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. **FINANCIAL PERFORMANCE**

During the year under review, your Company recorded Total Income of ₹ 2,656.68 lakhs (previous year: ₹ 3,054.45 lakhs), The Other Income for the year aggregated ₹ 208.40 lakhs (previous year: ₹ 797.99 lakhs) and profit for the year was ₹ 311.25 lakhs (previous year: ₹ 983.53 lakhs). Total Income for the last year included net gain of ₹ 688 lakhs as an award for compulsory acquisition of 0.975 acres of land located at village Naurangpur (Gurugram) by Haryana Urban Development Authority under the Land Acquisition Act.

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

	For the year ended 31st March, 2019 (₹ in lakhs)	For the year ended 31st March, 2018 (₹ in lakhs)
Profits		
a. Profit Before Tax	**311.25**	983.53
b. Less : Tax Expense	**–**	–
c. Profit for the year	**311.25**	983.53
d. Other Comprehensive Income	**1.48**	5.62
e. Total Comprehensive Income	**312.73**	989.15
Statement of Retained Earnings		
a. At the beginning of the year	**(9,233.90)**	(10,223.05)
b. Add : Profit for the year	**311.25**	983.53
c. Add : Other Comprehensive Income	**1.48**	5.62
d. At the end of the year	**(8,921.17)**	(9,233.90)

3. **OPERATIONAL PERFORMANCE**

Your Company owns 'ITC Grand Bharat' - a 104 key all-suite luxury Retreat at Gurugram, which has been licenced to ITC Limited, the Holding Company. The Retreat, an oasis of unhurried Luxury, is co-located with the Company's prestigious Classic Golf & Country Club, a 27-hole Jack Nicklaus Signature Golf Course.

ITC Grand Bharat has received several accolades, establishing itself amongst the top luxury resort destination hotels in the world. During the year, the Retreat was listed amongst the 'Top 50 Resorts in Asia' by Conde Nast Traveller, USA Reader's Choice and was awarded the Editor's Choice Award by Travel + Leisure Magazine for the Best Luxury Resort (Domestic).

During the year, the Classic Golf & Country Club hosted various prestigious tournaments and sustained its leadership position in the corporate tournament segment. The Club enjoys strong brand equity with its members, guests and the golfing fraternity and continues to receive the patronage of amateur and professional golfers in the country.

4. **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

(a) Changes in Directors and Key Managerial Personnel during the year

During the year under review, the Board of Directors of the Company ('the Board') appointed Mr. Jagdish Singh (DIN: 00042258) as an Additional Director of the Company with effect from 4th December, 2018. In accordance with Section 161 of the Companies Act, 2013 ('the Act') and Article 92 of the Articles of Association of the Company, Mr. Singh 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 26th April, 2019 recommended for the approval of the Members, the appointment of Mr. Singh 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. Singh, who has filed his consent to act as a Director of your Company, if appointed. Appropriate resolution seeking your approval to Mr. Singh's appointment is appearing in the Notice convening the ensuing AGM of the Company.

Ms. Anupama Jha resigned as the Company Secretary of the Company with effect from 12th November, 2018. The Board appointed Ms. Rucche Siingh as the Company Secretary of the Company with effect from 4th December, 2018, in terms of the provisions of Section 203 of the Act.

(b) Retirement by Rotation

In accordance with the provisions of Section 152 of the Act read with Articles 106, 107 and 108 of the Articles of Association of the Company, Mr. Nakul Anand (DIN: 00022279), 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) Board Evaluation

The Board carried out annual performance evaluation of its own performance and that of the individual Directors as also functioning of the Audit Committee, as required under Section 134(3)(p) of the Act, based on criteria approved by the Board.

5. **BOARD AND BOARD COMMITTEES**

Your Company has one Board Committee and its present composition is as follows:

Audit Committee

Mr. R. Tandon	–	Chairman
Mr. N. Anand	–	Member
Ms. R. Chadha	–	Member

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

6. **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 judgments 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.

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

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

8. **PARTICULARS OF EMPLOYEES**

The details of employees of the Company 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 an Internal Complaints Committee as per the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the year, no complaint for sexual harassment was received.

9. **RISK MANAGEMENT**

The risk management framework of the Company is commensurate with its size and nature of business. Management of risks vests 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. As required under the Risk Management Policy of the Company, a Risk Mitigation Reportback is prepared on half-yearly basis and reviewed by the Managing Director of the Company. Further, an annual update is provided to the Audit Committee on the effectiveness of the Company's risk management systems and policies.

10. 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 Audit Committee 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.

11. 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.

12. RELATED PARTY TRANSACTIONS

All contracts or arrangements entered into by the Company with its related parties during the financial year were in accordance with the provisions of the Act. All such contracts or arrangements were entered in the ordinary course of business and on arm's length basis, and have been approved by the Audit Committee.

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

13. 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.

14. EXTRACT OF ANNUAL RETURN

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

15. 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.

16. AUDITORS

(a) Statutory Auditors

The Company's Auditors, Messrs. Deloitte Haskins & Sells LLP, Chartered Accountants, who were appointed with your approval at the 22nd AGM for a period of five years, will complete their present term on conclusion of the ensuing 27th AGM of the Company.

The Board, on the recommendation of the Audit Committee, has recommended for the approval of the Members, the re-appointment of Messrs. Deloitte Haskins & Sells LLP, Chartered Accountants ('DHS'), as the Auditors of the Company for a period of five years from the conclusion of the ensuing 27th AGM till the conclusion of the 32nd AGM. DHS 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, on the recommendation of the Audit Committee, has also recommended for the approval of the Members, the remuneration of DHS for the financial year 2019-20. Appropriate resolution seeking your approval to the appointment and remuneration of DHS as the Auditors is appearing in the Notice convening the ensuing AGM of the Company.

(b) Secretarial Auditors

Your Board appointed Messrs. PB & Associates, Company Secretaries, to conduct secretarial audit of the Company for the financial year ended 31st March, 2019. The Report of Messrs. PB & Associates, Company Secretaries, in terms of Section 204 of the Act is enclosed as **Annexure 4** to this Report.

17. 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.

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

Conservation of Energy:

Steps taken on conservation of energy and impact thereof:

120 Compact Fluorescent Lamps (CFLs) were replaced with Light-Emitting Diodes (LEDs) to conserve energy.

Steps taken by the Company for utilising alternate sources of energy: NIL

Capital investment on energy conservation equipment: NIL

Technology Absorption:

i) Efforts, in brief, made towards technology absorption and benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.: NIL

ii) The Company neither imported any technology during the year nor incurred any expenditure on research and development.

Foreign Exchange Earnings and Outgo:

The foreign exchange earnings of your Company during the year aggregated ₹ 129.92 lakhs (previous year: ₹ 95.58 lakhs) while the foreign exchange outflow aggregated ₹ 159.51 lakhs (previous year: ₹ 4.27 lakhs).

On behalf of the Board

Dated : 26th April, 2019	**N. Anand**	**Chairman**
Place : New Delhi	**B. Hariharan**	**Managing 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
Bhagwateshwaran Hariharan*	56	Managing Director	73,07,431/-	34,18,676/-	Post Graduate in Management	33	04.12.2016	ITC Limited, Vice President Marketing
Ravi Khyani*	36	Chief Financial Officer	46,11,370/-	26,50,003/-	B.Com, A.C.A	12	01.03.2016	ITC Limited, Finance Controller
Col. Rajesh Singh Bains*	55	Manager – Loss Prevention	37,20,392/-	20,94,714/-	B.Sc., PG Degree in Defence Armament Technology	35	01.04.2018	ITC Limited, Manager - Loss Prevention
Pradeep Singh	54	Vice President-HR & Liaison	22,35,863/-	15,99,579/-	B.Com, L.L.B., M.B.A.	30	10.11.2006	Amira Foods (India) Limited, Sr. Manager-HR & IR
Shiv Charan*	47	Manager - Engineering	12,93,752/-	10,18,153/-	M.B.A, B.E.	29	16.05.2011	ITC Limited, Asst. Manager Engineering
Vikas Kumar	44	D.G.M Maintenance	12,54,711/-	9,72,621/-	B.Sc., M.Sc., P.G.D in Plantation Technology	17	05.10.2006	Soka Bodhi Tree Garden, Horticulturist
Keshav Kumar	42	D.G.M - Golf Operations & Marketing	12,13,144/-	7,25,959/-	B.Com	11	17.04.2009	Golden Greens Golf & Resorts Limited, Manager-Golf Operations
Pramod Sharma	50	Manager – Security & Estate	10,07,715/-	8,00,479/-	B.A., M.A. (Pol Science), Diploma in Industrial Security & Safety Management	31	15.12.2016	PSRI Hospital, New Delhi, Manager Security & Liaison
Rajbir Singh	51	Assistant Manager – Land & Legal	10,07,255/-	8,76,152/-	Matriculation	27	01.04.2008	Central Park, Unitech, Land Officer
Jay Prakash K B*	26	Assistant Financial Controller	10,04,512/-	7,15,209/-	B.Com (Hons), ACA	2	01.09.2018	ITC Limited, Asst. Manager - Finance

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

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 Managing Director, Chief Financial Officer and Manager – Loss Prevention have been granted Stock Options by ITC in previous years 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 Managing Director, Chief Financial Officer and Manager - Loss Prevention under its Stock Appreciation Linked Reward Plan. Since these Stock Options and ESAR Units are not tradeable, no perquisite or benefit is immediately conferred upon the employees by grant of such Options / Units, and accordingly the said grant has not been considered as remuneration.

