

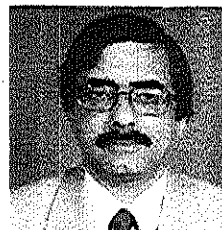
## Board of Directors & Associates



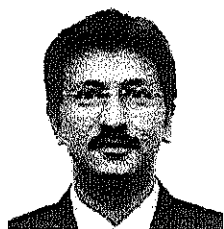
**Chetan R. Shah**  
Chairman & Managing Director



**Mayur R. Shah**  
Vice-Chairman



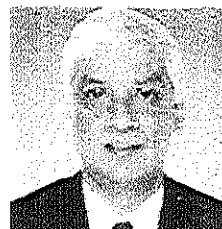
**S. Ramamurthi**  
Wholetime Director



**Deepak Shah**  
Director



**V. Ranganathan**  
Director



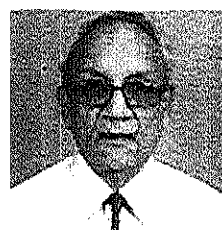
**Padmanabha Shetty**  
Director



**Anup Shah**  
Director



**Shailaja C. Shah**  
Director



**V. Nagarajan**  
Independent Director  
Resigned on May 29, 2017

## Contents

Message from the Chairman & Managing Director	01
Message from the Vice-Chairman	02
Guiding Principles - Company and the Group	03
New Initiatives	04
National Best Practices Recognition	04
International recognitions for Monte South & Marathon Futurex	04
Change of Guard at CREDAI-MCHI	05
Corporate Social Responsibility	06
Skill India Program	06
Clean & Green Mumbai Initiative	06
Health Camp at Sites	07
Contributing towards our communities	08
Education & the NEXT School	09
Awards	10
Marathon Nextgen Projects	
Monte South	11
Marathon Futurex	13
Marathon Embrace	14
Group Projects	
Marathon Icon	15
Marathon Chambers	16
Marathon Enblend	17
Marathon Monte Carlo	18
Group Projects - NEX Homes	
Marathon Nexzone	19
Marathon Nextown	20
Marathon Nagari-Nx	21
Marathon Nexworld	22
Company Information	23
Reports	24
Notice	25
Director's Report	31
Secretarial Audit Report 2016-17	44
Report on Corporate Governance 2016-17	47
Management Discussion & Analysis Report	59
Results	62
Standalone Results	63
Independent Auditor's Report	64
Balance Sheet	66
Profit & Loss Accounts	67
Cash Flow Statement	68
Statement of Changes in Equity	70
Notes	71
Consolidated Financial Statements	112
Independent Auditor's Report	113
Balance Sheet	116
Profit & Loss Accounts	117
Cash Flow Statement	119
Statement of Changes in Equity	121
Notes	122
Proxy Form	
Attendance Slip	
AGM Venue Location Map	



## From the desk of Chairman & Managing Director

Chetan R. Shah

Dear Shareholders,

It gives me immense pleasure to address you once again.

The Global economy grew at a sluggish pace in 2016-17 on account of major setbacks that included BREXIT, slowdown in the Chinese economy, low oil prices and an overall weakness in the developed economies like the United States of America, Japan and most of Europe. The near-term outlook does not look too positive with the IMF forecasting only a 3.6% growth in 2018 as compared to a growth of 3.7% in 2017. Notable negative risks to growth include shift towards inward looking possibilities, sharper tightening of global financial conditions and a distinct slowdown in emerging economies.

Despite the slowdown in the global economy, India remains a bright spot and is emerging as the fastest growing country with an estimated Gross Domestic Product of 71%. This has been achieved through larger public investment in infrastructure along with structural and administrative reforms initiated by the Government. The Fiscal Prudence followed by the Reserve Bank of India has led to macroeconomic stability keeping inflation under check and within reasonable limits.

A major event that has far reaching consequences and which shook the economy was the demonetization of high value currency notes. Despite the temporary side effects faced by the economy, it beholds long term fruitful opportunities.

The implementation of the Goods and Services Tax (GST), one of the most important tax reforms, should help in the country's medium term growth to 8% plus. GST would enhance the efficiency of production as well as improve seamless movement of goods and services across the country. It would also usher in a uniform tax structure and considerably broaden the tax base.

### Overview of the Real Estate Sector

The real estate and construction sector plays a crucial role in the economy. The sector is amongst the largest generator of employment in the country and its impact is deepening over the past few years on account of the rising aspiration in the populace and enhanced Government initiatives as the enabler.

2016-17 was not a very promising year for the Real Estate Sector. This was largely on account of poor cash flows, significant delays in completion of projects and the public general apathy. The woes of the industry was further aggravated on account of the demonetization that resulted in developers refraining from launching new projects and buyers facing severe cash crunch. The industry came to a virtual standstill.

In a recent report Knight Frank India has reaffirmed that the long term growth of the real estate sector has potential. The primary demand drivers of the real estate space are rising per capita income, continuing urbanization, nuclearization of families and improvement in regulatory frameworks.

The Government has initiated a number of steps to boost the realty sector. These include the formation of the Real Estate Investment Trusts (REITs), Goods and Services Tax, Infrastructure Status to Affordable Housing and the Benami Transaction Act.

### Real Estate Regulation Authority (RERA)

The real estate industry is at a transition stage. There has always been a perception that this sector needed to make its activity more transparent. To achieve this, the Central and State Government have enacted the Real Estate Regulation and Development Act and the Govt. Of Maharashtra has come out with rules and established the Maharashtra Real Estate Regulation Authority (Maha RERA) to oversee the implementation of the Act.

Hopefully this authority would be able to put at rest the misconception that the critics and cynics had in the real estate segment. This will repose trust and faith in the industry in the minds of potential investors.

The implementation of RERA has pushed developers to focus on completion of existing projects. Institutional investors maintain a strong interest in financing of Grade A residential & commercial projects. This has given an impetus to developers in this segment. The increasing focus of the Government of India in affordable housing is helping the real estate sector. The vision of Housing for All by 2022 is increasing demand and developers are shifting significantly into this sector.

There is sustained demand in Commercial real estate. The Make-in-India Initiative of the Government and the implementation of GST has provided a boost in this sector. Traditionally IT / ITES have remained the major driving force in the commercial realty space. This is now being supported by Consulting, Media, Telecom and Infrastructure. The Commercial Realty Sector is expected to see a lot of interest especially from the investor point of view. Major realty funds and private equity funds have been acquiring considerable space riding on the back of rising demand.

Despite considerable odds, the company has achieved sustained progress. The company's joint venture projects are doing well and have been well accepted in the market. The underlying philosophy of the company has always been to reward its stake holders. Recently, the company had brought out an attractive scheme for buying back its shares, which benefited the shareholders tremendously.

With Warm Regards

Chetan R. Shah

Chairman & Managing Director



## From the desk of Vice-Chairman

Mayur R. Shah

Dear Shareholder,

The last fiscal year has been a year of some impactful changes. RERA, GST & Demonetisation are some of the key changes that have impacted the industry and buyers. Amidst the effects of these changes, market witnessed a considerable slump in the demand for housing for a period of 4-5 months. New launches were stopped and there has been a pervading sense of uncertainty. With the announcement of rate cuts and PMAY, the market witnessed a considerable shift in focus towards demand for affordable homes. Implementation of RERA has clearly set out Govt of India's vision to bring more accountability and transparency in the business of real estate. This has truly been a year of passing a milestone.

I am happy to share that Monte South has been successfully registered with MAHA RERA and it has reached the 40th slab under construction. With an average slab cycle of 7 days per slab, from the last year to this year we have successfully completed more than 39 slab levels using Korean Kumkang technology. Monte South has also become the proud winner of "Best Residential High-rise Architecture & Development" award by the International Property Awards 2017. Marathon Futurex has also achieved 85% occupancy and awarded "Best Commercial High-rise Architecture & Development" award by the International Property Awards 2017.

At company level, amidst all of these, we have been recognised and awarded nationally for our construction best practices by the prestigious Indian Merchants Chambers Ramkrishna Bajaj National Quality Awards (IMCRBNQA). We have won "Certificate of Merit" in Service Category and "Best Practices Award 2017" in the Making Quality Happen 2017 competition. Marathon Futurex and Monte South have been awarded internationally by International Property Awards -2017 in the Best High-rise Architecture & Development categories.

I am happy to share that projects of Marathon Group companies have been successfully registered with MAHA - RERA. First set of towers at one of the NEX Homes projects - Marathon Nextown, Dombivli are now OC ready.

Our vision is aligned to deliver more than 15,000 homes next year and 100,000 homes in next 5 years at group level; planning for the same is underway with our NEX homes projects at Panvel, Dombivli & Badlapur being construction full swing. Your company has taken up projects in Bhandup under Slum Rehabilitation Scheme to contribute towards this goal.

