient care 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;

iv) prepared the Annual Accounts on a going concern basis; and

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

6. **SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

The Company does not have any subsidiary, associate or joint venture.

7. **PARTICULARS OF EMPLOYEES**

The details of top ten employees of the Company in terms of remuneration drawn, as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in **Annexure 1** to this Report.

The Company seeks to enhance equal opportunities for men and women and is committed to a gender-friendly workplace. Your Company has constituted an Internal Complaints Committee in compliance with the applicable provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, no complaint for sexual harassment was received.

8. **RISK MANAGEMENT**

The Company's risk management framework, designed to bring robustness to the risk management processes, addresses risks intrinsic to operations, financials and compliances arising out of the overall strategy of the Company.

Management of risks vest with the executive management which is responsible for the day-to-day conduct of the affairs of the Company, within the overall framework approved by the Board. The Internal Audit Department of ITC Limited, the Internal Auditor of the Company, periodically carries out risk focused audits with the objective of identifying areas where risk management processes could be strengthened. The Board annually reviews the effectiveness of the Company's risk management systems and policies.

9. **INTERNAL FINANCIAL CONTROLS**

Your Company has in place adequate internal financial controls with respect to the financial statements, commensurate with its size and scale of operations. The Internal Auditor of the Company periodically evaluates the adequacy and effectiveness of internal financial controls. The Board which provides guidance on internal controls, also reviews internal audit findings and implementation of internal audit recommendations.

During the year, the internal financial controls in the Company with respect to the financial statements were tested and no material weakness in the design or operation of such controls was observed. Nonetheless, your Company recognises that any internal financial control framework, no matter how well designed, has inherent limitations and accordingly, regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

10. **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

During the year ended 31st March, 2019, the Company has neither given any loan or guarantee nor has made any investment under Section 186 of the Act.

11. **RELATED PARTY TRANSACTIONS**

The details of material related party transactions of the Company in the prescribed Form No. AOC-2 are enclosed under **Annexure 2** to this Report.

12. **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS**

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

13. **EXTRACT OF ANNUAL RETURN**

The extract of Annual Return in the prescribed Form No. MGT-9 is enclosed as **Annexure 3** to this Report.

14. **COST RECORDS**

The Company is not required to maintain cost records in terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014.

15. **STATUTORY AUDITORS**

The Company's Auditors, Messrs. A. F. Ferguson & Co., Chartered Accountants, who were appointed with your approval at the 28th AGM for a period of five years, will complete their present term on conclusion of the ensuing 33rd AGM of the Company.

The Board has recommended for the approval of the Members, the appointment of Messrs. S R B C & CO LLP, Chartered Accountants ('SRBC'), as the Auditors of the Company for a period of five years from the conclusion of the ensuing 33rd AGM till the conclusion of the 38th AGM. SRBC have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act. The Board has also recommended for the approval of the Members, the remuneration of SRBC for the financial year 2019-20. Appropriate resolution seeking your approval to the appointment and remuneration of SRBC as the Auditors is appearing in the Notice convening the 33rd AGM of the Company.

16. **COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118 of the Act.

17. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Considering the nature of business of your Company, no comment is required on conservation of energy and technology absorption.

During the year under review, there has been no foreign exchange earnings or outflow.

On behalf of the Board

R. Tandon *Chairman*

Dated : 23rd April, 2019 S. Dutta *Director*

Annexure 1 to the Report of the Board of Directors for the financial year ended 31st March, 2019

[Information pursuant to Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Names of employees	Age	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experience (Years)	Date of commencement of employment / deputation	Previous Employment / Position held
1	2	3	4	5	6	7	8	9
M. Seth *	38	Chief Financial Officer	42,54,938/-	28,97,379/-	B.Com (Hons.), A.C.A. CISA, CISM	13	01.01.2015	Manager (Finance), ITC Limited
A. Bhattacharya	50	Assistant Manager - Finance	11,03,789/-	8,98,655/-	B.Com, P.G.D.P. (Insurance & Risk Mngt.)	21	01.10.1997	—
A. Kanjilal	46	Security & Fire Officer	8,86,377/-	7,86,075/-	B.A.	26	16.02.2015	Site Security Leader, IBM India Pvt. Ltd.
S. K. Singh	52	Administrative Assistant	7,54,290/-	5,63,732/-	Madhyamik	21	01.10.1997	—
P. Kumar	28	Manager & Company Secretary	7,48,415/-	6,60,407/-	B.Com (Hons.), A.C.S.	4	05.12.2016	Executive - Secretarial, Bata India Limited
S. Bhattacharya	56	Maintenance Supervisor	5,14,140/-	4,25,409/-	B.Sc. (Hons.)	27	16.04.1992	—
S. Lama	45	Administrative Assistant I	5,02,805/-	4,31,479/-	H.S.	21	01.10.1997	—
N. Ghosh	57	Maintenance Supervisor	4,85,117/-	4,04,604/-	Electrician License	28	15.02.1991	—
T. K. Das #	58	Maintenance Supervisor	4,84,982/-	4,26,569/-	Madhyamik, Vocational Training in Diesel Mechanics	40	01.04.1991	Service Engineer, M. M. Services
A. Chakraborty	34	Maintenance Supervisor	4,81,101/-	4,02,524/-	B. Tech (Electronics & Telecommunication)	10	16.01.2018	Technical Consultant, G4S Secure Solutions (India) Pvt. Ltd.

** On deputation from ITC Limited, the ultimate Holding Company (ITC).*

 # Retired with effect from close of work on 6th January, 2019.

Notes:

a. Gross remuneration includes salary, variable pay, allowances & other benefits / applicable perquisites except provisions for gratuity and leave encashment which are actuarially determined on an overall Company basis. The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.

b. Net remuneration comprises cash income less income tax, education cess deducted at source and employee's own contribution to provident fund.

c. The Chief Financial Officer has been granted Stock Options by ITC in previous year(s) under its Employee Stock Option Schemes at 'market price' [within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014]. ITC has also granted Employee Stock Appreciation Linked Reward Units (ESAR Units) to the Chief Financial Officer under its Stock Appreciation Linked Reward Plan. Since these Stock Options and ESAR Units are not tradeable, no perquisite or benefit is conferred upon the employee by grant of such Options / Units, and accordingly the said grant has not been considered as remuneration.

d. All appointments (except deputed employee) are / were contractual in accordance with terms and conditions as per Company's rules.

e. The aforesaid employees are neither relative of any Director / Manager of the Company nor hold any equity share in the Company.

On behalf of the Board

R. Tandon *Chairman*

Dated : 23rd April, 2019 S. Dutta *Director*

Annexure 2 to the Report of the Board of Directors for the financial year ended 31st March, 2019

FORM NO. AOC-2

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

Form for 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

a)	Name(s) of the related party and nature of relationship	**NIL**
b)	Nature of contracts / arrangements / transactions	
c)	Duration of the contracts / arrangements / transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

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

a)	Name(s) of the related party and nature of relationship	ITC Limited, the ultimate Holding Company (ITC)
b)	Nature of contracts / arrangements / transactions	Maintenance of ITC Centre, Kolkata, and certain other properties owned by ITC
c)	Duration of the contracts / arrangements / transactions	Maintenance of ITC Centre - 1st August, 2018 to 31st July, 2019 Maintenance of other properties - 1st April, 2018 to 31st March, 2019
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Value of transaction during the year - ₹ 300.69 lakhs
e)	Date(s) of approval by the Board, if any	14th August, 2018 and 14th March, 2018
f)	Amount paid as advances, if any	Nil