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

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

On behalf of the Board

N. Anand **Chairman**
B. Hariharan **Managing Director**

Dated : 26th April, 2019
Place : New Delhi

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 fourth 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 (ITC), the Holding Company
b)	Nature of contracts / arrangements / transactions	Licence Agreement
c)	Duration of the contracts / arrangements / transactions	99 years with effect from 14th November, 2014.
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Licence to operate Hotel 'ITC Grand Bharat' Value of the transaction during the year – ₹ 5,31,00,000/- (including applicable taxes)
e)	Date(s) of approval by the Board, if any	–
f)	Amount paid as advances, if any	Nil

On behalf of the Board

N. Anand **Chairman**
B. Hariharan **Managing Director**

Dated : 26th April, 2019
Place : New Delhi

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	:	U74899HR1992PLC052412
ii)	Registration Date	:	24th January, 1992
iii)	Name of the Company	:	Landbase India Limited
iv)	Category / Sub-Category of the Company	:	Unlisted Public Company limited by shares
v)	Address of the Registered office and contact details	:	ITC Green Centre, Plot No.10, Institutional Area, Sector-32, Gurugram – 122001 Phone: (0124) 4171042 e-mail : Lbase.cgr@itchotels.in
vi)	Whether listed company (Yes / No)	:	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	MCS Share Transfer Agent Limited F – 65, Okhla Industrial Area, Phase – I, New Delhi – 110020 Phone : (011) 41406149-52

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.	Sports & recreational sports facility operation services - Golf	93110 & 93120	81.62%
2.	Hotels - Licence fee	55101	18.38%

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.	ITC Limited Virginia House 37 Jawaharlal Nehru Road Kolkata – 700 071	L16005WB1910PLC001985	Holding company	100%	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.	18,70,00,000	13,00,00,000	31,70,00,000	100.00	18,70,00,000	13,00,00,000	31,70,00,000	100.00	Nil
e) Banks / FI	–	–	–	–	–	–	–	–	N.A.
f) Any Other	–	–	–	–	–	–	–	–	N.A.
Sub-total (A)(1)	**18,70,00,000**	**13,00,00,000**	**31,70,00,000**	**100.00**	**18,70,00,000**	**13,00,00,000**	**31,70,00,000**	**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)	**18,70,00,000**	**13,00,00,000**	**31,70,00,000**	**100.00**	**18,70,00,000**	**13,00,00,000**	**31,70,00,000**	**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.**

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	
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 upto ₹ 1 lakh	–	–	–	–	–	–	–	–	N.A.
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	–	–	–	–	–	–	–	–	N.A.
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)	**18,70,00,000**	**13,00,00,000**	**31,70,00,000**	**100.00**	**18,70,00,000**	**13,00,00,000**	**31,70,00,000**	**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.	ITC Limited	31,70,00,000	100.00	Nil	31,70,00,000	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	B. Hariharan (Managing Director) *(refer Note 1)*
1.	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	62,07,899
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	7,38,092
	(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)		**69,45,991**
Ceiling as per the Companies Act, 2013		**1,20,00,000 per annum** *(refer Note 2)*

Note 1: Mr. B. Hariharan 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 tradable, no perquisite or benefit is immediately conferred upon the employee by grant of such Options / Units, and accordingly the said grant has not been considered as remuneration.

Note2: 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. Hariharan 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	Independent Directors' Meeting Fee	
1.	**Independent Directors**				
	Total Amount (B)(1)				**Nil**
2.	**Other Non-Executive Directors**				
	N. Anand	Nil	Nil	Nil	Nil
	R. Tandon	Nil			
	J. Singh*	Nil			
	R. Chadha	1,10,000			
	Total Amount (B)(2)				**1,10,000**
Total Amount (B) = (B)(1) + (B)(2)					**1,10,000**
Total Managerial Remuneration (A + B)					**70,55,991**
Overall ceiling as per the Companies Act, 2013					**1,20,00,000 per annum** ***(refer Note)***

** Appointed with effect from 4th December, 2018.*

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	R. Siingh (Company Secretary)*	R. Khyani (Chief Financial Officer) *(refer Note)*
1.	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	2,61,516	40,32,004
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	–	3,94,095
	(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		**2,61,516**	**44,26,099**

* *Appointed with effect from 4th December, 2018*

Note : *Mr. R. Khyani 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 tradable, no perquisite or benefit is immediately 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

Dated: 26th April, 2019 — **N. Anand** — **Chairman**
Place: New Delhi — **B. Hariharan** — **Managing Director**

FORM NO. MR – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Landbase India Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Landbase India Limited, a Company incorporated under the provisions of the Companies Act, 1956 and having its registered office at ITC Green Centre, 10 Institutional Area, Sector 32, Gurugram, Haryana - 122 001 (hereinafter referred to as the *'**Company**'*) for the period commencing from 1st April, 2018 till 31st March, 2019 (hereinafter referred to as the *'**Audit Period**'*). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinions thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and available on MCA portal and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

Further we have also examined compliance with the applicable clauses of The Secretarial Standards issued by The Institute of Company Secretaries of India, with respect to Board and General Meetings.

Further as informed to us and as certified by the management of the Company there are no other laws which are specifically applicable to the Company based on their sector/ industry.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.

Adequate notice is given to all Directors for the Board Meetings and Committees Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and where meeting was held on shorter notice due compliance in respect of the same was made, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has had no specific events / actions that have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **P B & Associates**
Company Secretaries
Pooja Bhatia
FCS:7673 CP:6485

Place : New Delhi
Dated: 26th April 2019

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure: A

The Members,
Landbase India Limited

Our report of the even date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **P B & Associates**

Company Secretaries

Pooja Bhatia

FCS: 7673 CP:6485

Place : New Delhi

Dated: 26th April 2019

INDEPENDENT AUDITOR'S REPORT

To The Members of Landbase India Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Landbase India 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 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 Board of 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, 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 that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
   e) On the basis of the written representations received from the directors

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 remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 22 (a) of the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note 31 of the Financial Statements.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Refer Note 32 of the Financial Statements.

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 **Deloitte Haskins & Sells LLP,**
Chartered Accountants
(Firm's Registration No.: 117366W/ W-100018)
Jaideep Bhargava
Partner
(Membership No.: 90295)

Place : New Delhi
Dated : April 26, 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 Landbase India Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 March 31, 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 **Deloitte Haskins & Sells LLP,**
Chartered Accountants
(Firm's Registration No.: 117366W/ W-100018)
Jaideep Bhargava
Partner
(Membership No.: 90295)

Place : New Delhi
Dated : April 26, 2019

ANNEXURE "B" TO THE AUDITORS' REPORT

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

(i) In respect of its property, plant and equipment:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the 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 explanations given to us, the discrepancies noticed on physical verification of property, plant and equipment as compared to book records were not material and have been properly dealt with in the books of account.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds, transfer deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at March 31, 2019.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(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) The Company has not granted any loans, made investments or provided guarantees under Section 185 and 186 of the Companies Act, 2013 and hence reporting under clause (iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

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

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident fund, Employees' state insurance, Income tax, Goods and Service tax, Customs duty, Value added tax, Cess and other material statutory dues applicable with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income tax, Goods and Service tax, Customs duty, Value added tax, Cess and other material statutory dues in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.