I have also taken up the responsibility of President, CREDAI-MCHI, an apex developers' body. It shall be my endeavour to carry forward ongoing tasks and issues impacting real-estate industry and take up new initiatives in a time bound manner for the speedy growth of the real estate. Our team's key agenda would include:-

- Improve business viability in MMR by rationalisation of taxes, premiums.
- Achieve further ease of doing business
- Improve knowledge and skills of members through continuous learning and best practices.
- Prepare members for future challenges of RERA, GST and DCR rules.

I would also ensure that Marathon Group becomes one of the key contributors towards our shared Vision 2022 through our major initiatives - Clean Mumbai, Green Mumbai, Skilled Mumbai and Housing for All.

It is my conviction that as a collective, cohesive and well-knitted group comprising all of us, we can achieve any heights. I shall try to build a strong real - estate brand by way of developing a process of all-inclusiveness and wider consultations.

It is very important that we set our priorities right and constantly align ourselves to current challenging scenario while ensuring that our focus on growth and achieving excellence remains undeterred. We will have to continuously evolve in all spheres of our activities and keep ourselves abreast with the latest technologies and best construction practices, to deliver world class products and services to our customers.

I eagerly look forward to your support and cooperation in leading the organization to greater heights of success and glory.

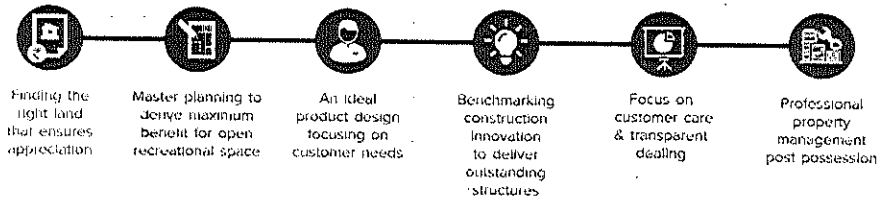
With Warm Regards

Mayur R. Shah

Vice Chairman

## Guiding Principles - Company & the Group

### Six Pillars - Our Business Philosophy



### Dharma

- IMPROVE CONTINUOUSLY & SCALE HEIGHTS**  
 Begin each day with positivity and possibility and do our best to take ourselves and the organization forward. Aim for measurable goals & track its status to continuously improve upon work.
- ALWAYS FOCUS ON CUSTOMER DELIGHT**  
 Customer satisfaction remains the prime focus of every employee and their valuable feedback should point to the way ahead.
- RESPECT RESOURCES AND CREATE EXPONENTIAL VALUE**  
 Every resource should be utilized effectively to generate success and ensure long-term value.
- CONSTANTLY ENDEAVOUR TO CREATE HAPPINESS FOR ONE AND ALL**  
 Ensuring value for all stakeholders, like our customers, colleagues and our ownself are one of our prime objectives.
- BE COMMITTED AND RESPECTFUL TO ALL AND BE FIRM AND FAIR AT THE SAME TIME**  
 Resolute commitment towards our work and goals is the surest and only way to achieve our dreams.

## New Initiatives

### a. National Best Practices Recognition:-

Adherence to processes with a keen focus on customer delight and drive to adopt innovations has been at the core of our values at Marathon. In a path breaking business excellence framework assessment program, conducted by prestigious Mumbai based IMC – Ram Krishna Bajaj National Quality Awards body; Marathon Realty Pvt.Ltd – a Marathon Group Company has won **Certificate of Merit in the Service Category**.

We began our journey for sharing our construction insights and practices with the National Business Excellence Framework Assessment Body – IMCRBQA. The IMCRBQA assessment body is a national body for assessing quality and business excellence aspects across organizations in the four categories – Service, Manufacturing, Healthcare and Education. It is similar to Malcolm Baldrige criteria of quality in USA. It was a nine month rigorous process involving scrutiny of applications for meeting the requirements as per the model of business excellence and subsequent interaction with various examiners, followed by evaluation of application and assessor's report by the awards Jury.

It was a major national level initiative undertaken at Marathon Group in the last year; to assess our existing quality and excellence levels across the organizational processes and quality adherence for delivering projects. The Group company also participated in the "Best Practices / Making Quality Happen" competition – a flagship competition under the IMCRBQA Framework; and have emerged as a proud winner in the **Best Practices Competition- 2017**. This was a maiden attempt, and we are pleased to share that a Marathon Group company has won IMC Ramkrishna Bajaj National Quality Certificate of Merit 2017, in Service Category.

### b. International Recognitions for Monte South & Marathon Futurex:-

Your Company's joint venture project with Marathon Group company, Marathon Futurex has been awarded two 5-star awards within the categories Commercial High-Rise Development and Commercial High-Rise Architecture and an award for Residential High-rise for the Company's joint venture project with Adani, Monte South at the Asia Pacific Property Awards 2017-2018.

Presented at the Marriott Marquis Queen's Park Bangkok on 25th – 26th May, 2017. Companies received awards for categories ranging across property development, real estate, interior design and architecture categories. Chosen from over 900 entries spread across the Asia Pacific region, your company has proved its passion to redefine real estate in the Property Development sector.



Marathon Futurex is also honoured to be nominated to represent India and Asia Pacific to compete against other companies within the Asia Pacific region to become Best in Asia Pacific and to compete with the Best in the World. Results will be announced on 4th December, 2017 at the Savoy Hotel London, United Kingdom.

Marathon Futurex, is an iconic commercial development project coming up in Lower Parel, Mumbai. With ready for fit-out units; Marathon Futurex hosts a plethora of world class amenities like – Iconic design, solar envelope study with green energy saving design, multiple sky gardens, IGBC Gold Precertification for Green Practices, to name a few. Marathon Futurex houses some of the most influential business houses today that make it an unravelling business destination.

Monte South- Byculla has also won in the best residential high rise development and architecture categories. It is a luxury high-rise project - a joint venture between Marathon Group and Adani Realty; Monte South represents the New Phase of South Mumbai. It offers 2.5 & 3.5 bed residences with panoramic view of the maximum city in addition to rejuvenating amenities like – palm court and state of the art clubhouse to name a few. Monte South is a construction marvel that is being built with Korean Kunkang Construction technology.

## New Initiatives

### c. Change of Guard at CREDAI - MCHI:-

We are also pleased to share that your Vice Chairman- Mr. Mayur R Shah, has been appointed as President- CREDAI-MCHI, apex developers' body having a glorious legacy of over 35 years. In this capacity, he will now endeavour to carry forward ongoing tasks and issues impacting real-estate industry from the aegis of CREDAI-MCHI and take up new initiatives for the speedy growth of the realty industry.

In addition to various initiatives, keeping the interests of the business aligned with Govt of India's shared Vision 2022 – Housing For All; Marathon Group will focus on major initiatives like – Clean Mumbai, Green Mumbai, Skilled Mumbai and NEX homes.

Importantly, we have set our priorities right and constantly aligning ourselves to current challenging scenario while ensuring that our focus on growth and achieving excellence remains undeterred. We will have to continuously evolve in all spheres of our activities and keep ourselves abreast with the latest technologies and best construction practices, to deliver world class products and services to our customers.



## Corporate Social Responsibility

With a continued focus towards enhancing our contribution to our societies and communities; we took upon various activities throughout the year to facilitate - skill development, Education, Green and health measures amongst the workers at site and their families.

### a. Skill India Program:-

Marathon Nexzone & Monte South sites have been active centers for running Govt. of India's Skill India Initiative. In association with PNB bank we planned Skill India programs at the Marathon project sites for the workers helping them understand the important aspects of construction processes and technologies like - MIVAN - Aluminium Shuttering System & Korean Kumkang technology. Workers were trained and awarded skill certifications.



### b. Clean & Green Mumbai Initiative:-

As developers and resource centers for developing the ecosystem of habitable spaces; we have taken upon ourselves to contribute towards making Mumbai clean and sustainable. In a first of its kind initiative in the city, Marathon Group has successfully implemented solid waste management with the help of its residents at one of its projects – Marathon Onyx, Mulund, to implement more environmentally friendly methods of waste management in the city; Marathon Group has become one of the first companies to implement bio bin system of waste management in Mumbai.

Under this initiative, the residents of the project have brought alive the slogan – My Garbage My Responsibility; by successfully implementing the bio bin system of waste management. As opposed to the conventional method of waste management using vermiculture; bio bin offers an organic and sustainable way of managing waste.

With proactive orientation of the residents towards proper segregation of domestic waste into wet (organic kitchen waste), dry (recyclable) waste and BMC waste (diapers, sanitary and napkins)- bio bin system of waste management uses aerobic decomposition method. The daily waste is treated with a bio culture solution that consists of certain bacteria and fungi which speeds up the process of decomposition.