On behalf of the Board

R. Tandon *Chairman*

Dated : 23rd April, 2019

S. Dutta *Director*

Annexure 3 to the Report of the Board of Directors

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i) CIN	:	U55202WB1986PLC049467
ii) Registration Date	:	2nd June, 1986
iii) Name of the Company	:	Greenacre Holdings Limited
iv) Category / Sub-Category of the Company	:	Unlisted Public Company limited by shares
v) Address of the Registered office and contact details	:	ITC Centre 37 J. L. Nehru Road, Kolkata 700 071 Phone: 033 2288 9371 / 9900, Fax: 033 2288 9980 e-mail ID: GreenacreHoldings.Limited@itc.in
vi) Whether listed company	:	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	:	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1.	Managing and providing maintenance services for buildings	68200	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held in the Company	Applicable Section
1.	Russell Credit Limited Virginia House 37 J. L. Nehru Road Kolkata 700 071	U65993WB1994PLC061684	Holding company	100.00%	2(46)
2.	ITC Limited Virginia House 37 Jawaharlal Nehru Road Kolkata 700 071	L16005WB1910PLC001985	Ultimate Holding company	—	2(46)

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

(i) **Category-wise Shareholding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual / HUF	–	–	–	–	–	–	–	–	N.A.
b) Central Govt.	–	–	–	–	–	–	–	–	N.A.
c) State Govt.(s)	–	–	–	–	–	–	–	–	N.A.
d) Bodies Corp.	–	4,20,60,166	4,20,60,166	100.00	–	4,20,60,166	4,20,60,166	100.00	Nil
e) Banks / FI	–	–	–	–	–	–	–	–	N.A.
f) Any Other	–	–	–	–	–	–	–	–	N.A.
Sub-total (A)(1)	–	**4,20,60,166**	**4,20,60,166**	**100.00**	–	**4,20,60,166**	**4,20,60,166**	**100.00**	**Nil**
(2) **Foreign**									
a) NRIs – Individuals	–	–	–	–	–	–	–	–	N.A.
b) Other – Individuals	–	–	–	–	–	–	–	–	N.A.
c) Bodies Corp.	–	–	–	–	–	–	–	–	N.A.
d) Banks / FI	–	–	–	–	–	–	–	–	N.A.
e) Any Other	–	–	–	–	–	–	–	–	N.A.
Sub-total (A)(2)	–	–	–	–	–	–	–	–	**N.A.**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	–	**4,20,60,166**	**4,20,60,166**	**100.00**	–	**4,20,60,166**	**4,20,60,166**	**100.00**	**Nil**
B. Public Shareholding									
(1) **Institutions**									
a) Mutual Funds	–	–	–	–	–	–	–	–	N.A.
b) Banks / FI	–	–	–	–	–	–	–	–	N.A.
c) Central Govt.	–	–	–	–	–	–	–	–	N.A.
d) State Govt.(s)	–	–	–	–	–	–	–	–	N.A.
e) Venture Capital Funds	–	–	–	–	–	–	–	–	N.A.
f) Insurance Companies	–	–	–	–	–	–	–	–	N.A.
g) FIIs	–	–	–	–	–	–	–	–	N.A.
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	N.A.
i) Others (specify)	–	–	–	–	–	–	–	–	N.A.
Sub-total (B)(1)	–	–	–	–	–	–	–	–	**N.A.**
(2) **Non-Institutions**									
a) Bodies Corp.									
i) Indian	–	–	–	–	–	–	–	–	N.A.
ii) Overseas	–	–	–	–	–	–	–	–	N.A.
b) Individuals	–	–	–	–	–	–	–	–	N.A.
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)	–	–	–	–	–	–	–	–	N.A.
Sub-total (B)(2)	–	–	–	–	–	–	–	–	**N.A.**
Total Public Shareholding (B)=(B)(1) + (B)(2)	–	–	–	–	–	–	–	–	**N.A.**
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	N.A.
Grand Total (A+B+C)	–	**4,20,60,166**	**4,20,60,166**	**100.00**	–	**4,20,60,166**	**4,20,60,166**	**100.00**	**Nil**

(ii) **Shareholding of Promoters:**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total Shares	
1.	Russell Credit Limited	4,20,60,166	100.00	Nil	4,20,60,166	100.00	Nil	Nil

(iii) **Change in Promoters' Shareholding (please specify, if there is no change):**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	No change during the year			
	Date wise Increase / Decrease in Promoters Shareholding during the year				
	At the end of the year				

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):** NOT APPLICABLE

(v) **Shareholding of Directors and Key Managerial Personnel:** None of the Directors and Key Managerial Personnel hold any share in the Company in their individual capacity.

V. INDEBTEDNESS

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Wholetime Directors and / or Manager:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	P. Kumar (Manager & Company Secretary)
1.	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	6,94,446
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	28,000
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	–
2.	Stock Option	–
3.	Sweat Equity	–
4.	Commission - as % of profit - others, specify	–
5.	Others, please specify	–
Total Amount (A)		**7,22,446**
Ceiling as per the Companies Act, 2013		84,00,000 per annum *(refer Note)*

Note: Ceiling as per Part II of Schedule V to the Companies Act, 2013 has been disclosed, considering that the profits of the Company for the financial year ended 31st March, 2019 are inadequate. The appointment of Mr. P. Kumar is governed by the resolutions passed by the Board and the shareholders of the Company. The statutory provisions apply with respect to notice period and severance fee.

B. Remuneration to other Directors:

(Amount in ₹)

Sl. No.	Name of the Directors	Particulars of Remuneration			Total Amount
		Fee for attending Board and Board Committee meetings	Commission	Others, please specify	
1.	**Independent Directors**				
	Total Amount (B)(1)				**Nil**
2.	**Other Non-Executive Directors**				
	R. Tandon	Nil	Nil	Nil	Nil
	C. Dar				
	S. Dutta				
	R. Poddar				
	Total Amount (B)(2)				**Nil**
Total Amount (B) = (B)(1) + (B)(2)					**Nil**
Total Managerial Remuneration (A + B)					**7,22,446**
Overall ceiling as per the Companies Act, 2013					84,00,000 per annum *(refer Note)*

Note: Ceiling as per Part II of Schedule V to the Companies Act, 2013 has been disclosed, considering that the profits of the Company for the financial year ended 31st March, 2019 are inadequate.

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

(Amount in ₹)

Sl. No.	**Particulars of Remuneration**	**M. Seth (Chief Financial Officer)** ***(refer Note)***
1.	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	38,97,640
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	2,80,162
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	–
2.	Stock Option	–
3.	Sweat Equity	–
4.	Commission - as % of profit - others, specify	–
5.	Others, please specify	–
Total Amount		**41,77,802**

Note: Mr. M. Seth is on deputation from ITC Limited (ITC) and has been granted Stock Options in previous year(s) and Employee Stock Appreciation Linked Reward Units (ESAR Units) in the current year by ITC under its Employee Stock Option Schemes and Stock Appreciation Linked Reward Plan, respectively. Since these Stock Options / ESAR Units are not tradeable, no perquisite or benefit is conferred upon the employee by grant of such Options / Units, and accordingly the said grant has not been considered as remuneration.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES against the Company, Directors and other Officers in Default under the Companies Act, 2013: None

On behalf of the Board

R. Tandon *Chairman*

Dated : 23rd April, 2019

S. Dutta *Director*

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GREENACRE HOLDINGS LIMITED

Report on the Audit of the Financial Statements.

Opinion

We have audited the accompanying financial statements of **GREENACRE HOLDINGS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Standards prescribed under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

- 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 but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Responsibility for the Audit of the Financial Statements

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report:
   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 Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
   d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
   e) On the basis of the written representations received from the directors of the Company as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   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, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid / provided any managerial remuneration to its directors during the year and hence the provisions of Section 197 of the Act are not applicable.
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements in accordance with the generally accepted accounting practice - also refer Note 4 to the 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For A.F.FERGUSON & CO.
Chartered Accountants
(Firm's Registration No. 112066W)

Sumit Trivedi
Partner
(Membership No. 209354)

Place: Hyderabad
Date: 23rd April, 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date)

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

We have audited the internal financial controls over financial reporting of GREENACRE HOLDINGS LIMITED ("the Company") as of 31st March, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For A.F.FERGUSON & CO.
Chartered Accountants
(Firm's Registration No. 112066W)

Sumit Trivedi
Partner
(Membership No. 209354)

Place: Hyderabad
Date: 23rd April, 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

(b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) With respect to immovable properties of acquired land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed / court orders approving scheme of amalgamation provided to us, we report that the title deeds of such immovable properties of land and buildings which are freehold are held in the name of the Company as at the balance sheet date.