(c) There are no disputed dues in respect of Sales tax, Service tax, Customs duty, Excise duty and Value added tax as at 31st March 2019 which have not been deposited on account of dispute. Details of dues of Income tax which have not been deposited as on 31st March, 2019 on account of dispute are given below:

Nature of the statute	Nature of dues	Amount Involved (₹)	Amount Unpaid (₹)	Period to which the amount relates	Forum where the dispute is
Income tax Act, 1961	Income tax	26,62,65,172	26,62,65,172	A.Y.2005-06	Income Tax Appellate Tribunal

(viii) The Company has neither taken any loans or borrowings from financial institutions, banks and government nor has it issued any debentures. Hence reporting under clause (viii) of 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 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 Section 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 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 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 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 **Deloitte Haskins & Sells LLP,**
Chartered Accountants
(Firm's Registration No.: 117366W/ W-100018)

Jaideep Bhargava
Partner
(Membership No.: 90295)

Place : New Delhi
Dated : April 26, 2019

BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	Note		As at 31st March, 2019 (₹ in lakhs)		As at 31st March, 2018 (₹ in lakhs)
ASSETS					
1 **Non-current assets**					
(a) Property, Plant and Equipment	3		23,977.37		23,584.18
(b) Capital work-in-progress	3		440.33		292.77
(c) Intangible Assets	3		2.41		3.17
(d) Financial Assets					
(i) Investments	4	0.00 *		0.00 *	
(ii) Others	5	–	0.00	609.03	609.03
(e) Other non-current assets	6		570.28		573.49
Total Non - Current Assets			24,990.39		25,062.64
2 **Current assets**					
(a) Inventories	7		92.28		76.96
(b) Financial Assets					
(i) Investments	8	919.66		610.53	
(ii) Trade receivables	9	55.70		23.51	
(iii) Cash and cash equivalents	10	65.26		117.83	
(iv) Other Bank Balances	11	1,384.29		529.72	
(v) Others	5	59.62	2,484.53	773.02	2,054.61
(c) Other current assets	6		123.95		100.44
Total Current Assets			2,700.76		2,232.01
TOTAL ASSETS (1+2)			27,691.15		27,294.65
EQUITY AND LIABILITIES					
1 **Equity**					
(a) Equity Share capital	12		31,700.00		31,700.00
(b) Other Equity			(8,309.55)		(8,622.28)
Total equity			23,390.45		23,077.72
Liabilities					
2 **Non-current liabilities**					
(a) Financial Liabilities					
- Other financial liabilities	13		3,150.17		3,174.28
(b) Provisions	14		77.05		65.45
(c) Other non-current liabilities	15		337.86		389.05
Total Non - Current Liabilities			3,565.08		3,628.78
3 **Current liabilities**					
(a) Financial Liabilities					
(i) Trade payables					
(a) Total outstanding dues of micro enterprises and small enterprises; and	23	63.59		6.66	
(b) Total outstanding dues of creditor other than micro enterprises and small enterprises		264.75		186.28	
(ii) Other financial liabilities	13	62.28	390.62	75.64	268.58
(b) Other current liabilities	15		335.94		311.81
(c) Provisions	14		9.06		7.76
Total Current Liabilities			735.62		588.15
TOTAL EQUITY AND LIABILITIES (1+2+3)			27,691.15		27,294.65

* Represents ₹ 150

The accompanying notes 1 to 37 are an integral part of the Financial Statements.

In terms of our report attached.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

On behalf of the Board

Jaideep Bhargava
Partner
Place : New Delhi
Date : 26th April, 2019

N. Anand Chairman
B. Hariharan Managing Director
Ravi Khyani Chief Financial Officer
Rucche Siingh Company Secretary

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

	Particulars	Note	For the year ended 31st March, 2019 (₹ in lakhs)	For the year ended 31st March, 2018 (₹ in lakhs)
I	Revenue from Operations	16	2,448.28	2,256.46
II	Other Income	17	208.40	797.99
III	**Total Income (I+II)**		2,656.68	3,054.45
IV	**EXPENSES**			
	(a) Cost of materials consumed	18	8.41	–
	(b) Employee benefits expense	19	653.36	587.93
	(c) Depreciation and amortization expense	3	452.90	437.21
	(d) Other expenses	20	1,230.76	1,045.78
	Total Expenses (IV)		2,345.43	2,070.92
V	**Profit before tax (III - IV)**		311.25	983.53
VI	Tax Expense		–	–
VII	**Profit for the year (V-VI)**		311.25	983.53
VIII	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	- Remeasurements gains/ (losses) of the defined benefit plans		1.48	5.62
	- Income tax expense on remeasurement benefit of defined benefit plans		–	–
IX	**Total Comprehensive Income for the year (VII+VIII)**		312.73	989.15
X	**Earnings per equity share (Face Value ₹10.00 each)**			
	Basic/ Diluted (in ₹)	21	0.10	0.31

The accompanying notes 1 to 37 are an integral part of the Financial Statements.

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Jaideep Bhargava
Partner
Place : New Delhi
Date : 26th April, 2019

On behalf of the Board

N. Anand Chairman
B. Hariharan Managing Director
Ravi Khyani Chief Financial Officer
Rucche Siingh Company Secretary

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

		For the year ended 31st March, 2019 (₹ in lakhs)	For the year ended 31st March, 2018 (₹ in lakhs)
A	**Cash Flow from Operating Activities**		
	Profit before tax	**311.25**	983.53
	Adjustments for:		
	Depreciation and amortization expense	**452.90**	437.21
	Interest Income	**(87.03)**	(45.82)
	Net (gain)/ loss on sale and write off of property, plant and equipment	**35.44**	(667.43)
	Net (gain)/ loss arising on financial assets mandatorily measured at Fair value through profit and loss	**(109.52)**	(84.38)
	Foreign currency translations and transactions - Net	**1.45**	(0.36)
	Bad debts written off	**–**	0.00
	Advances written off	**0.75**	0.44
	Provision for bad and doubtful advances	**7.60**	–
	Operating Profit Before Working Capital Changes	**612.84**	623.19
	Adjustment in working capital:		
	(Increase) / Decrease in trade receivables	**(32.19)**	0.93
	Increase in inventories	**(15.32)**	(3.57)
	Increase in other assets	**(27.20)**	(68.22)
	Decrease in other financial assets	**0.78**	4.77
	Increase in trade payables	**135.41**	12.82
	Decrease in other financial liabilities	**(45.05)**	(58.61)
	Increase in provisions	**14.40**	5.47
	Increase / (Decrease) in other liabilities	**(27.06)**	142.95
	Cash generated from operations	**616.61**	659.73
	Income taxes refund/ (paid)	**2.95**	(62.79)
	Net Cash from Operating Activities	**619.56**	596.94
B	**Cash Flow from Investing Activities**		
	Purchase of property, plant and equipment, etc.	**(1,019.02)**	(503.44)
	Compensation received on compulsory acquisition of land	**737.73**	–
	Purchase of current investments	**(19,934.49)**	(12,855.69)
	Sale / redemption of current investments	**19,734.88**	12,329.54
	Interest received	**63.34**	58.22
	Investment in bank deposits (original maturity more than 3 months)	**(1,091.41)**	(1,107.72)
	Redemption/maturity of bank deposits (original maturity more than 3 months)	**836.84**	487.46
	Net Cash used in Investing Activities	**(672.13)**	(1,591.63)
C	**Cash Flow from Financing Activities**	**–**	–
	Net increase/ (decrease) in Cash and cash equivalents	**(52.57)**	(994.69)
	Opening Cash and cash equivalents	**117.83**	1,112.52
	Closing Cash and cash equivalents (Refer note 10)	**65.26**	117.83

Note:

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

The accompanying notes 1 to 37 are an integral part of the Financial Statements.

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Jaideep Bhargava
Partner
Place : New Delhi
Date : 26th April, 2019

On behalf of the Board

N. Anand Chairman
B. Hariharan Managing Director
Ravi Khyani Chief Financial Officer
Rucche Siingh Company Secretary

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

A. Equity Share capital

	Equity Share capital	
	Number of Shares	(₹ in lakhs)
Balance as at 31st March, 2017	**31,70,00,000**	**31,700**
Add: Issue of equity shares	–	–
Balance as at 31st, March 2018	**31,70,00,000**	**31,700**
Add: Issue of equity shares	–	–
Balance as at 31st March, 2019	**31,70,00,000**	**31,700**

B. Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus		Total
	General Reserve	Retained earnings	
Balance as at 31st March, 2017	**611.62**	**(10,223.05)**	**(9,611.43)**
Profit for the year ended 31st March, 2018	–	983.53	983.53
Other Comprehensive Income	–	5.62	5.62
Total Comprehensive income for the year 2017-18	–	**989.15**	**989.15**
Balance as at 31st March, 2018	**611.62**	**(9,233.90)**	**(8,622.28)**
Profit for the year ended 31st March, 2019	–	311.25	311.25
Other Comprehensive Income	–	1.48	1.48
Total Comprehensive Income for the year 2018-19	–	**312.73**	**312.73**
Balance as at 31st March, 2019	**611.62**	**(8,921.17)**	**(8,309.55)**

General Reserve: This Reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized by the Company in accordance with the provisions of the Companies Act, 2013.