As opposed to conventional methods, bio bin system uses bio bin containers made of durable FRP material. It can withstand heat and rain and is provided with holes to ensure proper aeration. It is easy to assemble and clean. As a result, it gives following advantages over conventional methods of waste management-

- Process is fast
- Cooked food and non-veg items can be processed
- It does not need lot of segregation
- Citrus fruit peels need not be separated
- It uses microbes as per opportune recommendation the waste does not rot and give foul smell



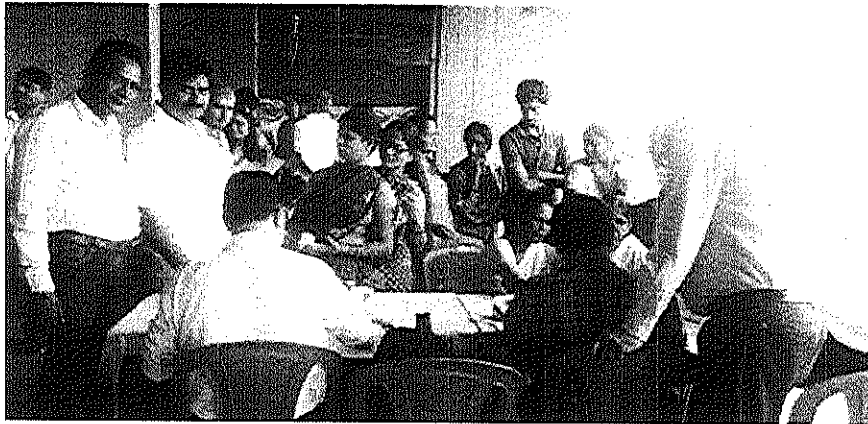
## Corporate Social Responsibility

Various limitations of conventional methods, like vermiculture are overcome by the Bio-composting method. The best thing is that Bio composting is an all natural process. No chemicals or electricity is used to perform the process and hence the end product is totally environment friendly and extremely rich in nutrients required by the plants.

The group has been able to implement this one of a kind measure through proactive participation from all its residents. The BIOBIN waste management system has reduced the waste from the project to about 60% lesser compared to previous methods. We look forward to implement the same in many of our other projects to facilitate the effective adoption of Waste Management System across our other properties.

### c. Health Camp at Slum Redevelopment Sites:-

In keeping with our commitment to the Dharma of ensuring happiness for all; we organized successful health camps focusing on spreading awareness about rampant health concerns like - BP, Diabetes, Eye defects, Oral hygiene, Blood donation amongst more than 1000 workers and slum habitants across our project sites in Bhandup. There have been doctors and medical units set up at larger sites.



## Corporate Social Responsibility

### d. Contributing towards our communities:-

At one of the schools in our slum redevelopment project site - Yashwant Chavan School, we set up the equipment for the kids play area helping the school to nurture childhood within their premises.



## Corporate Social Responsibility

e. Marathon Group's biggest social endeavour and first venture in school education, the opening of NEXT - India's 1st Big Picture School.

### Long history in education

Ramnikal Zaverbhai Shah is the founding father of Marathon. Before he started the business in 1969, he was a school teacher. He's had a very deep association with one of the biggest schools in Mulund – SMPR School. He started as a student, became a teacher, and then the principal, then went on to become a trustee and president of the trust. Education runs very deep in his veins. R. Z. Shah Trust's NEXT is a nonprofit school bringing to life Group Chairman Mr. Ramnikal Zaverbhai Shah's vision to set up a world class school in Mulund.

### The Journey

The project has been spearheaded by Marathon group Director Mr. Parmeet Shah. He connected with various schools and experts not only in India but also in many other countries like USA, UK, Australia, Belgium, Singapore, Thailand in search of something that would address the glaring issues in our school system today. He finally found the answer in Big Picture Learning (BPL) - a 20 year old non-profit funded by the Bill & Melinda Gates Foundation, that has revolutionized education in more than 165 schools in 9 countries and has been praised by none other than US President Barack Obama.

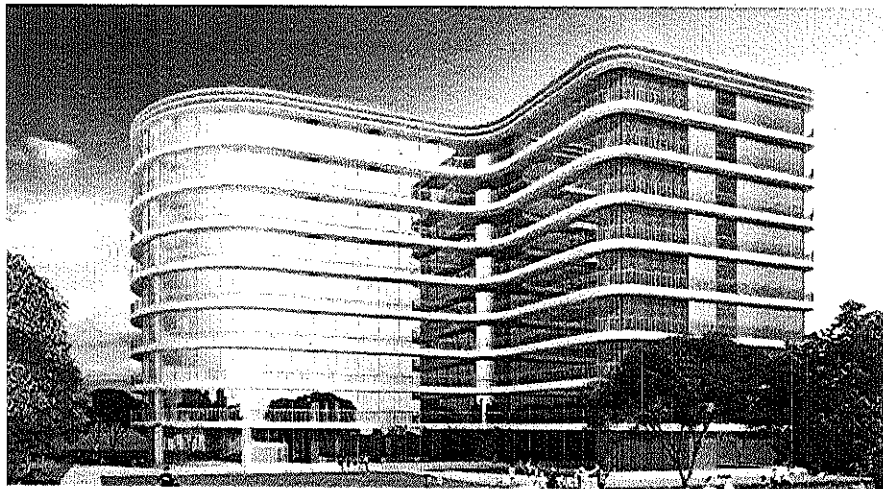
"At NEXT, you will find that we have spared no effort. Be it our educational programs, our infrastructure, or our people, each aspect of this school has undergone deep thought and thorough planning to bring to our children an experience that is beyond world class." - Parmeet Shah

### A revolution in education

Big Picture schools feature in Business Insider's list of the 13 most innovative schools in the world. The Big Picture framework puts students at the centre of their own learning by personalizing each child's education. It focuses on real world learning and helps children develop 21st century skills like creativity, collaboration, communication, planning and goal setting. We have had a hugely successful admissions period with over 150 enrolments in our very first year.

### A testimony to our real estate expertise

The incredible school design is a testimony to our brilliant team of in-house designers. Each space has been purpose designed for the Big Picture Model to create stimulating learning spaces for children. Our engineering, planning, construction teams have worked wonders to build the school in a very short period of time. The building is sure to be a landmark in Mulund for years to come and is an achievement that Marathon Group is extremely proud of.



## Awards



Marathon Group  
2017-2018  
"Best Developer 2017"  
By Construction Times  
Bharat Awards



Marathon Group  
2017-2018  
"Best Developer"  
in  
Marketing Quality Survey  
2017 competition  
by INCRAINDIA



Marathon Group  
and Marathon Nextgen  
Certification of Merit in  
Resale Category 2018  
in highest residential  
category, presented  
by INCRAINDIA



Marathon Nextgen, Lower Panel  
2018  
"Best Upcoming Green Project of the  
Year 2018" by Construction Times  
Bharat Awards



Marathon Group  
in the "A" Company in India for  
Integrated Planning, Engineering and  
Construction of Marathon Nextgen,  
Mulund, West Mumbai

RECOGNIZED AS  
"12<sup>th</sup> MOST TRUSTED  
DEVELOPER IN MMR"  
BY NEW HOUSING & AFFORDABILITY SURVEY 2014



Marathon Nextgen, Redefine  
2018  
"Best Residential Apartment"  
Low Cost Metro 2018" by IRECA



Marathon Nextgen, Lower Panel  
2018-19  
"Excellent Residential Design Premium  
Awards 2018" by IRECA



Marathon Nextgen Campus, Lower Panel  
2018  
"Best Urban Design & Master  
Planning 2009" by Construction  
Source India



Marathon Nextgen, Lower Panel  
2018-19  
"Best Commercial Project of the Year  
2009-12" by Annapoornna Group



Marathon Group  
with Marathon Nextgen  
Mar. Red. Sanku Garden  
International completion of Sanku  
Redevelopment Project in 2009