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

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. There are no unclaimed deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.

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

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Service Tax, Cess and other material statutory dues applicable to it to the appropriate authorities. Sales Tax, Customs Duty, Excise Duty, and Value Added Tax are not applicable to the Company.

(b) There are no dues of Income-tax and Service Tax as on 31st March, 2019 on account of disputes.

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.

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

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

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable Indian Accounting Standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding and subsidiary or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 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 A.F.FERGUSON & CO.
Chartered Accountants
(Firm's Registration No. 112066W)

Sumit Trivedi
Partner
(Membership No. 209354)

Place: Hyderabad
Date: 23rd April, 2019

BALANCE SHEET AS AT 31ST MARCH, 2019

	Note		As at 31st March, 2019 (₹)		As at 31st March, 2018 (₹)
ASSETS					
Non-current assets					
(a) Property, Plant and Equipment	3		14,76,65,527		14,78,37,858
(b) Other non-current assets	4		5,16,64,916		5,10,23,162
Current assets					
(a) Financial assets					
(i) Investments	5	27,08,47,011		25,16,65,767	
(ii) Cash and cash equivalents	6	17,17,989	27,25,65,000	19,66,466	25,36,32,233
(b) Other current assets	4		5,09,623		5,91,300
TOTAL ASSETS			**47,24,05,066**		45,30,84,553
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share capital	7	42,06,01,660		42,06,01,660	
(b) Other Equity		3,82,14,798	45,88,16,458	2,05,42,994	44,11,44,654
Liabilities					
Non-current liabilities					
(a) Financial liabilities					
Other financial liabilities	8		24,70,852		80,11,000
(b) Provisions	9		14,16,936		13,70,768
(c) Deferred tax liabilities (Net)	10		31,03,412		13,49,611
Current liabilities					
(a) Financial liabilities					
Other financial liabilities	8		57,46,000		1,35,000
(b) Provisions	9		1,56,563		2,98,310
(c) Other current liabilities	11		6,94,845		7,75,210
TOTAL EQUITY AND LIABILITIES			**47,24,05,066**		45,30,84,553

The accompanying notes 1 to 19 are an integral part of the Financial Statements.

In terms of our report attached

On behalf of the Board

For A. F. Ferguson & Co.
Chartered Accountants

SUMIT TRIVEDI
Partner
Hyderabad, 23rd April, 2019

R. TANDON *Chairman*
S. DUTTA *Director*
M. SETH *Chief Financial Officer*
P. KUMAR *Manager & Company Secretary*
Kolkata, 23rd April, 2019

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

		Note	For the year ended 31st March, 2019 (₹)	For the year ended 31st March, 2018 (₹)
I	Revenue From Operations	12	3,00,68,534	2,88,22,715
II	Other Income	13	2,32,22,242	2,56,93,840
III	**Total Income (I+II)**		**5,32,90,776**	5,45,16,555
IV	**EXPENSES**			
	Maintenance and service expense		79,19,468	74,63,256
	Employee benefits expense	14	1,98,40,763	1,86,03,036
	Depreciation expense		1,72,331	1,73,421
	Other expenses	15	12,59,147	23,42,417
	Total expenses (IV)		**2,91,91,709**	2,85,82,130
V	**Profit before tax (III - IV)**		**2,40,99,067**	2,59,34,425
VI	**Tax expense:**			
	Current Tax	16A	44,61,946	55,00,000
	Deferred Tax	16A	18,12,645	17,80,651
VII	**Profit for the year (V - VI)**		**1,78,24,476**	1,86,53,774
VIII	**Other Comprehensive (Loss) / Income**			
	A (i) Items that will not be reclassified to profit or loss:			
	- Remeasurements of defined benefit plans	17 (ii)	(2,11,516)	9,05,664
	(ii) Income tax relating to items that will not be reclassified to profit or loss	16B	58,844	(2,51,956)
	Other Comprehensive (Loss) / Income [A (i)+(ii)]		(1,52,672)	6,53,708
IX	**Total Comprehensive Income for the year (VII+VIII)**		**1,76,71,804**	1,93,07,482
X	Earnings per equity share (Face Value ₹ 10.00 each): - Basic and Diluted (in ₹)	17 (i)	0.42	0.44

The accompanying notes 1 to 19 are an integral part of the Financial Statements.

In terms of our report attached

On behalf of the Board

For A. F. Ferguson & Co.
Chartered Accountants

SUMIT TRIVEDI
Partner
Hyderabad, 23rd April, 2019

R. TANDON *Chairman*
S. DUTTA *Director*
M. SETH *Chief Financial Officer*
P. KUMAR *Manager & Company Secretary*
Kolkata, 23rd April, 2019

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

A. Equity Share capital (₹)

	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
For the year ended 31st March, 2018	42,06,01,660	–	42,06,01,660
For the year ended 31st March, 2019	**42,06,01,660**	**–**	**42,06,01,660**

B. Other Equity (₹)

	Reserves & Surplus	
	Retained Earnings	Total
Balance as at 1st April, 2017	**8,98,25,108**	**8,98,25,108**
Profit for the year	1,86,53,774	1,86,53,774
Other Comprehensive Income (net of tax)	6,53,708	6,53,708
Total Comprehensive Income for the year	**1,93,07,482**	**1,93,07,482**
Dividend paid (₹ 1.75 per share)	(7,36,05,291)	(7,36,05,291)
Income tax on Dividend paid	(1,49,84,305)	(1,49,84,305)
Balance as at 31st March, 2018	**2,05,42,994**	**2,05,42,994**
Profit for the year	1,78,24,476	1,78,24,476
Other Comprehensive Income / (Loss) (net of tax)	(1,52,672)	(1,52,672)
Total Comprehensive Income for the year	**1,76,71,804**	**1,76,71,804**
Balance as at 31st March, 2019	**3,82,14,798**	**3,82,14,798**

Retained Earnings: This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

The accompanying notes 1 to 19 are an integral part of the Financial Statements.

In terms of our report attached

For A. F. Ferguson & Co.
Chartered Accountants

SUMIT TRIVEDI
Partner

Hyderabad, 23rd April, 2019

On behalf of the Board

R. TANDON *Chairman* S. DUTTA *Director*
M. SETH *Chief Financial Officer* P. KUMAR *Manager & Company Secretary*

Kolkata, 23rd April, 2019

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

	For the year ended 31st March, 2019 (₹)	For the year ended 31st March, 2018 (₹)
A. Cash Flow from Operating Activities		
PROFIT BEFORE TAX	**2,40,99,067**	2,59,34,425
ADJUSTMENTS FOR :		
Depreciation expense	1,72,331	1,73,421
Interest Income	–	(1,26,560)
Net gain arising on investments mandatorily measured at Fair value through profit or loss (FVTPL)	(2,01,74,242)	(2,26,09,280)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**40,97,156**	**33,72,006**
ADJUSTMENTS FOR :		
Other assets	(68,324)	(4,62,732)
Other financial liabilities	70,852	(18,54,043)
Other current liabilities	(80,365)	6,54,705
Provisions	(3,07,095)	1,22,651
CASH GENERATED FROM OPERATIONS	37,12,224	18,32,587
Income tax paid	(49,53,701)	(52,89,393)
NET CASH USED IN OPERATING ACTIVITIES	**(12,41,477)**	(34,56,806)
B. Cash Flow from Investing Activities		
Purchase of current investments	(5,54,04,000)	(97,03,57,000)
Sale / redemption of current investments	5,63,97,000	1,06,35,43,310
Interest received	–	1,26,560
NET CASH GENERATED FROM INVESTING ACTIVITIES	**9,93,000**	9,33,12,870
C. Cash Flow from Financing Activities		
Dividend paid	–	(7,36,05,291)
Income tax on Dividend paid	–	(1,49,84,305)
NET CASH USED IN FINANCING ACTIVITIES	–	(8,85,89,596)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(2,48,477)**	12,66,468
OPENING CASH AND CASH EQUIVALENTS	**19,66,466**	6,99,998
CLOSING CASH AND CASH EQUIVALENTS (Note 6)	**17,17,989**	19,66,466

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statement of Cash Flows".