Retained Earnings: This Reserve represents the cumulative profits/ losses of the Company and effects of remeasurement of defined benefit obligations.

The accompanying notes 1 to 37 are an integral part of the Financial Statements.

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

On behalf of the Board

Jaideep Bhargava
Partner
Place : New Delhi
Date : 26th April, 2019

N. Anand Chairman
B. Hariharan Managing Director
Ravi Khyani Chief Financial Officer
Rucche Siingh Company Secretary

Notes to the financial statements

1. SIGNIFICANT ACCOUNTING POLICIES

i. 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. The date of transition to Ind AS is 1st April 2015.

ii. 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. The financial statements are presented in Indian Rupees which is also the Company's functional currency.

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. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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.

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 based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

iii. Property, Plant & Equipment – Tangible Assets

Property, plant & 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. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

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:

Building	3 - 60 years
Plant & Machinery/ Golf Course	15 years
Office & Other Equipment	5 years
Furniture & Fixtures	8 - 10 years
Computers	3 - 6 years
Vehicles	8 - 10 years
Golf Carts	8 years

iv. Intangible Assets

Software is capitalised where it is expected to provide future enduring economic benefits. Capitalisation costs include licence fees and costs of implementation/system integration services. The costs are capitalised in the year in which the relevant software is implemented for use and is amortised across a period not exceeding 5 years. Useful lives are periodically reviewed and are treated as changes in accounting estimates, at each balance sheet date.

v. Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount 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.

vi. Inventories

Inventories are stated at lower of cost and net realisable value. The cost is calculated on weighted average method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Net realisable value is the estimated selling price less estimated costs for completion and sale.

Obsolete, slow moving and defective inventories are identified at the time of periodic physical verification of inventories and, where necessary, a markdown is made for such inventories.

vii. Foreign Currency Transactions and derivatives

The Company accounts for transactions in foreign currency at the exchange rate prevailing on the date of transactions. The date of the transaction for the purpose of determining the exchange rate on initial of recognition of the asset, expense or income is the date on which an entity initially recognises the related non – monetary asset or non – monetary liability on the payment or receipt of the advance consideration. Gains/Losses arising on settlement of transactions as also the translation of monetary items at period ends due to fluctuations in the exchange rates are recognized in the Statement of Profit and Loss.

Derivatives are initially recognised at fair value and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gains / losses is recognised in the Statement of Profit and Loss.

viii. 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 the 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.

Trade receivables, 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, trade receivables, 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 derecognised 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 liability

Borrowings, 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 derecognised 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.

ix. Revenue from sale of products and services

Revenue is measured at the fair value of the consideration received or receivable for services rendered, net of discounts to customers. Revenue does not include Goods and Services Tax (GST).

Revenue from the sale of products and services is recognised 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 is the periods during which such services are rendered.

Revenue is recognised over a period of time or at a point in time depending on the manner in which the performance obligation associated with each contract with customer is satisfied as under:

i) Membership Income:

a) Revenue from Corporate and tenure membership fee is accounted for over the period of membership.

b) Entrance fees and transfer / renomination are accounted for in the year of receipt.

c) Interest charged on delayed receipt of Subscription is accounted for on receipt basis.

ii) Green Fee Income, Caddie fee, Golf Set Rental, Cart Rental, Guest Entry Fees, etc. is recognized at a point in time when such services are rendered to the customer.

iii) License Fees income is recognised as per the terms of the agreement.

x. Employee Benefits

Regular contributions made to State plan namely Employee Provident Fund and Employee’s State Insurance Fund are charged to revenue every year.

Company has Gratuity (Unfunded Plan) which are in the nature of defined benefit scheme. To determine the liabilities towards such schemes, as applicable by an independent actuarial valuation using the projected unit credit method as per the requirements of Indian Accounting Standard – 19 on “Employee Benefits”. Gain or Loss on account of remeasurements are recognised 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. These compensated absences are recognized in the Statement of Profit & Loss as income or expense, being long-term employee benefit.

xi. Employee Share Based Compensation

The cost of stock options and stock appreciation units granted by ITC Limited, the Holding Company, to its eligible employees deputed to the Company is recognized at fair value. These Schemes are in the nature of equity settled / cash settled share based compensation and are assessed, managed / administered by the 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 recognized as an employee benefits expenses 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 recognized as an employee benefits expenses in the Statement of Profit and Loss with a corresponding increase in other financial liabilities.

xii. 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 enacted or substantively enacted during the period, together with any adjustment to tax payable in respect of previous years. Income tax, in so far as it relates to items disclosed under Other Comprehensive Income, are disclosed separately under Other Comprehensive Income, as applicable.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (Tax base).

Deferred tax assets are recognized 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 utilized.

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 realize the asset and settle the liability simultaneously.

Notes to the financial statements (Contd.)

xiii. Provisions

A provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

xiv. Leases

Leases are recognised as a finance lease 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.

xv. Government Grants

The Company may receive government grants that require compliance with certain conditions related to the Company's operating activities or are provided to the Company by way of financial assistance on the basis of certain qualifying criteria. Government grants are recognised when there is reasonable assurance that the grant will be received, and the Company will comply with the conditions attached to the grant. Accordingly, government grants:

(a) related to or used for assets are deducted from the carrying amount of the asset.

(b) related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.

(c) by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

xvi. Comparatives

When required by Ind AS, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

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.

Key sources of estimation uncertainty

– **Claims, Provisions and Contingent Liabilities**

The Company has third party claims and ongoing litigations with Income Tax Department and Excise & Taxation Department. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

– **Actuarial Valuation**

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognized in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

– **Deferred Taxation**

The Company has significant carry forward income tax losses (business and depreciation) for which deferred tax asset has not being recognized since there is no reasonable certainty of significant profits in the near future.

– **Useful lives of property, plant and equipment and intangible assets**

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

Notes to the Financial Statements (contd.)

Note - 3

A. Property, Plant and Equipment

(₹ in lakhs)

Particulars	Gross Block							Depreciation and Amortization							Net Block	
	As at 1st April, 2017	Additions	Withdrawals and adjustments	Upto 31st March, 2018	Additions	Withdrawals and adjustments	**Upto 31st March, 2019**	As at 1st April, 2017	For the year	Eliminated on withdrawals and adjustments of asset	Upto 31st March, 2018	For the year	Eliminated on withdrawals and adjustments of asset	**Upto 31st March, 2019**	**As at 31st March, 2019**	As at 31st March, 2018
Land (Freehold)*	6,186.47	385.24	49.38	6,522.33	503.20	–	**7,025.54**	–	–	–	–	–	–	–	**7,025.54**	6,522.33
Building	16,414.84	12.28	–	16,427.12	8.61	24.54	**16,411.19**	553.55	275.13	–	828.67	276.12	2.09	**1,102.71**	**15,308.49**	15,598.44
Plant & Machinery	1,133.37	16.56	28.43	1,121.51	143.88	28.43	**1,236.96**	149.67	78.91	11.11	217.48	81.71	9.91	**289.28**	**947.68**	904.03
Office & Other Equipment	0.43	–	0.05	0.38	–	–	**0.38**	0.23	0.00	0.00	0.23	–	–	**0.23**	**0.15**	0.15
Golf Course	127.38	–	–	127.38	–	–	**127.38**	14.49	–	–	14.49	–	–	**14.49**	**112.89**	112.89
Furniture & Fixtures	291.98	18.78	0.00	310.77	26.33	5.88	**331.21**	71.72	37.31	0.00	109.03	38.67	2.94	**144.77**	**186.44**	201.73
Computers	19.22	4.51	0.13	23.59	3.73	1.00	**26.33**	12.05	1.59	0.00	13.64	2.97	0.84	**15.77**	**10.56**	9.95
Vehicles	44.07	49.76	12.62	81.21	24.45	1.65	**104.01**	19.81	10.31	9.87	20.25	10.11	1.47	**28.88**	**75.13**	60.96
Golf Carts	249.86	–	2.01	247.85	180.09	3.96	**423.97**	42.18	33.32	1.35	74.15	42.56	3.22	**113.48**	**310.49**	173.70
Total (A)	**24,467.62**	**487.13**	**92.62**	**24,862.14**	**890.29**	**65.46**	**25,686.97**	**863.70**	**436.57**	**22.33**	**1,277.94**	**452.14**	**20.47**	**1,709.61**	**23,977.37**	**23,584.18**
B. Capital work in progress (B)	**289.88**	**4.27**	**1.38**	**292.77**	**148.29**	**0.73**	**440.33**	–	–	–	–	–	–	–	**440.33**	**292.77**
C. Intangible Assets																
Computer Software	5.09	1.38	–	6.47	–	–	**6.47**	2.66	0.64	–	3.30	0.76	–	**4.06**	**2.41**	3.17
Total (C)	**5.09**	**1.38**	-	**6.47**	-	-	**6.47**	**2.66**	**0.64**	-	**3.30**	**0.76**	-	**4.06**	**2.41**	**3.17**
Grand Total (A+B+C)	**24,762.59**	**492.78**	**94.00**	**25,161.38**	**1,038.58**	**66.19**	**26,133.77**	**866.36**	**437.21**	**22.33**	**1,281.24**	**452.90**	**20.47**	**1,713.67**	**24,420.11**	**23,880.12**

The amortization expenses of intangible assets have been included under 'depreciation and amortisation expense' in the Statement of Profit and Loss.