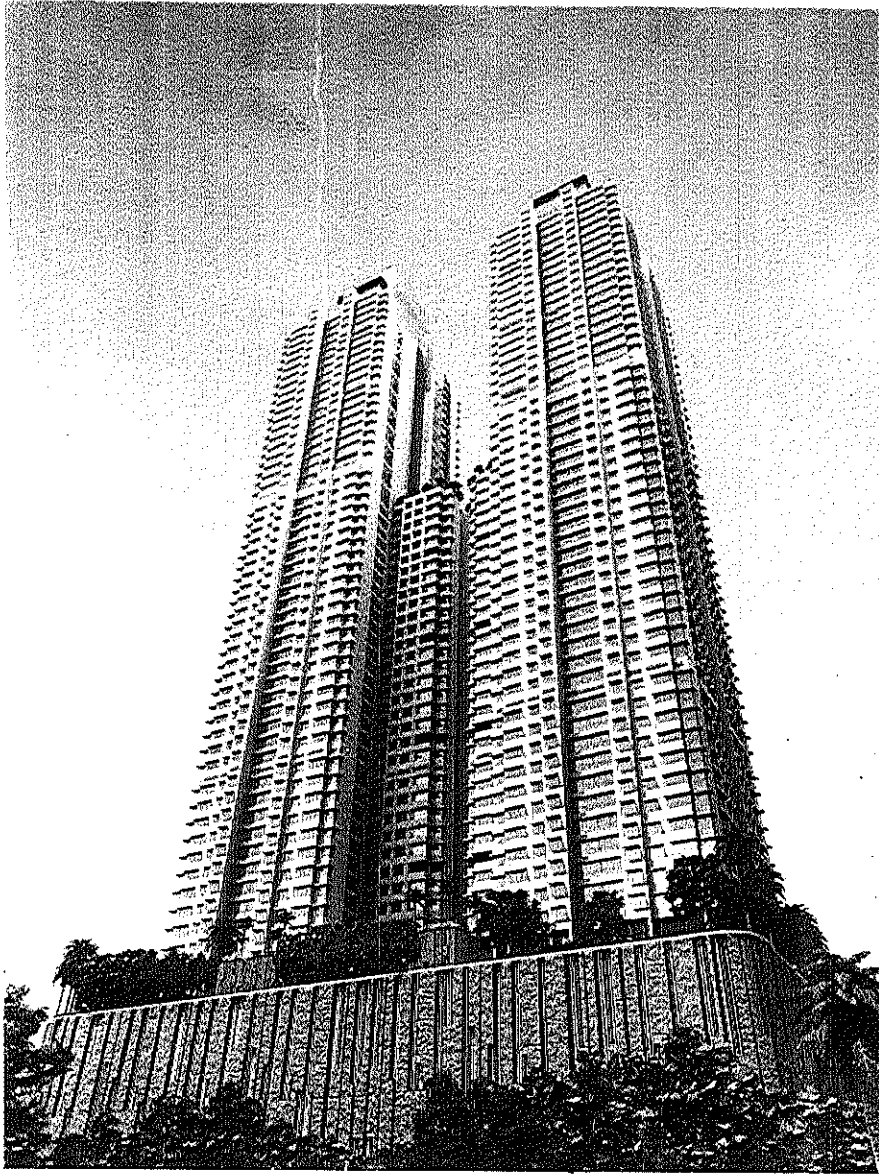


Marathon Nextgen, Sanku  
Garden  
"Best Residential Project of the  
Year 1999" by Construction Times  
Bharat Awards

## Marathon Nextgen Projects

A Joint Venture Project by Adani Realty & Marathon Group

  
Monte South  
The New Project of South Mumbai  
BYCULLA



Artist's Impression - Elevation

NERA NO - Monte South 1 - P51900001936, Monte South 2 - P51800001779, Monte South 3 - P51800001681, Monte South 4 - P51800001585,  
Monte South 5 - P51900001340, Monte South 6 - P51800002636

## Marathon Nextgen Projects

Construction reached till 40<sup>th</sup> slab

  
Monte South  
The New Project of South Mumbai  
BYCULLA

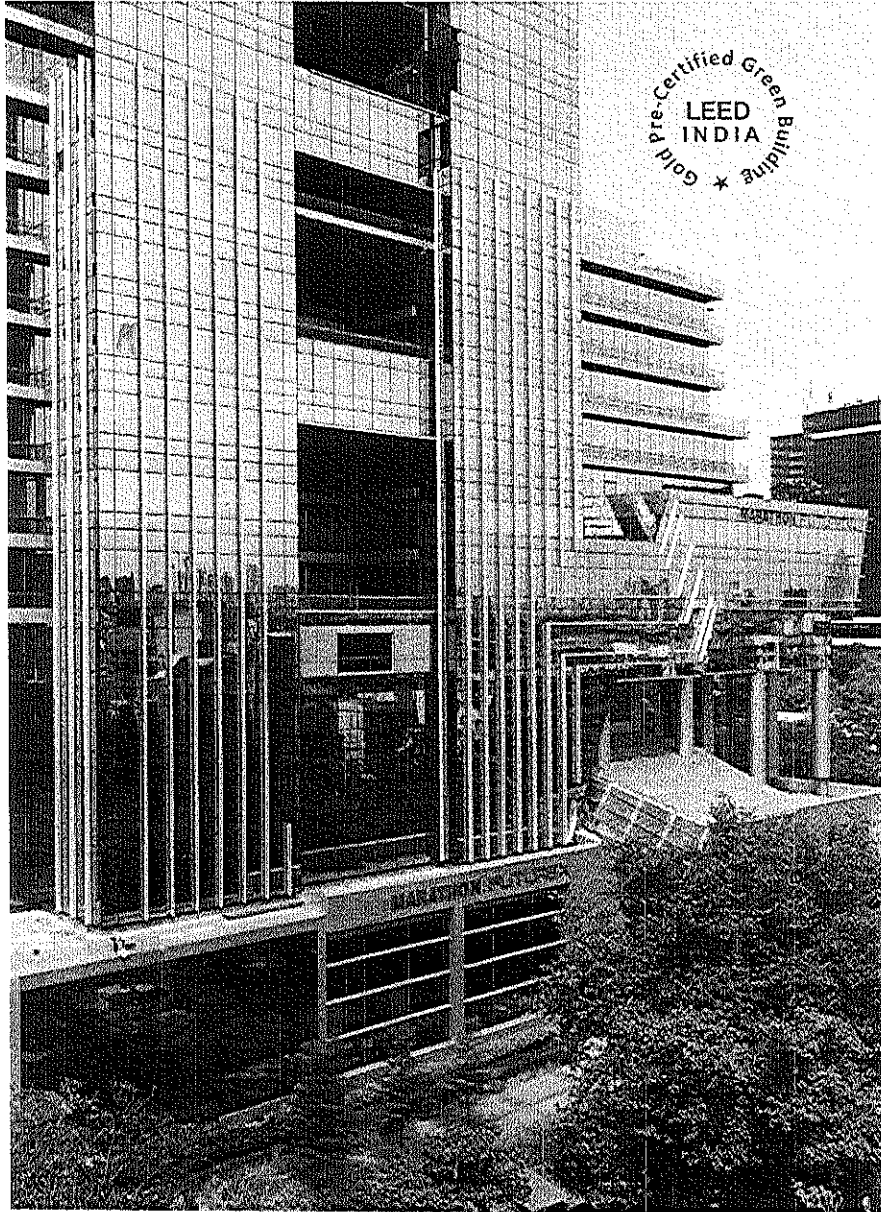
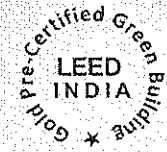


Actual Image - Construction Site

# Marathon Nextgen Projects

Phase 1 & 2 Ready for Fitouts

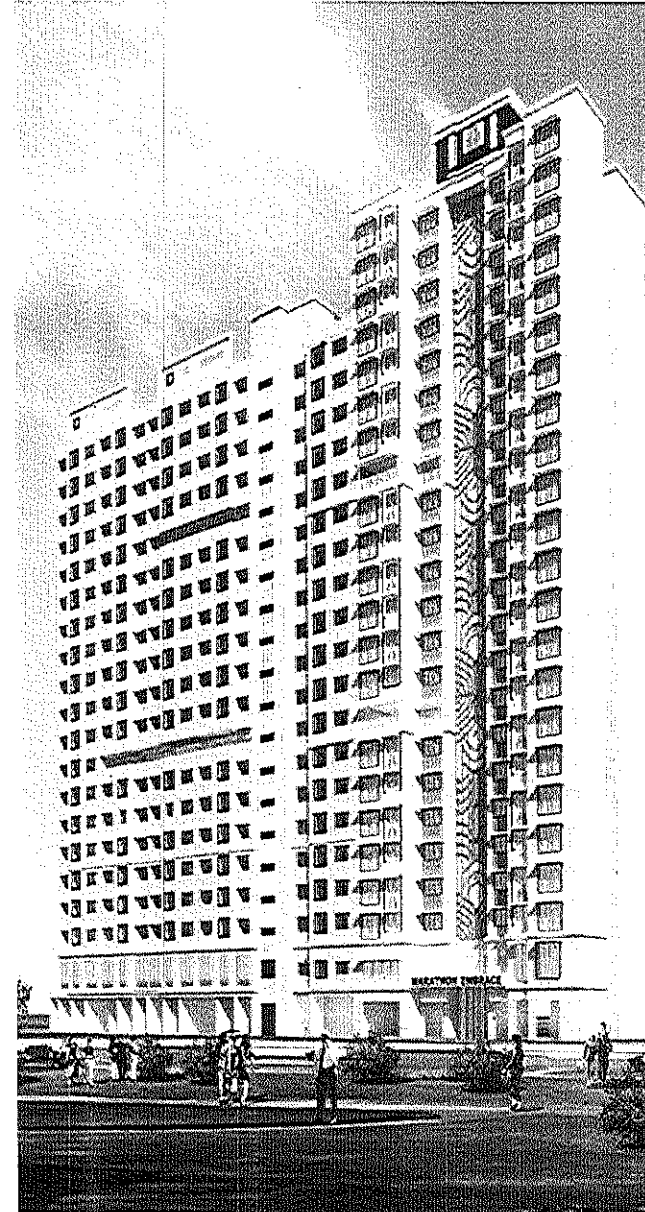
## MARATHON Futorex Lower Parcel



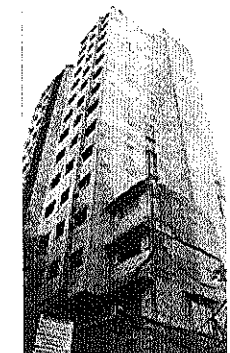
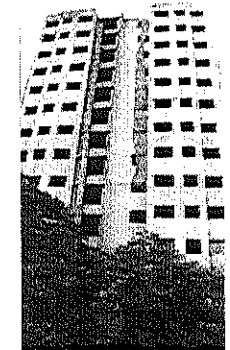
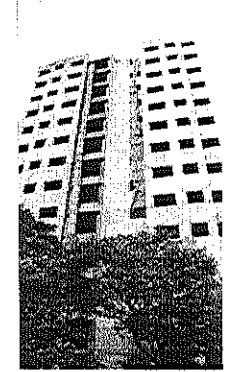
Actual Image - Elevation