The accompanying notes 1 to 19 are an integral part of the Financial Statements.

In terms of our report attached

For A. F. Ferguson & Co.
Chartered Accountants

SUMIT TRIVEDI
Partner

Hyderabad, 23rd April, 2019

On behalf of the Board

R. TANDON *Chairman* S. DUTTA *Director*
M. SETH *Chief Financial Officer* P. KUMAR *Manager & Company Secretary*

Kolkata, 23rd April, 2019

NOTES TO THE FINANCIAL STATEMENTS

Company Information:

Greenacre Holdings Limited, a wholly owned subsidiary of Russell Credit Limited, is engaged in property infrastructure maintenance.

1. **Significant Accounting Policies**

Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April, 2016.

Up to the year ended 31st March, 2016, the Company prepared its financial statements in accordance with the Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. The date of transition to Ind AS is 1st April, 2015.

Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. 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; they are recognised in the period of the revision and future periods, if the revision affects both current and future periods.

Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 - Presentation of Financial Statements based on the nature of products or services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Property, Plant and Equipment – Tangible Assets

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April, 2015 measured as per the previous GAAP.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of property, plant and equipment are depreciated in a manner that amortises the cost of the assets after commissioning (or other amount substituted for cost), less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis. Land is not depreciated.

Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate. The estimated useful lives of property, plant and equipment of the Company are as follows:

Buildings	60 years
Plant and Equipment	15 years

Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amounts of assets exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised in previous years.

Financial instruments, Financial assets, Financial liabilities and Equity Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale 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 when the Company commits to purchase or sell the asset.

Financial Assets

Recognition: Financial assets include investments, trade receivables, advances, security deposits, cash and cash equivalents. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

Classification: Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

(a) amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and / or interest.

(b) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.

(c) fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on their fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

Advances, security deposits, cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

Impairment: The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

Reclassification: When and only when the business model is changed the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

De-recognition: Financial assets are de-recognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

(a) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;

(b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

Income Recognition: Interest income is recognised in the Statement of Profit and Loss using the effective interest method. Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

Financial Liabilities

Trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are de-recognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Equity Instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

Revenue from sale of services

Revenue from the sale of services is recognised, net of allowances, if any, when the Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of services is in the period in which such services are rendered.

Employee Benefits

The Company makes contributions to both defined benefit and defined contribution schemes which are mainly administered through duly constituted and approved Trusts.

Provident Fund contributions are in the nature of defined contribution scheme. In respect of employees who are members of constituted and approved trusts, the Company recognises contribution payable to such trusts as an expense including any shortfall in interest between the amount of interest realised by the investment and the interest payable to members at the rate declared by the Government of India.

The Company also makes contribution to defined benefit gratuity plan. The cost of providing benefits under the defined benefit obligation is calculated by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of remeasurements are recognised immediately through other comprehensive income in the period in which they occur.

The employees of the Company are entitled to compensated leave for which the Company records the liability based on actuarial valuation computed using projected unit credit method. These benefits are unfunded.

Employee Share Based Compensation

The cost of stock options and stock appreciation units granted by ITC Limited, the ultimate Holding Company, to its eligible employees deputed to the Company is recognised at fair value. These Schemes are in the nature of equity settled / cash settled share based compensation and are assessed, managed / administered by the ultimate Holding Company.

In case of stock options, the fair value of stock options at the grant date is amortised on a straight line basis over the vesting period and cost recognised as an employee benefits expense in the Statement of Profit and Loss with a corresponding credit in equity, net of reimbursements, if any.

In case of stock appreciation units, the fair value of stock appreciation units at the grant date is initially recognised and remeasured at each reporting date, until settled, and cost recognised as an employee benefits expense in the Statement of Profit and Loss with a corresponding increase in other financial liabilities.

Leases

Leases are recognised as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as a Lessee

Assets used under finance leases are recognised as property, plant and equipment in the Balance Sheet for an amount that corresponds to the lower of fair value and the present value of minimum lease payments determined at the inception of the lease and a liability is recognised for an equivalent amount.

The minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Statement of Profit and Loss.

Rentals payable under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an operating lease, the asset is capitalised within property, plant and equipment and depreciated over its useful economic life. Payments received under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease.

Taxes on Income

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

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

Dividend Distribution

Dividends paid (including income tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company.

Provisions

Provisions are recognised when, as a result of a past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount so recognised is a best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

2. Use of Estimates and Judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

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.

A. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1. Fair value measurements and valuation processes:

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company uses other methods, including third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets, liabilities and share based payments are disclosed in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(Amount in ₹)

Particulars	Gross Block							Depreciation and Amortization						Net Book Value	
	As at 31st March, 2017	Additions	Withdrawals and adjustments	As at 31st March, 2018	Additions	Withdrawals and adjustments	**As at 31st March, 2019**	Upto 31st March, 2017	For the year	Upto 31st March, 2018	For the year	On Withdrawals and adjustments	**Upto 31st March, 2019**	**As at 31st March, 2019**	As at 31st March, 2018
3. Property, Plant and Equipment															
Land	14,06,29,749	–	–	14,06,29,749	–	–	14,06,29,749	–	–	–	–	–	–	14,06,29,749	14,06,29,749
Buildings(#)	77,23,667	–	–	77,23,667	–	–	77,23,667	3,44,309	1,71,919	5,16,228	1,71,920	–	6,88,148	70,35,519	72,07,439
Plant and Equipment	5,179	–	–	5,179	–	–	5,179	3,007	1,502	4,509	411	–	4,920	259	670
TOTAL	14,83,58,595	–	–	14,83,58,595	–	–	14,83,58,595	3,47,316	1,73,421	5,20,737	1,72,331	–	6,93,068	14,76,65,527	14,78,37,858

(#) The above assets are given on operating lease, which are not non-cancellable and are usually renewable by mutual consent on mutually agreeable terms.
The lease rental of ₹ 30,48,000 (2018- ₹ 29,58,000) is included in Lease rental income under Other income (Note 13)

	As at 31st March, 2019 (₹)		As at 31st March, 2018 (₹)	
	Current	**Non-Current**	Current	Non-Current
4. Other assets				
(A) Capital Advances	–	42,85,855	–	42,85,855
(B) Advances other than capital advances				
(i) Security Deposits - Others	–	3,05,000	–	1,55,000
(ii) Advance Tax (net of provisions)	–	19,11,872	–	14,20,118
(iii) Other Advances				
- Assignable claims [Refer Note 19]	–	2,00,00,000	–	2,00,00,000
- Payment towards land / project development (*)	–	1,23,71,911	–	1,23,71,911
- Project Advances	–	1,27,90,278	–	1,27,90,278
- Prepaid expenses				
- Advance towards gratuity fund	3,600	–	–	–
- Balances with Statutory authorities				
Input tax credit receivable	3,25,986	–	4,83,419	–
Advance paid to Govt. / Public bodies	20,824	–	7,824	–
- Others - prepaid expenses etc.	1,59,213	–	1,00,057	–
TOTAL	**5,09,623**	**5,16,64,916**	5,91,300	5,10,23,162

*Suit for partition of land is pending. The Company does not foresee any impact of the suit.