* The Company had received an award of ₹ 737.73 lakhs for compulsory acquisition of 0.975 acres of its freehold land located in Village Naurangpur in Gurgaon by Haryana Urban Development Authority under the Land Acquisition Act on 18th April 2018, before the financial statements for the year 2017-18 were approved by the Board. The Company had recognised the same as an adjusting event as per Ind AS 10 'Events after the Reporting Period'. Accordingly, a gain of ₹ 688.35 lakhs was considered in the financial statements of the year 2017-18.

Notes to the financial statements (Contd.)

	As at 31st March, 2019 Unquoted	(₹ in lakhs) As at 31st March, 2018 Unquoted
4. Investments - Non Current		
Investment in Equity Instruments (at Fair Value Through Other Comprehensive Income)		
– Jupiter Township Limited	0.00*	0.00*
Total	0.00*	0.00

* Represents Investment of ₹ 150 in 1 equity share.

(₹ in lakhs)

	As at 31st March, 2019		As at 31st March, 2018	
	Current	Non-Current	Current	Non-Current
5. Other Financial Assets				
(A) Bank Deposit with more than 12 months maturity				
- In Deposit Accounts*	*	–	*	600.00
(B) Other financial assets				
- Interest accrued on Fixed and other deposits	58.75	–	33.63	1.43
- Advances	–	7.60	–	7.60
Less : Advances - credit impaired	–	(7.60)	–	–
- Deposits	0.87	–	1.30	–
- Other Receivables **	–	–	738.09	–
Total	59.62	–	773.02	609.03

* Refer note 11 for deposits with original maturity of more than 12 months and remaining maturity of less than 12 months.

** Others comprise receivable on account of compensation on compulsory acquisition of land (refer note 3).

(₹ in lakhs)

	As at 31st March, 2019		As at 31st March, 2018	
	Current	Non-Current	Current	Non-Current
6. Other assets				
(A) Capital advances				
– For Capital work in progress	–	1.09	–	4.27
(B) Advances other than capital advances				
(i) Security Deposits				
– Utility deposits	–	76.72	–	76.72
– With Statutory Authorities	–	7.00	–	2.00
(ii) Advance Tax (net of provisions)	–	208.44	–	211.39
(iii) Other Advances				
– Prepaid Expenses	55.82	0.03	55.51	2.11
– With Statutory Authorities*	35.02	277.00	25.81	277.00
– Recoverable in Value	28.53	–	19.11	–
(iv) Other Receivables	4.58	–	0.01	–
Total	123.95	570.28	100.44	573.49

* Non-current other advances with Statutory Authorities include

	As at 31st March, 2019	(₹ in lakhs) As at 31st March, 2018
Entertainment Tax paid under protest considered good	277.00	277.00
Entertainment Tax paid under protest considered doubtful	6.50	6.50
Less: Provision for doubtful advances	(6.50)	(6.50)
Total	277.00	277.00

Notes to the financial statements (Contd.)

		As at 31st March, 2019	As at 31st March, 2018
			(₹ in lakhs)
7	**Inventories**		
	(At lower of cost and net realisable value)		
	Beverages	12.60	–
	Stock of Parking Slot/ Servant quarters	13.20	13.20
	Stores and spares	79.68	76.96
	Less : Provision for Stock of Parking Slot/ Servant quarters	(13.20)	(13.20)
	Total	92.28	76.96
8	**Current investments**		
	Investment in Mutual Funds (at fair value through profit or loss, unless stated otherwise)	Unquoted	Unquoted
	ICICI Prudential Liquid Fund-Direct Plan 1,81,593.831,(2018- Nil) Units of ₹ 100.00 each.	501.96	–
	SBI Liquid Fund-Direct Plan 14,263.099,(2018 - Nil) Units of ₹ 1,000.00 each.	417.70	–
	Birla Sun Life Cash Plus-Short Term Nil,(2018 - 39,532.50) Units of ₹ 100.00 each.	–	110.42
	SBI Magnum Insta Cash Fund-Direct Plan Nil,(2018 -13,012.98) Units of ₹ 1,000.00 each.	–	500.11
	Total	919.66	610.53
9	**Trade receivables (Current)**		
	(a) Trade Receivable considered good - Secured	–	–
	(b) Trade Receivable considered good - Unsecured	55.70	23.51
	(c) Trade Receivable which have significant increase in Credit Risk; and	–	–
	(d) Trade Receivable - Credit impaired.	–	–
	Total	55.70	23.51
10	**Cash and cash equivalents**		
	Balances with Banks		
	- in Current accounts	38.15	115.73
	- in Deposit accounts (Original maturity of 3 months or less)	1.61	–
	Cheque in hand	19.18	–
	Cash on hand	6.32	2.10
	Total	65.26	117.83
11	**Other bank balances**		
	In Deposit accounts *	1,384.29	529.72
	Total	1,384.29	529.72

* Represents deposits with original maturity of more than 3 months having remaining maturity of less than 12 months at the Balance Sheet date. Includes Earmarked balances of ₹ Nill (2018 - ₹5.00 Lakhs).

	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	(₹ inLakhs)	No. of Shares	(₹ in Lakhs)
12. Equity Share Capital				
Authorised				
Equity shares of ₹ 10 each	31,70,00,000	31,700	31,70,00,000	31,700
Redeemable, Non-convertible Preference Shares of ₹ 100 each	1,87,00,000	18,700	1,87,00,000	18,700
Issued and Subscribed				
Equity shares of ₹ 10 each, fully paid	31,70,00,000	31,700	31,70,00,000	31,700
a) Reconciliation of number of Shares				
Equity shares				
As at beginning of the year	31,70,00,000	31,700	31,70,00,000	31,700
Add: Issue of Shares	–	–	–	–
As at end of the year	31,70,00,000	31,700	31,70,00,000	31,700

b) The equity shares are issued by the Company at par value of ₹ 10 per share.

c) **Rights, preferences and restrictions attached to Equity shares :**

This class of shares having par value of ₹ 10 per share, rank pari passu in all respects including voting rights and entitlement to dividend.

d) Shareholders holding more than 5% of the aggregate Shares in the Company				
Equity shares				
ITC Limited, the Holding Company, jointly with its nominees	31,70,00,000	100%	31,70,00,000	100%
(e) Shares held by holding company and its nominees				
Equity Shares				
ITC Limited, the Holding Company	31,69,99,994	31,700	31,69,99,994	31,700
ITC Limited, the Holding Company jointly with its nominees	6	0.00*	6	0.00*

* Represents ₹ 60

Notes to the financial statements (Contd.)

(₹ in lakhs)

13. Other financial liabilities

Particulars	As at 31st March, 2019		As at 31st March, 2018	
Non-Current				
Deposits received from Members				
Security deposits received	3,200.87		3,216.89	
Less: Subscription fees receivable	(57.28)	3,143.59	(42.61)	3,174.28
ITC ESARs compensation payable		6.58		–
Total		3,150.17		3,174.28
Current				
Deposits received from Members				
Security deposits received	25.46		21.96	
Less: Subscription fees receivable	(1.44)	24.02	(0.68)	21.28
Other deposits received		5.21		5.21
Others				
- Retention money payable on purchase of property, plant and equipments		16.89		10.75
- Employee benefits payable		14.71		14.49
- ITC ESOS compensation payable		–		23.91
– Other payables		1.45		–
Total		62.28		75.64

14 Provisions

(₹ in lakhs)

	As at 31st March, 2019		As at 31st March, 2018	
	Current	Non- Current	Current	Non- Current
Provision for employee benefits (Refer Note 25)				
Retirement benefits	5.94	51.05	5.06	43.51
Other benefits	3.12	26.00	2.70	21.94
Total	9.06	77.05	7.76	65.45

15 Other Liabilities

Advances received from customers	31.28	-	24.52	–
Revenue received in advance	260.22	337.86	241.15	389.05
Statutory liabilities	44.44	-	46.14	–
Total	335.94	337.86	311.81	389.05