# Marathon Nextgen Projects

## MARATHON Embrace Bhandup (W)



Artist's Impression - Elevation



Actual Images - Construction Site



Group Projects

Ready for Fitouts with more than 35 operational offices

**MARATHON**  
**Icon**  
Lower Parel

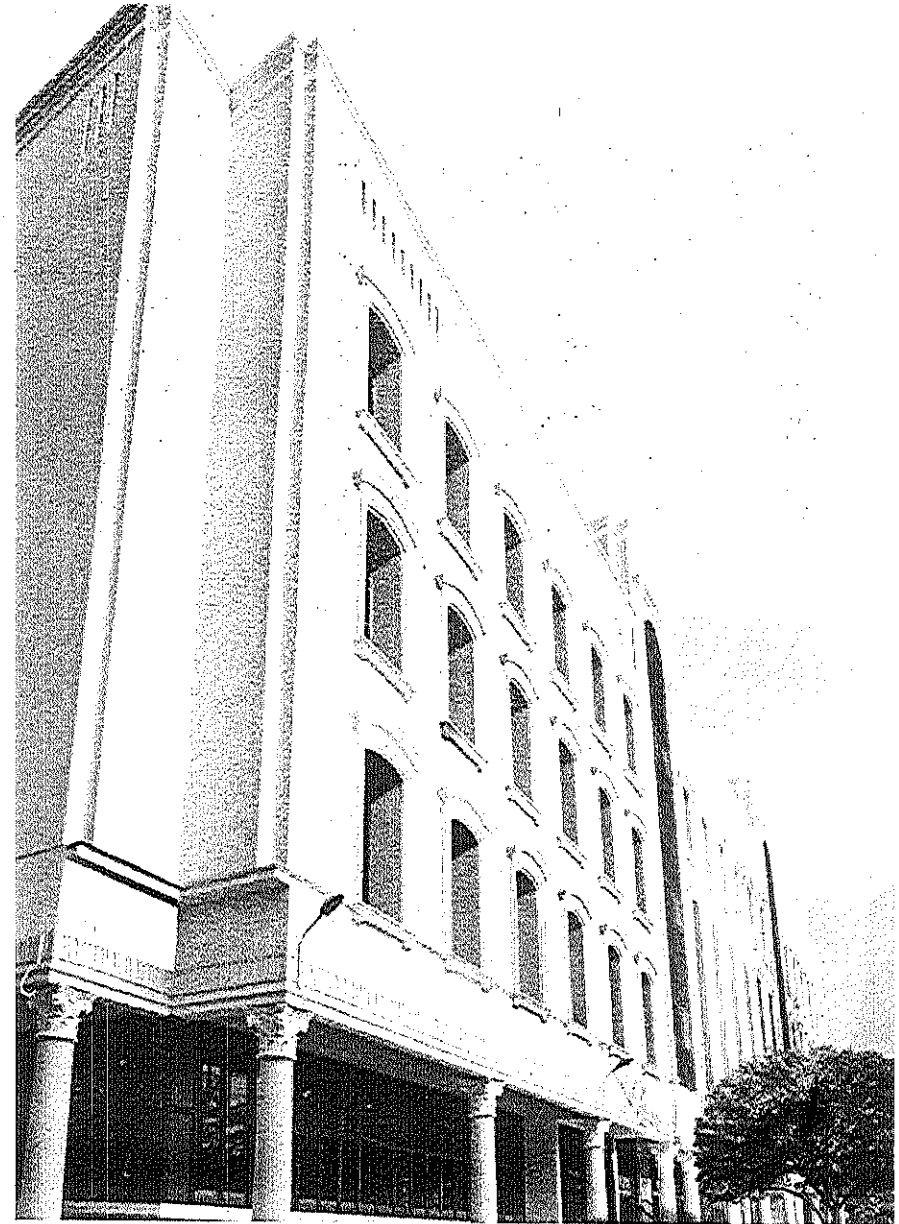
**SBS**  
SMALL  
BUSINESS  
SPACES



Actual Image - Elevator

Group Projects

**MARATHON**  
**Chambers**  
Lower Parel



Actual Image - Elevator

Group Projects

**MARATHON  
Emblem**  
Mulund (W)



Artist's Impression - Elevation

RERA NO: Marathon Emblem 1 - P51800000645, Marathon Emblem 2 - P51800000556

Group Projects

**MARATHON  
Monte Carlo**  
Mulund (W)

OC received till 22<sup>nd</sup> Floor

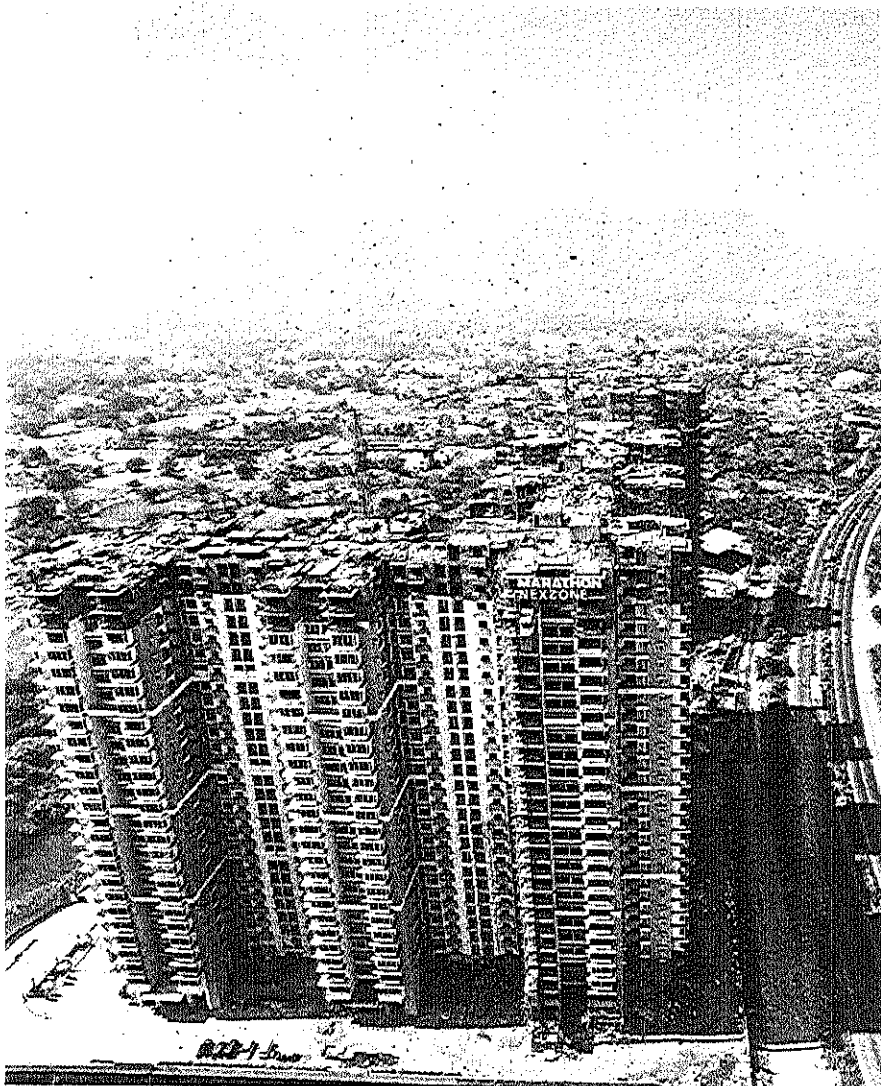


Actual Image - Elevation

RERA NO: Marathon Monte Carlo 2 - P51800002662

Group Projects - NEX Homes

**MARATHON**  
Nexzone  
Panvel



Actual Image - Construction status of Marathon Nexzone

REKA NO: Marathon Nexzone Zodiac 1 - P52000000547, Marathon Nexzone Zodiac 2 - P5200000061, Marathon Nexzone Zenith 1 - P52000000258, Marathon Nexzone Zenith 2 - P5200000067, Marathon Nexzone Atlas 1 - P52000000573, Marathon Nexzone Atlas 2 - P52000000677, Marathon Nexzone Aeria 1 - P52000000502, Marathon Nexzone Aeria 2 - P52000000713, Marathon Nexzone Aeria 3 - P52000000670, Marathon Nexzone Aeria 4 - P52000000562, Marathon Nexzone Aeria 5 - P52000000472, Marathon Nexzone Aeria 6 - P52000000495, Marathon Nexzone Atlas 1 - P52000000662, Marathon Nexzone Ajax 2 - P52000000472, Marathon Nexzone Auro 1 - P52000000665, Marathon Nexzone Auro 2 - P52000000669, Marathon Nexzone Triton 1 - P52000000663, Marathon Nexzone Triton 2 - P52000000668, Marathon Nexzone Arika 1 - P52000000666, Marathon Nexzone Arika 2 - P52000000671, Marathon Nexzone Vega 1 - P52000000674, Marathon Nexzone Vega 2 - P52000000522, Marathon Nexzone Bari 1 - P52000000660, Marathon Nexzone Bari 2 - P52000000664