	As at 31st March, 2019 (₹)	As at 31st March, 2018 (₹)
5. Current Investments (at fair value through profit or loss unless stated otherwise)	**Unquoted**	Unquoted
INVESTMENT IN MUTUAL FUNDS		
Aditya Birla Sun Life Floating Rate Fund - Long Term 2,01,797 units of ₹ 100.00 each	4,63,59,473	4,29,34,258
Aditya Birla Sun Life Liquid Fund (Formerly known as Aditya Birla Sun Life Cash Plus) 1,005 (2018 - 2,052) units of ₹ 100.00 each	3,00,386	5,70,986
Aditya Birla Sun Life Savings Fund 2,78,830 units of ₹ 100.00 each	10,36,57,161	9,58,96,411
ICICI Prudential Savings Fund (Formerly known as ICICI Prudential - Flexible Income Plan) 2,26,003 units of ₹ 100.00 each	8,16,25,310	7,57,29,297
ICICI Prudential Liquid Fund 1,091 (2018 - Nil) units of ₹ 100.00 each	3,00,375	–
Kotak Savings Fund (Formerly known as Kotak Treasury Advantage Fund) 12,53,702 units of ₹ 10.00 each	3,83,03,868	3,53,92,771
Reliance Liquid Fund (Formerly known as Reliance Liquid Fund - Treasury Plan) Nil (2018 - 135) units of ₹ 1000.00 each	–	5,70,978
SBI Liquid Fund 103 (2018 - Nil) units of ₹ 1000.00 each	3,00,438	–
SBI Magnum Insta Cash Fund Nil (2018 - 149) units of ₹ 1000.00 each	–	5,71,066
Aggregate amount of quoted and unquoted investments	**27,08,47,011**	25,16,65,767
TOTAL	**27,08,47,011**	25,16,65,767

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	As at 31st March, 2019 (₹)	As at 31st March, 2018 (₹)
6. Cash and cash equivalents		
Balances with Banks		
Current accounts	16,97,989	19,47,936
Cash on hand	20,000	18,530
TOTAL	**17,17,989**	19,66,466

	As at 31st March, 2019 (No. of Shares)	As at 31st March, 2019 (₹)	As at 31st March, 2018 (No. of Shares)	As at 31st March, 2018 (₹)
7. Equity Share capital				
Authorised				
Equity Shares of ₹ 10.00 each	5,00,00,000	50,00,00,000	5,00,00,000	50,00,00,000
Issued and Subscribed				
Equity Shares of ₹ 10.00 each, fully paid	4,20,60,166	42,06,01,660	4,20,60,166	42,06,01,660

	As at 31st March, 2019 (No. of Shares)	As at 31st March, 2019 (₹)	As at 31st March, 2018 (No. of Shares)	As at 31st March, 2018 (₹)
A) Reconciliation of number of Equity Shares outstanding				
As at beginning and at the end of the year	4,20,60,166	42,06,01,660	4,20,60,166	42,06,01,660

B) Shareholders holding more than 5% of the Equity Shares in the Company

	As at 31st March, 2019 (No. of Shares)	As at 31st March, 2019 (%)	As at 31st March, 2018 (No. of Shares)	As at 31st March, 2018 (%)
Russell Credit Limited - the Holding Company	4,20,60,166	100.00	4,20,60,166	100.00

C) Rights, preferences and restrictions attached to the Equity Shares

The Equity Shares of the Company, having par value of ₹ 10.00 per share, rank *pari passu* in all respects including voting rights and entitlement to dividend.

	As at 31st March, 2019 (₹)	As at 31st March, 2018 (₹)
8. Other financial liabilities		
Non-current		
Other liabilities (includes deposits from ITC Limited, the ultimate Holding Company, 2018 - ₹ 24,00,000)	24,00,000	80,11,000
Other payables [Refer Note 17(vi)]	70,852	–
TOTAL	**24,70,852**	80,11,000
Current		
Other liabilities	56,11,000	–
Other payables	1,35,000	1,35,000
TOTAL	**57,46,000**	1,35,000

	As at 31st March, 2019 (₹)		As at 31st March, 2018 (₹)	
	Current	Non-Current	Current	Non-Current
9. Provisions				
Provision for employee benefits [Refer Note 17 (ii)]				
Retirement benefits	–	–	70,164	–
Other benefits	1,56,563	14,16,936	2,28,146	13,70,768
TOTAL	**1,56,563**	**14,16,936**	2,98,310	13,70,768

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	As at 31st March, 2019 (₹)	As at 31st March, 2018 (₹)
10. Deferred tax liabilities (Net)		
Deferred tax liabilities	98,41,582	42,80,018
Less : Deferred tax assets	67,38,170	29,30,407
TOTAL	**31,03,412**	13,49,611

Movement in Deferred tax liabilities / assets balances (Amount in ₹)

2018-19	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance
Deferred tax liabilities in relation to:				
Other timing differences:				
On current investments - FVTPL	42,80,018	55,61,564	–	98,41,582
Total deferred tax liabilities	**42,80,018**	**55,61,564**	**–**	**98,41,582**
On fiscal allowances on property, plant and equipment, etc.	45,236	(4,483)	–	40,753
On employees separation and retirement etc.	5,85,171	(1,46,598)	58,844	4,97,417
Total deferred tax assets before MAT credit entitlement	**6,30,407**	**(1,51,081)**	**58,844**	**5,38,170**
Total deferred tax liabilities / (assets) before MAT credit entitlement (Net)	**36,49,611**	**57,12,645**	**(58,844)**	**93,03,412**
Less: MAT credit entitlement	23,00,000	39,00,000	–	62,00,000
Deferred tax liabilities/ (assets) (Net)	**13,49,611**	**18,12,645**	**(58,844)**	**31,03,412**

2017-18	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance
Deferred tax liabilities / assets in relation to :				
Other timing differences:				
On current investments - FVTPL	42,073	42,37,945	–	42,80,018
Total deferred tax liabilities	**42,073**	**42,37,945**	**–**	**42,80,018**
On fiscal allowances on property, plant and equipment, etc.	49,457	(4,221)	–	45,236
On employees separation and retirement etc.	6,75,612	1,61,515	(2,51,956)	5,85,171
Total deferred tax assets before MAT credit entitlement	**7,25,069**	**1,57,294**	**(2,51,956)**	**6,30,407**
Total deferred tax liabilities / (assets) before MAT credit entitlement (Net)	**(6,82,996)**	**40,80,651**	**(2,51,956)**	**36,49,611**
Less: MAT credit entitlement	–	23,00,000	–	23,00,000
Deferred tax liabilities/ (assets) (Net)	**(6,82,996)**	**17,80,651**	**2,51,956**	**13,49,611**

The Company has long term capital losses of ₹ 53,24,22,842/- (2018 - ₹ 53,24,22,842/-) for which no deferred tax assets have been recognised. These losses are available for set off against capital gains arising in future. These losses will expire in financial year 2023-24.

	As at 31st March, 2019 (₹)	As at 31st March, 2018 (₹)
11. Other liabilities		
Current		
Statutory liabilities	6,94,845	7,75,210
TOTAL	**6,94,845**	7,75,210

	For the year ended 31st March, 2019 (₹)	For the year ended 31st March, 2018 (₹)
12. Revenue from operations		
Sale of Services	3,00,68,534	2,88,22,715
TOTAL	**3,00,68,534**	2,88,22,715

	For the year ended 31st March, 2019 (₹)	For the year ended 31st March, 2018 (₹)
13. Other income		
Interest income	–	1,26,560
Lease rental income	30,48,000	29,58,000
Other gains and losses	2,01,74,242	2,26,09,280
TOTAL	**2,32,22,242**	2,56,93,840

Interest income comprises interest from:

Others (from statutory authorities)	–	1,26,560
TOTAL	–	1,26,560

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	For the year ended 31st March, 2019 (₹)	For the year ended 31st March, 2018 (₹)
Other gains and losses:		
Net gain arising on financial assets (Current investments) mandatorily measured at FVTPL*	2,01,74,242	2,26,09,280
TOTAL	**2,01,74,242**	2,26,09,280

* Includes ₹ 1,82,998 (2018 - ₹ 73,77,303) being net gain on sale of investments.