	For the year ended 31st March, 2019 (₹ in Lakhs)	For the year ended 31st March, 2018 (₹ in Lakhs)
16. Revenue from Operations		
(A) Sale of services		
Membership income*	817.74	773.60
Green fees	533.45	447.99
Caddie fees	238.47	223.39
Cart rental	255.70	229.97
Guest entry fees, Golf set rental & Range income	79.53	68.70
Advertisement income	28.85	25.88
License fees	460.12	460.48
Beverage sale	19.45	–
Total (A)	2,433.31	2,230.01
(B) Other Operating Revenues		
Service Export from India Scheme income	4.59	–
Insurance claim received	1.07	14.32
Others including scrap sales	9.31	12.13
Total (B)	14.97	26.45
Revenue from Operations (A+B)	2,448.28	2,256.46

*Includes amortisation of Corporate and Tenure membership fees of ₹ 286.29 Lakhs (2018: ₹ 263.29 Lakhs)

	For the year ended 31st March, 2019 (₹ in Lakhs)	For the year ended 31st March, 2018 (₹ in Lakhs)
17. Other Income		
Interest Income		
- Deposits with banks etc. - carried at amortized cost	87.03	34.21
- Others (from statutory authorities etc.)	4.66	6.41
- Interest on refund of Income Tax	5.23	–
- From members on delayed payments	1.25	5.20
Other gains and losses		
- Net foreign exchange gain / (loss)	0.18	0.36
- Net gain arising on financial assets mandatorily measured at FVTPL*	109.52	84.38
- Net gain on property, plant and equipment sold and written offs (Refer Note 3)	–	667.43
Others	0.53	–
Total	208.40	797.99

* Includes ₹109.04 lakhs (Previous Year ₹ 82.22 lakhs) being net gain on sale of investments.

Notes to the financial statements (Contd.)

(₹ in lakhs)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
18. Cost of materials consumed		
Opening stock-Beverages	–	–
Purchases-Beverages	21.01	–
Less: Closing stock-Beverages	(12.60)	–
Total	8.41	–
19. Employee benefits expense		
Salaries and wages, including bonus	314.31	288.48
Contribution to Provident and other funds	23.80	22.24
Staff welfare expenses	58.09	47.40
Reimbursement of manager's salary on deputation	178.81	124.29
Share based payments to employees (Refer note 26)	78.36	105.52
Total	653.36	587.93
20. Other expenses		
Power & Fuel	143.89	124.06
Consumption of Stores and Spare parts	149.02	144.04
Rent including lease rentals	0.75	1.95
Contracted Manpower and Services	316.27	292.17
Rates and taxes	54.86	2.75
Insurance	22.65	22.31
Repairs and maintenance - Buildings	46.34	44.03
Repairs and maintenance - Machinery	24.34	16.19
Repairs and maintenance - Others	44.32	50.09
Maintenance and upkeep	38.68	29.43
Advertising / Sales promotion	29.58	27.96
Travelling and Conveyance Expenses	56.97	48.01
Hire Charges	10.04	10.29
Legal Expenses	123.68	60.70
Consultancy / Professional fees	43.56	84.85
Bank and credit card charges	10.96	8.86
Postage, telephone etc.	8.05	7.20
Printing and Stationery	7.15	6.26
Information Technology Services	28.50	42.42
Bad debts written off	–	0.00
Provision for bad and doubtful Advances	7.60	–
Advance written off	0.75	0.44
Miscellaneous expenses	11.69	9.10
Net loss on property, plant and equipment sold and written offs	35.44	–
Auditors remuneration and expenses*	15.67	12.67
Total	1,230.76	1,045.78
* Auditors remuneration and expenses (excluding taxes):		
– Audit fees	12.50	10.50
– Tax audit fees	2.50	1.50
– Fees for other services	0.42	0.54
– Reimbursement of expenses	0.25	0.13
	15.67	12.67

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
21. Earnings per share		
Earnings per share has been computed as under:		
(a) Profit for the year (₹ in lakhs)	311.25	983.53
(b) Weighted average number of Equity shares outstanding for the purpose of basic earnings per share	31,70,00,000	31,70,00,000
Basic/ Diluted Earnings per share on profit for the year (Face Value ₹ 10 per share) [(a)/(b)](in ₹)	0.10	0.31

Notes to the financial statements (Contd.)

	As at 31st March, 2019	As at 31st March, 2018 (₹ in lakhs)
22. Contingent liabilities and commitments :		
(a) Claims against the Company not acknowledged as debts :		
(i) Income tax matters*	**2,662.65**	2,662.65
(ii) Legal cases	**10.42**	8.78
(iii) Entertainment duty demand raised by Excise department	**552.62**	552.62

All the above matters are subject to legal proceedings in the ordinary course of business. In the opinion of management the legal proceedings, when ultimately concluded, will not have a material effect on results of operations or financial position of the Company.

* The above represents Income Tax matters of ₹ 2,662.65 lakhs (Previous Year ₹ 2,662.65 lakhs) for Assessment Year 2005-06. Assessment of Assessment Year 2005-06 is under appeal with Income Tax Appellate Tribunal.

(b) Outstanding capital commitments:		
Estimated value of contracts in capital account remaining to be executed	**53.29**	141.09

(₹ in lakhs)

23. Micro, Small and Medium Enterprises	As at 31st March, 2019	As at 31st March, 2018
(a) The principal amount remaining unpaid to any supplier at the end of each accounting year*	**63.59**	6.66
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	**–**	–
(c) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	**–**	–
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	**–**	–
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	**–**	–

*The Company does not have any interest due which is remaining unpaid to any supplier at the end of the accounting year.

24. Lease payable by the Company

The Company's leasing arrangement in respect of a piece of land taken on operating lease which has ended during the year. This leasing arrangement was non-cancellable for 2 years. The aggregate lease rental payable is charged as 'Rent including lease rentals' under Note 20.

With regard to above operating leases the future minimum rentals are as follows:

	As at 31st March, 2019	As at 31st March, 2018
Not later than one year	**–**	0.75
Later than one year and not later than five years	**–**	–

25. Disclosure required under Indian Accounting Standard (Ind AS) 19

a) Defined Benefit Plans - As per actuarial Valuations as on March 31, 2019 and recognised in the financial statements in respect of Employee Benefit Schemes:

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Risk Management

As the plans are unfunded, the defined benefit plans expose the Company to actuarial deficit arising out of interest rate risk and salary cost inflation risk. The Management, considering cost benefit analysis, is of the view that Company need not fund its defined benefit obligation. Further, the Company maintains adequate liquidity to ensure that funds are available for satisfying such obligations. These plans are not exposed to any unusual, entity specific or scheme specific risks but there are general risks.

(₹ in lakhs)

		For the year ended 31st March, 2019 Gratuity Unfunded	For the year ended 31st March, 2018 Gratuity Unfunded
I	**Components of Employer Expense Recognised in Profit or Loss**		
1	Current Service Cost	**7.82**	7.58
2	Net Interest Cost	**3.59**	3.10
3	**Total expense recognised in the Statement of Profit and Loss**	**11.41**	10.68
	Re-measurements recognised in Other Comprehensive Income		
4	Effect of changes in demographic assumptions	**(0.00)**	–
5	Effect of changes in financial assumptions	**–**	(2.07)
6	Effect of experience adjustments	**(1.48)**	(3.55)
7	**Total re-measurements included in Other Comprehensive Income**	**(1.48)**	(5.62)
8	**Total defined benefit cost recognised in the Statement of Profit and Loss and Other Comprehensive Income (3+7)**	**9.92**	5.06

The current service cost and net interest expense for the year pertaining to Gratuity expenses have been recognised in "Salaries and wages, including bonus" in "Employee benefit expenses" under Note 19. The remeasurements of the net defined benefit liability are included in Other Comprehensive Income.

Notes to the financial statements (Contd.)