Group Projects - NEX Homes

**MARATHON**  
Nextown  
Off Kalyan-Shil Road  
Thane

OC received for first three towers



Actual Image - Elevation

REKA NO: Marathon Nextown Coral - P51700000952, Marathon Nextown Emerald - P51700000886, Marathon Nextown Sapphire - P51700001265

Group Projects - NEX Homes

Ready possession apts. and shops available

**MARATHON**  
Nagari-NX  
Badlepur (E)

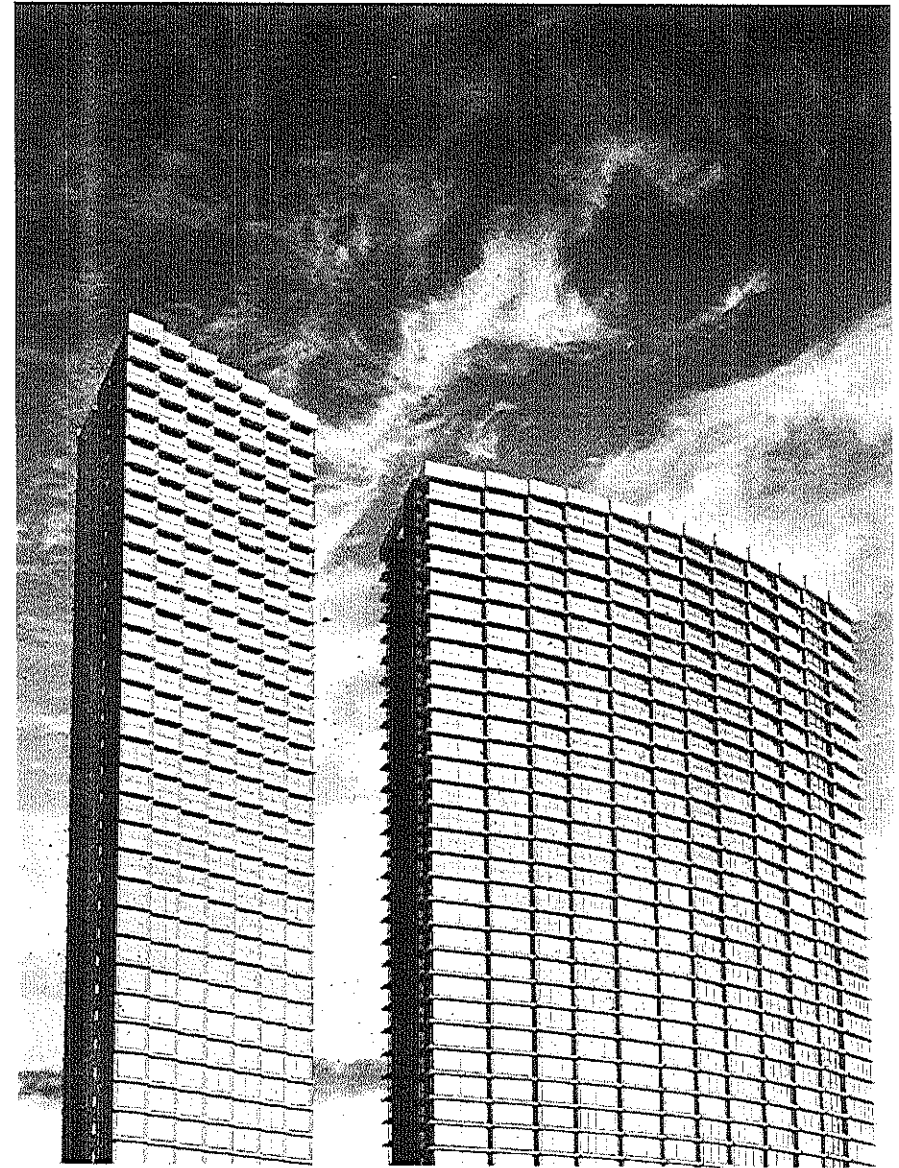


Actual Image - Elevation

PFRA NO: Marathon Nagari Nv Vaid D - P51700005045, Marathon Nagari Nv Vitoria D - P51700005049

Group Projects - NEX Homes

**MARATHON**  
Nexworld  
Dombivli (E)



Artist's Impression - Elevation

PFRA NO: Marathon Nexworld Aura 1 - P51700000652, Marathon Nexworld Aura 2 - P51700000597, Marathon Nexworld Elara 1 - P51700000478, Marathon Nexworld Elara 2 - P51700000470

## Company Information

### WHOLE-TIME DIRECTOR & CHIEF FINANCIAL OFFICER

Mr. S. Ranamurthi

### COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. K. S. Rajhavan

### REGISTERED OFFICE:

Marathon Futurex, N. M. Joshi Marg  
Lower Parel, Mumbai 400 013  
Tel: 022 6158 8484 Fax: 022 6158 8410

### CORPORATE OFFICE:

702, Marathon Max  
Jr. of Mulund-Goregaon Link Road  
Mulund (W), Mumbai 400 080  
Tel: 022 6772 8484 Fax: 022 6772 8408

### STATUTORY AUDITORS

M/s. Haribhakti & Co. LLP  
Chartered Accountants  
701, Leela Business Park  
Andheri Kurla Road  
Andheri (E), Mumbai 400 059

### INTERNAL AUDITORS

M/s. Moore Stephens Singh Advisors LLP  
B2 - 402B, Marathon Innova, 4th Floor  
Lower Parel, Mumbai 400 013

### SECRETARIAL AUDITOR

Mr. Nitin R. Joshi  
Practicing Company Secretary  
415, Marathon Max  
Near Udyog Kshetra  
Mulund (W), Mumbai 400 080

### BANKERS

Axiz Bank Limited, HDFC Bank Ltd

### INVESTORS' SERVICES DEPARTMENT

802, Marathon Max, 8<sup>th</sup> Floor  
Jr. of Mulund-Goregaon Link Road  
Mulund (W), Mumbai 400 080  
Tel: 022 6772 8484 Fax: 022 6772 8408  
E-mail: [stafes@marathonnextgen.com](mailto:stafes@marathonnextgen.com)  
Website: [www.marathonnextgen.com](http://www.marathonnextgen.com)

### REGISTRAR & SHARE TRANSFER AGENT

M/s. Adroit Corporate Services Private Limited  
17-20, Juttarbhoy Ind. Estate  
1st Floor, Makwana Road  
Marol Naka, Andheri (E), Mumbai 400 059  
Tel.: +91 (0)22 42270426 Fax: +91 (0)22 28503748  
E-mail: [profub@adroitcorporate.com](mailto:profub@adroitcorporate.com)  
Website: [www.adroitcorporate.com](http://www.adroitcorporate.com)

# Reports

## Notice

NOTICE is hereby given that the Fortieth Annual General Meeting of the members of MARATHON NEXTGEN REALTY LIMITED will be held at M. C. Ghis Hall, Bhagilal Harjivandas Building, 18/20, Dabhesh Marg, Kala Ghoda, Mumbai - 400 001 on Wednesday, September 20, 2017 at 3.30pm to transact the following business:

### A. ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements for the year ended on 31st March, 2017 and the Reports of the Directors and Auditors thereon;
2. To declare a Dividend, if any, on the Equity Shares for the year 2016-17.
3. To appoint a Director in place Mr. Mayur R. Shah, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. Rajendra & Co., Chartered Accountants (Reg.No: 108355W), having office at 13110, Dalamal Tower, 211- Nariman Point, Mumbai-400021 as the Statutory Auditors of the Company, in place of the existing Statutory Auditors viz., Haribhaidl & Co LLP (Regn No:103523W) whose tenure ends (10 Years) at the conclusion of this 40th AGM and to hold office in terms of Sec 139(2) of the Companies Act 2013 and other applicable provisions of the Companies Act and the Rules framed there under from the conclusion of this Annual General Meeting until the conclusion of the two consecutive terms of five years each (upto to the conclusion of 50th Annual General Meeting of the Company), subject to proviso that such re-appointment during the tenure be ratified by members at every Annual General Meeting, and to authorize the Board to determine and to fix their remuneration.