	For the year ended 31st March, 2019 (₹)	For the year ended 31st March, 2018 (₹)
14. Employee benefits expense		
Salaries and wages	1,17,32,403	1,12,56,751
Remuneration of manager's salary on deputation *	52,37,526	50,03,508
Contribution to Provident and other funds	11,68,859	11,01,196
Staff welfare expenses	17,01,975	12,41,581
TOTAL	**1,98,40,763**	1,86,03,036

* Includes reimbursement on account of share based payments as under :
- Employee Stock Option Scheme (ESOS) : ₹ 10,69,760 (2018 - ₹ 15,82,933)
- Employee Stock Appreciation Linked Reward (ESAR) Plan: ₹ 70,852 (2018 - Nil) [Refer Note 17(vi)]

	For the year ended 31st March, 2019 (₹)	For the year ended 31st March, 2018 (₹)
15. Other expenses		
Rates and taxes	2,21,879	72,692
Insurance	2,737	3,458
Bank charges	2,291	2,397
Travelling and conveyance	29,579	13,781
Consultancy / Professional fees	6,61,380	15,46,862
Telephone expenses	11,435	13,695
Miscellaneous expenses	3,29,846	6,89,532
TOTAL	**12,59,147**	23,42,417
Miscellaneous expenses include :		
Auditors' remuneration and expenses *		
Audit fees	1,50,000	1,50,000
Tax audit fees	50,000	50,000
Fees for other services	–	12,000
* Excluding taxes.		

	For the year ended 31st March, 2019 (₹)	For the year ended 31st March, 2018 (₹)
16. Income tax expenses		
A. Amount recognised in profit or loss		
Current tax		
Income tax for the year	50,00,000	55,00,000
Adjustments / (credits) related to previous years - Net	(5,38,054)	–
Total current tax	**44,61,946**	55,00,000
Deferred tax		
Deferred tax for the year	57,12,645	40,80,651
MAT credit entitlement	(39,00,000)	(23,00,000)
Total deferred tax	**18,12,645**	17,80,651
TOTAL	**62,74,591**	72,80,651
B. Amount recognised in other comprehensive income		
The tax (charge) / credit arising on income and expenses recognised in other comprehensive income is as follows:		
Deferred tax		
On items that will not be reclassified to profit or loss		
Remeasurement gains / (losses) on defined benefit plans	58,844	(2,51,956)
TOTAL	**58,844**	(2,51,956)

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

C. Reconciliation of effective tax rate

The Income tax expense for the year can be reconciled to the accounting profit as follows:

	For the year ended 31st March, 2019 (₹)	For the year ended 31st March, 2018 (₹)
Profit before tax	**2,40,99,067**	**2,59,34,425**
Income tax expense calculated @ 26.00% (2018 - 27.5525%)	62,65,757	71,45,583
Effect of tax relating to uncertain tax positions	2,78,138	4,36,138
Effect on deferred tax balances due to the change in Income Tax Rate	–	33,172
Other differences	2,68,750	(3,34,242)
Total	**68,12,645**	72,80,651
Adjustments recognised in the current year in relation to the current tax of prior years	(5,38,054)	–
Income tax recognised in profit or loss	**62,74,591**	72,80,651

The tax rate used for the year 2018-19 and 2017-18 reconciliations above is the corporate tax rate of
- 26.00% (25% + cess @ 4%) in 2018-19 and
- 27.5525% (25% + surcharge @ 7% + cess @ 3%) in 2017-18
payable on taxable profits under the Income Tax Act, 1961.

17. Additional Notes to the Financial Statements

(i) Earnings per share:

		2019	2018
Earnings per share has been computed as under:			
(a)	Profit for the year (₹)	**1,78,24,476**	1,86,53,774
(b)	Weighted average number of Equity shares outstanding for the purpose of basic earnings per share	**4,20,60,166**	4,20,60,166
(c)	Earnings per share on profit for the year (Face Value ₹ 10.00 per share) (in ₹) - Basic and Diluted [(a)/(b)]	**0.42**	0.44

(ii) Defined Benefit Plans / Long Term Compensated Absences:

Description of Plans

The Company makes contributions to both Defined Benefit and Defined Contribution Plans for qualifying employees. These Plans are administered through approved Trusts, which operate in accordance with the Trust Deed, Rules and applicable Statutes. These concerned Trusts are managed by Trustees, who provide strategic guidance with regard to the management of their investments and liabilities and also periodically review their performance.

Provident Fund and Gratuity Benefits are funded and Leave Encashment Benefits are unfunded in nature. Under the Provident Fund, Gratuity and Leave Encashment Schemes, employees are entitled to receive lump sum benefits.

The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method at the year end. The Company makes regular contributions to Employee Benefit Contribution Plan.

Risk Management

The Defined Benefit Plans expose the Company to risk of actuarial deficit arising out of investment risk, interest rate risk and salary cost inflation risk.

Investment Risk: This may arise from volatility in asset values due to market fluctuations and impairment of assets due to credit losses.

Interest Rate Risk: The present value of Defined Benefit Plans liability is determined using the discount rate based on the market yields prevailing at the end of reporting period on Government bonds. A decrease in yields will increase the fund liabilities and vice-versa.

Salary Cost Inflation Risk: The present value of the Defined Benefit Plan liability is calculated with reference to the future salaries of participants under the Plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

The Trustees regularly monitor the funding and investments of these Plans. Risk mitigation systems are in place to ensure that the health of the portfolio is regularly reviewed and investments do not pose significant risk of impairment. Periodic audits are conducted to ensure adequacy of internal controls.

			For the year ended 31st March, 2019 (₹)		For the year ended 31st March, 2018 (₹)	
			Gratuity	Leave Encashment	Gratuity	Leave Encashment
			Funded	Unfunded	Funded	Unfunded
I	**Components of Employer Expense**					
	- Recognised in Profit or Loss					
	1	Current Service Cost	2,50,090	1,19,562	2,60,621	1,22,488
	2	Past Service Cost	–	–	–	–
	3	Net Interest Cost	(13,975)	1,02,911	5,263	1,39,092
	4	**Total expense recognised in the Statement of Profit and Loss**	**2,36,115**	**2,22,473**	2,65,884	2,61,580
	- Re-measurements recognised in Other Comprehensive Income					
	5	Return on plan assets (excluding amounts included in Net interest cost)	18,509	–	(15,649)	–
	6	Effect of changes in demographic assumptions	(1,169)	(789)	–	–
	7	Effect of changes in financial assumptions	–	–	(1,42,537)	(1,12,840)
	8	Changes in asset ceiling (excluding interest income)	–	–	–	–
	9	Effect of experience adjustments	(11,475)	2,06,440	(98,948)	(5,35,690)

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

			For the year ended 31st March, 2019 (₹)		For the year ended 31st March, 2018 (₹)	
			Gratuity	Leave Encashment	Gratuity	Leave Encashment
			Funded	Unfunded	Funded	Unfunded
	10	**Total re-measurements included in Other Comprehensive Income [(Gain)/Loss]**	**5,865**	**2,05,651**	(2,57,134)	(6,48,530)
	11	**Total defined benefit cost recognised in Statement of Profit and Loss and Other Comprehensive Income [(Gain)/Loss] (4+10)**	**2,41,980**	**4,28,124**	8,750	(3,86,950)

The current service cost and net interest cost for the year pertaining to Gratuity expenses have been recognised in "Contribution to Provident and other funds" and Leave Encashment in "Salaries and wages" under Note 14. The re-measurements of the net defined benefit liability are included in Other Comprehensive Income.