(₹ in lakhs)

		As at 31st March, 2019 Gratuity	As at 31st March, 2018 Gratuity
II	**Net Asset/(Liability) recognised in Balance Sheet**		
1	Present Value of Defined Benefit Obligation (DBO)	**56.99**	48.57
2	Fair value of plan assets	–	–
3	Net defined benefit liability (asset)	**56.99**	48.57
	- Current	**5.94**	5.06
	- Non current	**51.05**	43.51

		For the year ended 31st March, 2019 Gratuity	For the year ended 31st March, 2018 Gratuity
III	**Change in Defined Benefit Obligation (DBO)**		
1	Present Value of DBO at the beginning of the year	**48.57**	48.38
2	Current Service Cost	**7.82**	7.58
3	Interest Cost	**3.59**	3.10
	Remeasurement gains / (losses):		
4	Effect of changes in financial assumptions	–	(2.07)
5	Effect of changes in demographic assumptions	**(0.00)**	–
6	Effect of experience adjustments	**(1.48)**	(3.55)
7	Benefits Paid	**(1.48)**	(4.87)
8	**Present Value of DBO at the end of the year**	**56.99**	48.57

IV	**Actuarial Assumptions**	**Gratuity**	Gratuity
1	Discount Rate (%)	7.50%	7.50%
2	Pre-retirement mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
3	Salary increase rate	7.5%	7.5%
4	Attrition Rate	10%	10%
5	Retirement Age	58	58
6	Disability	Nil	Nil

The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

		Gratuity	Gratuity
V	**Net Asset / (Liability) recognised in Balance Sheet (including experience adjustment impact)**		
1	Present Value of Defined Benefit Obligation	**(56.99)**	(48.57)
2	Status [Surplus/(Deficit)]	–	–
3	Experience Adjustment of obligation [(Gain)/ Loss]	–	–

(b) Amounts towards Defined Contribution Plans have been recognised under "Contribution to Provident and other funds" in Note 19: ₹ 23.80 Lakhs (2018 - ₹ 22.24 Lakhs)

VI Sensitivity Analysis

The sensitivity analysis below has been determined based on reasonably possible change 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 presented above. There was no change in the methods and assumptions used in the preparation of sensitivity analysis from previous year.

(₹ in lakhs)

		Sensitivity analysis - Gratuity	
VII	**Sensitivity analysis - DBO end of year**	**DBO as at 31st March, 2019**	DBO as at 31st March, 2018
1	Discount Rate + 100 basis points	**53.74**	45.72
2	Discount Rate - 100 basis points	**60.61**	51.75
3	Salary Increase Rate + 1%	**60.30**	51.48
4	Salary Increase Rate – 1%	**53.96**	45.91
5	Attrition Rate + 1%	**56.90**	48.49
6	Attrition Rate - 1%	**57.08**	48.65

Notes to the financial statements (Contd.)

26. Employee share based compensation

(i) The eligible employees of ITC Limited (ITC), who are deputed to the Company at its request, are covered under the ITC Employee Stock Option Schemes (ITC ESOS) and the ITC Employee Cash Settled Stock Appreciation Linked Reward Plan (ITC ESAR Plan) in accordance with the terms and conditions of such schemes, details of which are as under:

ITC ESOS:

Each Option entitles the holder thereof to apply for and be allotted ten ordinary shares of ₹ 1.00 each of ITC upon payment of the exercise price during the exercise period. These options vest over a period of three years from the date of grant and are exercisable within a period of five years from the date of vesting. The options have been granted at the 'market price' as defined under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

ITC ESAR:

Under the ITC ESAR Plan, eligible employees would receive cash linked to appreciation in the value of the shares of ITC in accordance with the terms and conditions of this Plan. The stock appreciation units (SARs) vest over a period of five years from the date of grant and entitles each ESAR grantee to the appreciation for the total number of ESAR Units vested.

(ii) The cost of stock options granted under ITC ESOS / SARs granted under ITC ESAR have been recognized as equity settled / cash settled share based payments respectively in accordance with Ind AS 102 – Share Based Payment. In terms of said deputation arrangement, the Company has accounted for the cost of the fair value of options / stock appreciation units granted to the deputed employees on-charge by ITC. The fair value of the options / SARs granted is determined, using the Black Scholes Option Pricing model, by ITC for all the grantees covered under ITC ESOS / ITC ESAR as a whole.

(iii) In accordance with Ind AS 102, an amount of ₹ 71.78 lakhs (2018 – ₹ 105.52 lakhs) towards ITC ESOS and ₹ 6.58 lakhs (2018 - ₹ Nil) towards ITC ESAR has been recognised as employee benefits expense (Refer Note 19). Such charge has been recognised as employee benefits expense with corresponding credit to current / non – current financial liabilities, as applicable. Out of the above, ₹ 70.46 lakhs (2018- ₹ 105.52 lakhs) is attributable to key management personnel [Mr. B. Hariharan ₹ 58.45 lakhs (2018 - ₹ 88.54 lakhs); and Mr. Ravi Khyani ₹ 12.01 lakhs (2018 - ₹ 16.98 lakhs)].

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 No. of Options**	As at 31st March, 2018 No. of Options
No. of Options Outstanding at the beginning of the year	**1,38,205**	1,30,290
Options Granted during the year@	**–**	14,715
Effects of Corporate Action (Bonus)	**–**	–
Options Forfeited / Surrendered during the year	**–**	–
Options due to transfer in and transfer out	**15,910**	–
Options Exercised during the year	**32,837**	6,800
Number of options Outstanding at the end of the year	**1,21,278**	1,38,205
Number of Options exercisable at the end of the year	**1,02,798**	1,02,994
Options Vested and Exercisable during the year	**21,071**	21,537

@ Includes Nil (2018 - 14,715) options granted to the Key Management Personnel of the Company. Since such options are not tradeable, no perquisite or benefit is immediately conferred upon an employee by such grant.

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

27. Segment Reporting

The operating segment of the Company has been identified in a manner consistent with the internal reporting provided to the Management Committee, who is the Chief Operating Decision Maker, based on which there is only one operating segment in which the Company operates i.e. Leisure and Hospitality within one geographical segment i.e. India. The total revenue of the company includes transaction with its Holding company on account of operating license fees and other services which is more than 10% of the total revenue. The Non current assets are located within India.

28. License arrangement between the Company and ITC Limited

The company has entered into an agreement with ITC Ltd. whereby it has licensed its hotel property for operations to ITC Ltd. ITC Ltd. carries out business operations at the property under its own brand name. The agreement is cancellable at the option of the licensee upon written notice of 2 months.

29. Other Financial non current Liabilities include ₹ 3,041.12 lakhs (Previous year ₹ 3,064.64 lakhs) as deposits received from individuals towards golf memberships and ₹159.75 lakhs (Previous year ₹ 152.25 lakhs) received from Corporates towards Golf Memberships. The individual memberships are long term tradeable memberships which, are to be refunded at the time of termination or surrender of the membership.

Other Financial current liabilities ₹ 25.46 lakhs (Previous year ₹ 21.96 lakhs) received from Corporates towards Golf Memberships.

30. Accounting for Taxes on Income:

Components of deferred tax asset / liability are:

(₹ in lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Deferred tax assets		
On Unabsorbed depreciation	**2,132.77**	2,065.35
On Unabsorbed business loss	**1.89**	1.89
Other timing differences	**26.56**	21.31
Deferred tax liabilities		
Depreciation	**(1,507.63)**	(1,295.79)
Net Deferred Tax Asset	**653.59**	792.76

In view of the significant carry forward income tax losses (business and depreciation) and there being no reasonable certainty of significant profits in the near future, net deferred tax asset as at March 31, 2019 has not been recognized in the books of accounts.

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

32. There are no amounts that are due to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made thereunder.

Notes to the financial statements (Contd.)

33. Related Party Transactions

(i) **Names of related parties and nature of relationship**

Holding Company	ITC Limited

(ii) **Key Management Personnel (KMP)**

Mr. Nakul Anand	Chairman & Non-Executive Director
Mr. Rajiv Tandon	Non-Executive Director
Mr. B. Hariharan	Managing Director
Mr. Jagdish Singh	Non-Executive Director (w.e.f. 4th December, 2018)
Ms. Ratna Chadha	Non-Executive Director
Mr. Hari Mohan Jha*	Non-Executive Director (up to 15th March, 2018)
Mr. Ravi Khyani	Chief Financial Officer

* Independent Director

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

Associate	International Travel House Limited

(iv) **DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES**

(₹ in Lakhs)

RELATED PARTY TRANSACTIONS SUMMARY		Holding Company		Associates		Key Management Personnel		Total	
		2019	2018	**2019**	2018	**2019**	2018	**2019**	2018
1	Sale of Services#	**130.99**	125.92	–	–	**1.72**	1.52	**132.71**	127.44
2	Purchase of Services#	**33.77**	30.08	**1.58**	1.85	–	–	**35.35**	31.93
3	Recovery of Contractual Remuneration	**40.66**	56.14	–	–	–	–	**40.66**	56.14
4	Expenses Recovered	**402.34**	406.95	–	–	–	–	**402.34**	406.95
5	License Fees Received#	**531.00**	527.63	–	–	–	–	**531.00**	527.63
6	Expenses Reimbursed**	**231.46**	186.21	–	–	–	–	**231.46**	186.21
7	Director Sitting Fee	–	–	–	–	**1.10**	2.40	**1.10**	2.40
8	**Share based payments**								
	Equity Settled Share Based Payments	**71.78**	105.52	–	–	–	–	71.78	105.52
	Cash Settled Share Based Payments	**6.58**	–	–	–	–	–	6.58	–

	Compensation of key management personnel	Holding Company	
	The remuneration of Managing Director and other members of key management personnel during the year was as follows *	**2019**	2018
	Short term benefits	**106.94**	91.24

* Post employment benefits are actuarially determined on overall basis and hence not separately provided.