### B. SPECIAL BUSINESS:

#### 5. Appointment (Regularizing) of Mr. Deepak R. Shah as a Director.

To consider and, if thought fit, pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT Mr. Deepak Shah (DIN No. 66954706), Independent Director who was appointed as an Additional Director at the Board Meeting held on February 9, 2017 and who holds office up to the date of this 40th Annual General Meeting under Section 161(f) of the Companies Act 2013 and in respect of whom the Company has received a notice signifying his candidature along with a requisite deposit under Section 160(f) of the Companies Act, 2013 and is hereby appointed as a Director of the Company."

#### 6. Re-appointment of Mr. S. Ramamurthi (DIN: 00135602) as Whole Time Director & CFO of the Company.

To consider and, if thought fit, pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the reappointment of Mr. S. Ramamurthi as Whole-Time Director & CFO of the Company without remuneration for a period of three years effective from 1st May, 2017 as per the terms set out in the draft agreement to be entered into between the Company and Mr. S. Ramamurthi with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Mr. S. Ramamurthi."

"RESOLVED FURTHER THAT notwithstanding anything contained in Part II of the Schedule V of the Companies Act, 2013, Mr. S. Ramamurthi will not be paid any remuneration whatsoever for the services being rendered by him during the tenure of his appointment as Whole Time Director & CFO of the Company until such time the Board decides otherwise except the reimbursement of vehicle expenses, entertainment and/or other expenses, if any, at actuals incurred by him for and on behalf of the Company."

#### 7. To sell, lease or otherwise dispose of the whole or substantially the whole of undertaking (Charge) of the Company under section 180(f)(a) of the Companies Act 2013:

To consider and, if thought fit, pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT the consent of the Company be and is granted in terms of Section 180 (f) (a) and all other applicable provisions of the Companies Act, 2013, (including any statutory modification or re-enactment thereof, for the time being in force), to the Board of Directors of the Company to charge and/or mortgage, in addition to the charges/mortgages created to be created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable and/or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking of the Company together with the power to take over the management of the business and concern of the Company in certain events of default, in favour of the Lender(s), Agents and Trustees, for securing the borrowings of the Company available to be availed by way of loans (in foreign currency and/or rupee currency) and Securitized (comprising fully/partly Convertible Debentures and/or Non-Convertible debentures with or without detachable or non-detachable Warrants and/or secured premium notes and/or floating rate notes/bonds or other debt instruments), issued to be issued by the Company, from time to time, subject to the limits approved under Section 180 (f) (c) of the Companies Act, 2013, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s)/Trustees, premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/revaluation/fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreements/Head of Agreement's, Debenture Trust Deed(s) or any other document, entered to be entered into / to be entered into between the Company and the Lender(s), Agent(s) and Trustee(s) in respect of the said loans/borrowing/debentures and containing such specified terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors and the Lender(s), Agent(s) and Trustee(s)."

## Notice

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to finalize, settle and execute such documents / deeds / writings / papers / agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages / charges as aforesaid."

#### 8. To borrow money in excess of aggregate of paid up capital and free reserves of the Company under section 180(f)(c) of the Companies Act 2013:

To consider and, if thought fit, pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT consent of the Company under Section 180 (f) (c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) be and is hereby accorded to the Board of Directors of the Company for borrowing for the purpose of the business of the Company any sum or sums of money either in Indian or Foreign Currency from time to time from any Bank(s) or any Financial Institution(s), or any other Institution(s), firm(s), body corporate(s), or such other person(s) or from others in India or outside India other than temporary loans obtained from the Company's Bankers in the ordinary course of business provided that the sum or sums so borrowed under this resolution and remaining outstanding at any time shall not exceed in the aggregate Rs. 500 crore (Rupees Five Hundred crores only) in excess of and in addition to the paid-up capital and free reserves of the Company for the time being.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise to give effect to this resolution."

#### 9. To ratify the addendum matters in connection with the Related Party Transactions entered by the Company:

To consider and ratify with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT the decision of the Board of Directors to amend addendum to the Agreement dated September 17, 2016 pertaining to the balance unsold area of 92,248 sq.ft. (as on September 17, 2016) in "Marathon Future X Premises by Marathon Realty Pvt Ltd, and limit the proceeds to the Company, in the ordinary course of its business, by extending the time limit for such purchase till March 31, 2017 in tranches as follows be and is hereby approved:

30,750 sq.ft. of area by the end of Sept 30, 2016,  
30,750 sq.ft. of area by the end of Dec 31, 2016 and  
30,748 sq.ft. of area by the end of March 31, 2017"

"FURTHER RESOLVED THAT in case Marathon Realty Pvt Ltd is able to sell the above specified area at any point of time during the above referred quarters, then accordingly the necessary adjustments be made in the subsequent quarters for calculation of the remaining unsold area."

FURTHER RESOLVED THAT the Board's decision for the charging of interest calculated @12.5% p.a (on promissory basis) on the extended period from October 1, 2016 till March 31, 2017 from Marathon Realty Pvt Ltd as above, by the Company, as per the amended addendum to the Agreement be and is hereby approved"

#### Registered Office:

Marathon Future X,  
NM Joshi Marg  
Lower Panel  
Mumbai 400 013.  
Date: May 29, 2017

CIN:L55990MH1978PLCO20080  
Website: www.marathonnextgen.com

#### By Order of the Board

K. S. Raghavan  
Company Secretary

ACS - 8269

## Notice

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
3. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special business is annexed hereto.
4. Members are requested to send all communications relating to shares, unclaimed dividends and intimate any changes in their address to the Registrar and Share Transfer Agents, M/s Adroit Corporate Services Pvt. Ltd., 19/20, Julebhai Ind. Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai-400 059. "Adroit" is also the Depository interface of the Company with both NSDL and CDSL.
5. Under the Companies Act, 2013, dividends that are unclaimed for a period of seven years are transferred to the "Investor Education and Protection Fund" constituted by the Central Government. Accordingly, the Members who have not encashed the dividend warrants are requested to encash the same soon.
6. Pursuant to second proviso to Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 notified on February 28, 2017 and under Section (5) of section 124 unclaimed equity Shares are to be transferred to IEPF Authority.
7. The Register of members and the share transfer books of the Company will remain closed from September 12, 2017 to September 20, 2017 (both days inclusive) for payment of dividend.
8. Members may exercise their right to vote by electronic voting system in accordance with the Companies (Management and Administration) Rules, 2014. The Company has tied up with NSDL for this e-voting facility. The process for members opting for e-voting is as under:  
  
In compliance with the provisions of Section 106 of the Companies Act, 2013 and the Rules framed, the members are provided with the facility to exercise their votes at the 40th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL).

The instructions for e-voting are as under:

- A. In case a member receives an e-mail from NSDL (for members whose e-mail addresses are registered with the Company / Depositories):
1. Open the e-mail and also open PDF file with your Client ID or Folio no. as password. The said file contains your user ID and password for e-voting. Please note that the password is an initial password.
  2. Open the internet browser and type the following URL: "http://evoting.nsdl.com" or "http://blank"
  3. Click on Shareholder - Login.
  4. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
  5. If you are logging for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
  6. The password change menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
  7. Once the e-voting homepage opens, click on e-voting -> Active e-voting cycles.
  8. Select "EVEN" (E-Voting Event Number) of Marathon Nextgen Realty Limited. Now you are ready for e-voting as Cast Vote page opens.
  9. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  10. Upon confirmation, the message "Vote cast successfully" will be displayed.
  11. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
12. Institutional Shareholders (i.e. other than individuals, HUF, NRL, etc.) are required to send scanned copy of (PDF/JPG format) of the relevant Board Resolution / Authority letter, etc., together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail to n\_r\_joshi@voting.com, with a copy marked to evoting@nsdl.co.in.
  13. In case of any queries, you may refer the frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of www.evoting.nsdl.com

## Notice

### NOTES:

- B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company / Depositories):

1. Initial password is provided in the enclosed ballot form; EVEN (E-Voting Event Number), user ID and password.
2. Please follow all steps from S. No. (2) to S. No. (13) above, to cast vote.

### C. Other instructions:

1. The e-voting period commences on Friday, September 15, 2017 (at 09.00 a.m. IST) and ends on Tuesday, September 19, 2017 (at 05.00 IST), during this period Members of the Company, holding shares either in physical form or in dematerialised form; as on September 13, 2017, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
2. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital if the Company as on September 13, 2017, and as per the Register of Members of the Company.
3. Mr. Nitin R. Joshi, Practising Company Secretary (membership no. FCS - 3137) has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Postal Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
4. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
5. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach Scrutinizer in the enclosed postage pre-paid self-addressed envelope, not later than Tuesday, September 19, 2017 (at 05.00 p.m. IST). Ballot Forms deposited in person or sent by courier by post or courier at the expense of the Member will also be accepted.

Members have the option to request for physical copy of the Ballot form by sending an e-mail to sendeepr.h@adroitcorporate.com by mentioning their Folio/DP ID and Client ID no. However, the duly completed Ballot Form should reach the Scrutinizer not later than Tuesday, September 19, 2017 (at 05.30 p.m. IST).