			Gratuity	Leave Encashment	Gratuity	Leave Encashment
			Funded	Unfunded	Funded	Unfunded
II	**Actual Returns**		**2,40,375**	–	2,59,035	–
III	**Net Asset / (Liability) recognised in Balance Sheet**					
	1	Present Value of Defined Benefit Obligation	26,94,013	15,73,499	31,26,474	15,98,914
	2	Fair Value of Plan Assets	26,97,613	–	30,56,310	–
	3	Status [Surplus / (Deficit)]	3,600	(15,73,499)	(70,164)	(15,98,914)
	4	Restrictions on Asset Recognised	–	–	–	–

			As at 31st March, 2019		As at 31st March, 2018	
			Gratuity	Leave Encashment	Gratuity	Leave Encashment
			Funded	Unfunded	Funded	Unfunded
	5	**Net Asset/(Liability) recognised in Balance Sheet**				
		- Current	3,600	(1,56,563)	(70,164)	(2,28,146)
		- Non-current	–	(14,16,936)	–	(13,70,768)

			For the year ended 31st March, 2019 (₹)		For the year ended 31st March, 2018 (₹)	
			Gratuity	Leave Encashment	Gratuity	Leave Encashment
			Funded	Unfunded	Funded	Unfunded
IV	**Change in Defined Benefit Obligation (DBO)**					
	1	Present Value of DBO at the beginning of the year	31,26,474	15,98,914	33,80,087	21,35,376
	2	Current Service Cost	2,50,090	1,19,562	2,60,621	1,22,488
	3	Interest Cost	2,01,797	1,02,911	2,11,802	1,39,092
	4	Re-measurement Gains / (Losses):				
		a. Effect of changes in demographic assumptions	(1,169)	(789)	–	–
		b. Effect of changes in financial assumptions	–	–	(1,42,537)	(1,12,840)
		c. Changes in asset ceiling (excluding interest income)	–	–	–	–
		d. Effect of experience adjustments	(11,475)	2,06,440	(98,948)	(5,35,690)
	5	Curtailment Cost / (Credits)	–	–	–	–
	6	Settlement Cost / (Credits)	–	–	–	–
	7	Liabilities assumed in business combination	–	–	–	–
	8	Exchange difference on foreign plans	–	–	–	–
	9	Benefits Paid	(8,71,704)	(4,53,539)	(4,84,551)	(1,49,512)
	10	**Present Value of DBO at the end of the year**	**26,94,013**	**15,73,499**	31,26,474	15,98,914

V	**Best Estimate of Employers' Expected Contribution for the next year**	**As at 31st March, 2019**	As at 31st March, 2018
	- Gratuity	**3,12,332**	3,15,744
	- Leave Encashment	–	–

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

			For the year ended 31st March, 2019 (₹)		For the year ended 31st March, 2018 (₹)	
			Gratuity	Leave Encashment	Gratuity	Leave Encashment
			Funded	Unfunded	Funded	Unfunded
VI	**Change in Fair Value of Assets**					
	1	Plan Assets at the beginning of the year	30,56,310	–	30,63,372	–
	2	Asset acquired in Business Combination	–	–	–	–
	3	Expected Return on Plan Assets	2,15,772	–	2,06,539	–
	4	Re-measurement Gains / (Losses) on plan assets	(18,509)	–	15,649	–
	5	Actual Company Contributions	3,15,744	–	2,55,301	–
	6	Benefits Paid	(8,71,704)	–	(4,84,551)	–
	7	**Plan Assets at the end of the year**	**26,97,613**	–	30,56,310	–

			As at 31st March, 2019	As at 31st March, 2018
			Discount Rate (%)	Discount Rate (%)
VII	**Actuarial Assumptions**			
	1	Gratuity	7.50	7.50
	2	Leave Encashment	7.50	7.50

VIII	**Major Category of Plan Assets as a % of the Total Plan Assets**		As at 31st March, 2019	As at 31st March, 2018
	1	Government Securities / Special Deposit with RBI	–	–
	2	High Quality Corporate Bonds	–	–
	3	Insurer Managed Funds*	100%	100%
	4	Mutual Funds	–	–
	5	Cash and Cash Equivalents	–	–
	6	Term Deposits	–	–

* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

The employee benefit plans do not hold any securities issued by the Company.

IX Basis used to determine the Expected Rate of Return on Plan Assets

The expected rate of return on plan assets is based on expectation of the average long term rate of return expected to prevail over the estimated term of the obligation on the type of the investments assumed to be held by the Life Insurance Corporation of India (LIC), since the fund is managed by LIC.

			For the year ended 31st March, 2019 (₹)		For the year ended 31st March, 2018 (₹)	
			Gratuity	Leave Encashment	Gratuity	Leave Encashment
			Funded	Unfunded	Funded	Unfunded
X	**Net Asset / (Liability) recognised in Balance Sheet (including experience adjustment impact)**					
	1	Present Value of Defined Benefit Obligation	26,94,013	15,73,499	31,26,474	15,98,914
	2	Fair Value of Plan Assets	26,97,613	–	30,56,310	–
	3	Status [Surplus / (Deficit)]	3,600	(15,73,499)	(70,164)	(15,98,914)
	4	Experience Adjustment of Plan Assets [Gain / (Loss)]	(18,509)	–	15,649	–
	5	Experience Adjustment of obligation [(Gain) / Loss]	(11,475)	2,06,440	(98,948)	(5,35,690)

Amount towards Defined Contribution Plans have been recognised under "Contribution to Provident and other funds" in Note 14:

₹ 9,32,744 (2018 - ₹ 8,35,312).

XI. Sensitivity Analysis

The Sensitivity Analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation (DBO) presented above. There was no change in the methods and assumptions used in the preparation of sensitivity analysis from previous year.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(Amount in ₹)

		DBO as at 31st March, 2019		DBO as at 31st March, 2018	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		Funded	Unfunded	Funded	Unfunded
1	Discount Rate + 100 basis points	25,24,531	14,73,624	29,55,722	14,69,868
2	Discount Rate - 100 basis points	28,82,699	16,85,717	33,16,318	17,50,043
3	Salary Increase Rate + 1%	28,71,878	16,79,425	33,03,462	17,44,078
4	Salary Increase Rate – 1%	25,31,211	14,77,509	29,64,425	14,72,889

Maturity Analysis of the Benefit Payments

(Amount in ₹)

		DBO as at 31st March, 2019		DBO as at 31st March, 2018	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		Funded	Unfunded	Funded	Unfunded
1	Year 1	3,12,575	1,56,563	5,27,292	2,28,146
2	Year 2	3,26,397	1,76,373	2,70,985	1,55,684
3	Year 3	3,49,912	8,810	3,13,319	42,110
4	Year 4	2,59,783	1,36,843	3,36,433	8,561
5	Year 5	17,337	10,345	2,46,788	1,35,197
6	Next 5 Years	19,53,140	11,84,678	15,51,360	8,90,041

(iii) Micro, Small and Medium enterprises:

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2019. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

(iv) Segment Reporting:

The Company operates in a single business segment namely property maintenance and in a single geographical segment in India. The entity-wise disclosures are as under:

(Amount in ₹)

	2019	2018
Non-current assets (In India)	19,93,30,443	19,88,61,020

The Company's revenue from the ultimate Holding Company, which is in excess of 10% of its revenue, is as under:

(Amount in ₹)

	2019	2018
ITC Limited - ultimate Holding Company	3,00,68,534	2,88,22,715

The Operating segments have been reported in a manner consistent with the internal reporting provided to the Board of Directors, which is the Chief Operating Decision Maker.

(v) Related Party Disclosures:

(a) RELATIONSHIP:

(i) Ultimate Holding Company:

- ITC Limited

(ii) Holding Company:

- Russell Credit Limited

(iii) Other Related Parties with whom the Company had transactions:

- Associate of the Holding Company with whom the Company had transactions during the year:
  - International Travel House Limited

(iv) Key Management Personnel (KMP):

- Mr. R. Tandon	Chairman & Non-Executive Director
- Mr. S. Dutta	Non-Executive Director
- Mr. C. Dar	Additional Non-Executive Director (w.e.f. 01.12.2018)
- Mr. R. Poddar	Non-Executive Director (w.e.f. 15.03.2018)
- Mr. M. Seth	Chief Financial Officer
- Mr. P. Kumar	Manager & Company Secretary

(v) Employee Trusts where there is significant influence:

- Greenacre Holdings Limited Provident Fund
- Greenacre Holdings Limited Gratuity Fund

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(b) DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS AT 31.03.2019

(Amount in ₹)