** Expenses reimbursed includes expenses on account of salary of personnel deputed by ITC Limited (including managerial remuneration) of ₹ 178.81 lakhs (Previous Year ₹124.29 lakhs). This includes salary paid to Key management personnel of ₹ 113.90 lakhs (Previous year ₹ 98.94 lakhs).

\# Includes Service Taxes & GST

(v) **DISCLOSURE OF THE STATUS OF OUTSTANDING BALANCES**

(₹ in Lakhs)

RELATED PARTY TRANSACTIONS SUMMARY		Holding Company		Associates		Key Management Personnel	
		2019	2018	**2019**	2018	**2019**	2018
1	Payables	**18.79**	49.13	–	0.33	–	–
2	Receivables	–	–	–	–	–	–

Notes forming part of the financial statements (Contd.)

34. Financial Instruments and Related Disclosures

1. **Capital Management**

The Company's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustained stakeholder value. The Company funds its operations through internal accruals. The Company aims at maintaining adequate supply of funds towards future growth of its businesses as a going concern.

2. **Categories of Financial Instruments** (₹ in Lakhs)

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	10	**65.26**	**65.26**	117.83	117.83
ii) Other Bank Balances	11	**1,384.29**	**1,384.29**	529.72	529.72
iii) Trade Receivables	9	**55.70**	**55.70**	23.51	23.51
iv) Other Financial assets	5	**59.62**	**59.62**	1,381.69	1,381.69
Sub - total		**1,564.87**	**1,564.87**	2,052.75	2,052.75
b) Measured at Fair value through Profit & Loss					
- Investments in Mutual Funds	8	**919.66**	**919.66**	610.53	610.53
Sub - total		**919.66**	**919.66**	610.53	610.53
c) Measured at Fair value through Other Comprehensive Income					
- Equity shares	4	**0.00**	**0.00**	0.00	0.00
Sub - total		**0.00**	**0.00**	0.00	0.00
d) Derivatives measured at fair value					
- Derivative instruments not designated as hedging instruments	5	–	–	0.36	0.36
Sub - total		–	–	**0.36**	**0.36**
Total financial assets		**2,484.53**	**2,484.53**	2,663.64	2,663.64
B. Financial liabilities					
a) Measured at amortised cost					
(i) Trade Payables		**328.34**	**328.34**	192.94	192.94
(ii) Other financial liabilities	13	**3,211.00**	**3,211.00**	3,249.92	3,249.92
Sub - total		**3,539.34**	**3,539.34**	3,442.86	3,442.86
b) Derivatives measured at fair value					
- Derivative instruments not designated as hedging instruments	13	**1.45**	**1.45**	-	-
Sub - total		**1.45**	**1.45**	-	-
Total financial liabilities		**3,540.79**	**3,540.79**	3,442.86	3,442.86

3. **Financial risk management objectives**

The Company's activities covers operation of a golf course and license arrangement for a hotel property with the holding company. 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. The Company rarely undertakes any transaction denominated in foreign currency which results in exchange rate fluctuations thereby leading to insignificant foreign exchange currency risk.

a) Liquidity risk

The Company's Current assets aggregate to ₹ 2,700.76 lakhs (2018 - ₹ 2,232.01 lakhs) including Current investments, Cash and cash equivalents and Other bank balances of ₹ 2,369.21 lakhs (2018 - ₹ 1,258.08 lakhs) against an aggregate Current liability of ₹ 735.62 lakhs (2018 - ₹ 588.15 lakhs); Non-current liabilities due between one year to three years amounting to ₹ 131.37 lakhs (2018 - ₹ 103.15 lakhs) and Non-current liability due after three years amounting to ₹ 31.33 lakhs (2018 - ₹ 47.95 lakhs) on the reporting date.

Further, the Company's total equity stands at ₹ 23,390.45 lakhs (2018 - ₹ 23,077.72 lakhs), and it has no borrowings. 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. Security deposits from individual members have not been included above since these are long term tradeable memberships which are to be refunded at the time of termination or surrender of the membership. Since these memberships are long term in nature, their expiry is not ascertainable. Accordingly, their fair value has been considered to be same as carrying value.

b) Credit risk

Company's deployment in debt instruments are primarily in fixed deposits with highly rated banks. Fixed deposits with banks that are held at amortised cost stood at ₹ 1,385.90 lakhs (2018 - ₹ 1,129.72 lakhs). Thus, counter party risk attached to such assets is considered to be insignificant.

Company's customer base is diverse. The Company's historical experience of collecting receivables, and by the level of default, is that credit risk is low. Individual customer credit limits are sanctioned based on relevant factors such as market feedback, business potential and past records on selective basis. The Company's exposure to trade receivables on the reporting date, net of expected loss provisions, stood at ₹ 55.70 lakhs (2018 – ₹ 23.51 lakhs).

All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. Loss allowances and impairment is recognised, where considered appropriate by the responsible management. Accordingly, allowance for doubtful assets has been recognised based on the review of the Management Committee, where applicable.

c) Market risk

The Company's investments are predominantly held in fixed deposits and liquid mutual funds. Fixed deposits are held with highly rated banks and are not subject to interest rate volatility. The Company also invests in mutual fund schemes of leading fund houses. Such investments are susceptible to market price

Notes forming part of the financial statements (Contd.)

risk that arise 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.

4. **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 including 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 valuation techniques which maximize 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.

Derivatives are valued using valuation techniques with market observable inputs such as foreign exchange spot rates and forward rates at the end of the reporting period, yield curves, risk free rate of returns, volatility etc., as applicable.

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 instrument is included in level 3. This is the case with listed instruments where market is not liquid and for unlisted instruments.

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

There has been no change in the valuation methodology for Level 3 inputs during the year.

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis

(₹ in Lakhs)

Particulars	Fair Value		
	Fair Value Hierarchy (Level)	As at 31st March, 2019	As at 31st March, 2018
A. Financial assets			
a) Measured at amortised cost			
- Others Financial assets	3	–	609.03
b) Measured at Fair value through Profit & Loss			
- Investments in Mutual Funds	1	919.66	610.53
c) Measured at Fair value through Other Comprehensive Income			
- Equity shares (designated upon initial recognition)	3	0.00	0.00
d) Derivatives measured at fair value			
- Derivative instruments not designated as hedging instruments	2	–	0.36
Total financial assets (a+b+c+d)		919.66	1,219.92
B. Financial liabilities			
a) Measured at amortised cost			
- Other financial liabilities	3	3,150.17	3,174.28
b) Derivatives measured at fair value			
- Derivative instruments not designated as hedging instruments	2	1.45	-
Total financial liabilities (a+b)		3,151.62	3,174.28

35. Other Disclosures in respect of Revenue from sale of services:

a) Ministry of Corporate Affairs (MCA) has notified Ind AS 115 – "Revenue from Contracts with Customers" effective April 1, 2018, The company has adopted Ind AS 115 using modified retrospective method, wherein the Company has elected to apply practical expedient for contracts that were not completed on or before March 31, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The Company has evaluated and there is no material impact on the financial statements resulting from the implementation of this standard.

b) In respect of advance membership fees collected from Corporate and tenure members:

   i) the performance obligations is usage of the services of the club and its facilities over the period of membership ranging from 1 to 5 years. The Company adopts the output method and recognises revenue over the duration of the membership. For the nature of services provided by the club, this method provides the most faithful depiction of the transfer of services to the customer.

   ii) the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period as on 31st March 2019 and is expected to be recognised in the statement of profit and loss as mentioned below:

Particulars	**Amount (₹ in Lakhs)**
0 to 1 years	249.19
1 to 3 years	265.40
3 to 5 years	72.46

c) In respect of all other contracts with customers, revenue recognition and performance obligations are generally simultaneous and control is transferred either over time or at a point in time depending on the nature of the terms agreed with the customer.

36. 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'. The same are applicable for financial statements pertaining to annual periods beginning on or after 1st April, 2019. The Company does not expect the impact to be material.

37. The financial statements were approved for issue by the Board of Directors on 26th April, 2019.

On behalf of the Board

	N. Anand	Chairman
	B. Hariharan	Managing Director
Place : New Delhi	**Ravi Khyani**	Chief Financial Officer
Date : 26th April, 2019	**Rucche Siingh**	Company Secretary