RELATED PARTY TRANSACTION SUMMARY		Ultimate Holding Company		Holding Company		Associate of Holding Company		Key Management Personnel		Employee Trusts		Total	
		2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
1.	Rent Received	17,28,000	17,28,000	–	–	13,20,000	12,30,000	–	–	–	–	**30,48,000**	29,58,000
2.	Purchase of Services	40,000	40,000	–	–	–	–	–	–	–	–	**40,000**	40,000
3.	Sale of Services	3,00,68,534	2,88,22,715	–	–	–	–	–	–	–	–	**3,00,68,534**	2,88,22,715
4.	Expenses Recovered	3,56,408	3,85,030	–	–	–	–	–	–	–	–	**3,56,408**	3,85,030
5.	Remuneration of manager on deputation (For CFO)	40,96,914	34,20,575	–	–	–	–	–	–	–	–	**40,96,914**	34,20,575
6.	Dividend Paid	–	–	–	7,36,05,291	–	–	–	–	–	–	–	**7,36,05,291**
7.	Contribution to Greenacre Holdings Limited Provident Fund	–	–	–	–	–	–	–	–	9,32,744	8,35,312	**9,32,744**	8,35,312
8.	Contribution to Greenacre Holdings Limited Gratuity Fund	–	–	–	–	–	–	–	–	3,15,744	2,55,301	**3,15,744**	2,55,301
9.	Remuneration to Key Management Personnel (Manager & Company Secretary) – Short term benefits - Mr. P. Kumar	–	–	–	–	–	–	7,48,415	5,29,552	–	–	**7,48,415**	5,29,552
10.	Directors' Sitting Fees - Other benefits: - Mr. S. Banerjee - Ms. A. Guhamallick	– –	– –	– –	– –	– –	– –	– –	1,60,000 1,60,000	– –	– –	– –	1,60,000 1,60,000
11.	**Balances as at 31st March**			–	–								
	i) Deposits Taken	24,00,000	24,00,000	–	–	56,11,000	56,11,000	–	–	–	–	**80,11,000**	80,11,000
	ii) Payables	70,852	–	–	–	–	–	–	–	–	–	**70,852**	–

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(vi) The Chief Financial Officer of the Company, who is on deputation from ITC Limited (ITC), the ultimate Holding Company, has been granted Stock Options by ITC in previous year(s) under the ITC Employee Stock Option Schemes (ITC ESOS). ITC has also granted Employee Stock Appreciation Linked Reward Units (ESAR Units) to the Chief Financial Officer of the Company under the ITC Employee Cash Settled Stock Appreciation Linked Reward Plan (ITC ESAR Plan).

The cost of equity settled options granted under ITC ESOS / cash settled units granted under ITC ESAR Plan have been recognised as equity settled / cash settled share based payments respectively in accordance with Ind AS 102 – Share Based Payment. In terms of deputation arrangement, the Company has accounted for the cost of the fair value of Stock Options / ESAR Units granted to the deputed employee on-charge by ITC. Accordingly, an amount of ₹ 10,69,760/- (2018 - ₹ 15,82,933/-) towards Stock Options and ₹ 70,852/- (2018 - Nil) towards ESAR Units have been recognised as employee benefits expense (Refer Note 14) and the liability on account of ESAR Units is presented under Note 8 of the financial statements.

The summary of movement of such options granted by ITC and status of the outstanding options is as under:

Particulars	As at 31st March, 2019	As at 31st March, 2018
	No. of Options	No. of Options
Outstanding at the beginning of the year	9,450	6,975
Add: Granted during the year	–	2,475
Less: Lapsed during the year	–	–
Add / (Less): Movement due to transfer of employees within the group	–	–
Less: Exercised during the year	575	–
Outstanding at the end of the year	8,875	9,450
Options exercisable at the end of the year	6,151	3,217

Note: The weighted average exercise price of the options granted to all Optionees under the ITC ESOS is computed by ITC as a whole.

Since the above-mentioned Stock Options / ESAR Units are not tradeable, no perquisite or benefit is conferred upon the employee by grant of such Options / Units.

(vii) The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2019 on 30th March, 2019:

- notifying Ind AS 116, 'Leases' and
- amending Ind AS 12 'Income Taxes' and Ind AS 19 'Employee Benefits'.

The same are applicable for financial statements pertaining to annual periods beginning on or after 1st April, 2019. The Company expects that there will be no material impact on the financial statements resulting from the implementation of these standards.

(viii) Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, as prescribed in the Standard. The effect on adoption of Ind AS 115 was not material.

(ix) Previous Year's figures have been regrouped / re-classified, where necessary to correspond with the current year's classification / disclosure.

18. Financial Instruments and Related Disclosures

1. Capital Management

The Company funds its operations mainly through internal accruals and do not have any borrowings. The Company aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern.

2. Categories of Financial Instruments (Amount in ₹)

Particulars	Note	As at 31st March, 2019		As at 31st March, 2018	
		Carrying Value	Fair Value	Carrying Value	Fair Value
A. Financial assets					
a) Measured at amortised cost					
i) Cash and cash equivalents	6	17,17,989	17,17,989	19,66,466	19,66,466
Sub - total		17,17,989	17,17,989	19,66,466	19,66,466
b) Measured at fair value through profit or loss					
i) Investment in mutual funds	5	27,08,47,011	27,08,47,011	25,16,65,767	25,16,65,767
Sub - total		27,08,47,011	27,08,47,011	25,16,65,767	25,16,65,767
Total financial assets		**27,25,65,000**	**27,25,65,000**	25,36,32,233	25,36,32,233
B. Financial liabilities					
a) Measured at amortised cost					
i) Other financial liabilities	8	82,16,852	82,16,852	81,46,000	81,46,000
Total financial liabilities		**82,16,852**	**82,16,852**	81,46,000	81,46,000

C. Financial risk management objectives

The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

Market Risks

As the Company is debt-free and its deferred payment liabilities do not carry interest, the exposure to interest rate risk from the perspective of Financial Liabilities is negligible. Investments are made in debt instruments, within approved policies and procedures guided by the tenets of liquidity, safety and returns. This ensures that investments are only made within acceptable risk parameters.

The Company's investments are predominantly held in debt mutual funds, etc. The Company invests in mutual fund schemes of leading fund houses. Such investments are susceptible to market price risk that arises mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Company has invested, such price risk is not significant.

Liquidity Risk

The Company's Current assets aggregate ₹ 27,30,74,623 (2018 – ₹ 25,42,23,533) including Current Investments and Cash and cash equivalents of ₹ 27,25,65,000 (2018 – ₹ 25,36,32,233) against an aggregate Current liability of ₹ 65,97,408 (2018 – ₹ 12,08,520); Non-current liabilities due between one year to three years amount to ₹ 24,70,852 (2018 – ₹ 80,11,000) on the reporting date.

In such circumstances, liquidity risk or the risk that the Company may not be able to settle or meet its obligations as they become due, does not exist.

Credit Risk

The risk management framework of the Company is designed to bring robustness to the risk management processes within the Company. With respect to the Company's investing activities, counter parties are shortlisted and exposure limits determined on the basis of their credit rating (by independent agencies), financial statements and other relevant information. The counter party risk is considered insignificant.

Concentrations of credit risk with respect to trade receivables are limited as the Company's major customer is its ultimate Holding Company. Exceptions are managed and approved by appropriate authorities, after due consideration of the counterparty's credentials and financial capacity, trade practices and prevailing business and economic conditions. Based on the assessment of financial assets, no loss provision is considered necessary.

D. Fair value measurement

Fair value hierarchy

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade payables and other Current financial assets and liabilities, where applicable, is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis.

The following table presents the fair value hierarchy of assets measured at fair value:

(Amount in ₹)

Particulars	Fair Value Hierarchy (Level)	Fair Value	
		As at 31st March, 2019	As at 31st March, 2018
A. Financial assets			
a) Measured at fair value through profit or loss			
Investment in mutual funds	1	27,08,47,011	25,16,65,767

19. During the year 1999-2000, erstwhile Classic Infrastructure & Development Limited (CIDL) [since amalgamated with the Company] acquired assignable claims amounting to ₹ 920.59 lakhs together with any interest that may accrue on the said amount till the date of actual repayment, at an agreed consideration of ₹ 200.00 lakhs. This amount is included in "Other assets" under Note 4.

On behalf of the Board

R. TANDON	*Chairman*	S. DUTTA	*Director*
M. SETH	*Chief Financial Officer*	P. KUMAR	*Manager & Company Secretary*

Kolkata, 23rd April, 2019