Ballot Form received after this date will be treated as invalid.

A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts vote by both mode, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.marathonnextgen.com](http://www.marathonnextgen.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) within two working days of the passing of the resolutions at the Thirty Ninth Annual General Meeting.

A shareholder desirous to have copies of the documents may request the Company to forward along with the mode of dispatch and the expenses to be incurred by the shareholder for the same will be informed accordingly.

Registered Office:  
Marathon FutureX,  
NM Joshi Marg,  
Lower Parcel,  
Mumbai 400 013.  
Date: May 29, 2017

CIN:L65990MH1978PLCO20080  
Website: [www.marathonnextgen.com](http://www.marathonnextgen.com)

By Order of the Board

K. S. Raghavan  
Company Secretary

ACS - 8269

## Notice

### ANNEXURE TO THE NOTICE

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 102(2) OF THE COMPANIES ACT, 2013.

##### Item No.5: Appointment of Mr. Deepak R. Shah(DIN: 06954206):

The Board of Directors at their meeting held on February 9, 2017 had appointed Mr. Deepak R. Shah, (Independent Director) as an Additional Director of the Company. Pursuant to Section 161 of the Companies Act 2013, he holds office up to the date of the ensuing Annual General Meeting. A Notice along with the necessary deposit of has been received from a member under Section 160 (f) of the Companies Act 2013 proposing the appointment of Mr. Deepak R. Shah as a Director of the Company.

##### Brief Profile:

Mr. Deepak R. Shah is a Fellow Member of the Institute of Chartered Accounts of India(ICA).

- Has own firm by the name of Deepak R. Shah & Associates, Chartered Accountants
- Co-Chairman of Indirect Tax Committee of Bombay Chartered Accountants' Society.
- Member & Public Relations Committee and International Taxation Committee of Bombay Chartered Accountants' Society.
- Vice Chairman of All India Federation of Tax Practitioners (AIFTPWZ) for 2016-2017
- Member of Palkhivala Foundation & Research Committee & Journal Committee of AIFTP(WZ)
- Committee Member of Board of Studies of Institute of Chartered Accountants of India (ICAI), New Delhi.
- Committee Member of Residential Refresher Course & Skill Development Committee of The Chamber of Tax Consultants for the year 2016-17
- Served as an editor of RCA Reference for 12 years.
- Was member of Research Team for the Publication Titled : Digest of Case Laws (2003-2011) – Direct Taxes Including Allied Laws – A Tax Compendium, jointly published by All India Federation of Tax Practitioners and Income Tax Appellate Tribunal Bar Association.

He is on the Board of "Ruby Mills Ltd" as an Independent Director

The Board recommends passing of the resolution.

##### Disclosure of Interest:

None of the Directors of the Company are directly or indirectly, concerned or interested in the Resolutions set out at Item No. 5, except Mr. Deepak R. Shah.

##### Item No.6: Re-Appointment of Mr. S. Ramamurthi (DIN:00135602)

The terms of appointment of Mr. S. Ramamurthi as a Whole Time Director & CFO without remuneration has expired on 30th April, 2017. The Nomination & Remuneration Committee at its Meeting held on May 23, 2017, had recommended his reappointment to the Board. The Board of Directors of the Company at its meeting held on 29th May, 2017 approved his re-appointment as a Whole-Time Director & CFO of the Company for a further period of three years effective from 1st May, 2017.

Mr. Ramamurthi has consented to act as such if appointed. He will not be paid any remuneration for the services rendered by him except the reimbursement of vehicle and entertainment and/or other expenses at actual incurred by him or behalf of the Company.

This appointment, if made, would be within the provisions contained in Part I, II and III of Schedule V of the Companies Act, 2013.

The Board recommends passing of the resolution.

A draft copy of the Agreement for the reappointment of Mr. S. Ramamurthi as a Whole-Time Director & CFO of the Company is open for inspection by the members at the Corporate Office of the Company on any working day between 11.00 a.m. and 1.00 p.m.

##### Disclosure of Interest:

None of the Directors of the Company are directly or indirectly, concerned or interested in the Resolutions set out at Item No. 6, except Mr. S. Ramamurthi.

##### Item No. 7: To approve and the creation of charge on the assets of the Company u/s 180(1)(a) of the Companies Act 2013.

In order to meet the need based funding requirements of the Company security by way of mortgage /charge on immovable and /or movable properties of the Company may have to be given. Since the creation of mortgage /charge in favour of Banks /Financial Institutions or Bodies Corporate is treated as disposing off the whole or substantially the whole of the undertaking(s) of the Company, shareholders' approval is required in the General Meeting under Section 180 (3) (a) of the Companies Act, 2013. Shareholders' approval is sought for the same.

##### Disclosure of Interest:

Neither the Directors on the Board, or the Key managerial personnel of the Company nor their relatives are in anyway interested or concerned in the above Resolution.

##### Item No. 8: To approve the Borrowing Limits of the Company u/s 180(1)(c) of the Companies Act 2013:

In order to finance increased business operations of the Company, it will have to borrow from time to time from Banks / Financial Institutions or other Bodies Corporate, in excess of and in addition to the paid-up capital and free reserves up to a limit of Rs.500 crore. Hence, under Section 180 (1)(c) of the Companies Act, 2013, Shareholders' approval is required for this purpose.

##### Disclosure of Interest:

Neither the Directors on the Board, or the Key managerial personnel of the Company nor their relatives are in anyway interested or concerned in the above Resolution.

## Notice

##### Item No.9: To ratify the addendum to the Related Party Transactions (RPT) entered by the Company:

The Company has entered into an "addendum" to the agreement on September 17, 2016 with Marathon Realty Pvt Ltd(MRPL)-A Related Party, pertaining to receipt of sale proceeds of 92,248 Sq.ft area @17,500/ per Sq.ft. by September 30, 2016.

However, due to adverse market conditions, the said area remained unsold till the end of September 30, 2016 and MRPL had requested six months extension to fulfill its obligation. The Board of Directors of the Company, at their meeting held on September 14, 2016 had unanimously agreed to grant time till March 31, 2017 with a condition that the Company should receive interest @ 12.5% p.a for the extended period to be calculated from October 1, 2016 to March 31, 2017.

The main clauses of the addendum are:

- The amendment pertaining to granting of time till March 31, 2017 to complete the sale of 92,248 Sq.ft area in three tranches as follows and the sale proceeds be remitted to the Company:
  - 30,750 sq.ft. of area by the end of quarter ending Sept.30, 2016;
  - 30,750 sq.ft. of area by the end of quarter ending Dec 31, 2016 and
  - 30,748 sq.ft. of area by the end of quarter ending March 31, 2017.
- If MRPL is able to sell the specified areas at any point of time during the quarter, then accordingly the necessary adjustments would be made in the subsequent quarters for calculating the areas remaining unsold as stated in Sr. No. (a) above.
- MRPL would pay interest @12.5% p.a on the amounts to be received by the Company effective from October 1, 2016. Since the RPT is a material one, the Board recommends ratification by the shareholders.

##### Disclosure of Interest:

Other than Mr. Chetan R. Shah, Mr. Mayur R. Shah and Ms. Shailaja C. Shah Directors of the Company, none of the directors are concerned or interested in the Resolution set out at Item No. 9.

##### Registered Office:

Marathon FutureX,  
NM Jeshi Marg  
Lower Phase  
Mumbai 400 013.  
Date: May 29, 2017

CIN: L65990MH1978PLCO20080  
Website: www.marathonnextgen.com

By Order of the Board

K. S. Raghavan  
Company Secretary

ACS - B269



## Director's Report

The Directors have pleasure in submitting their Fortieth Annual Report together with the audited Financial Statements of your Company for the year ended March 31, 2017.

### Working Results:

(₹ In lacs)

Particulars	Year ended March 31, 2017 ₹	Year ended March 31, 2016 ₹
Profit / (Loss) before Depreciation, Interest and Taxation	11226	11109
Less: Depreciation	15	25
Less: Interest	30	1
Profit before Taxation	11182	11078
Less/ (Add) Tax Expenses	2386	2380
Profit / (Loss) after tax after adjustment	8796	8698
Add: Other Comprehensive Income (OCI) (Net)	5	1
	8802	8697
Less: Dividend on equity shares @ Re. 1 per equity share	284	284
Tax on Dividend	58	232
Other Adjustment as per Ind - AS	-	-
Transfer to Other Equity	8460	6190
Earnings per share basic and diluted (in Rs.)	30.93	30.59

### DIVIDEND:

In line with the Dividend Policy of the Company, your directors are pleased to recommend a dividend of Rs.1/- per equity share for the FY 2016-17.

### BUY BACK OF SHARES:

During the year under review the Board of Directors at its Meeting held on March 17, 2017 have approved a buyback of 54,37,345 fully paid equity shares of Rs.10/- each from the shareholders at a price of Rs.275/- per share for a total consideration of Rs.149,52,69,875. The approval of Shareholders were obtained through Postal Ballot on April 27, 2017.

### FUTURE PROSPECTS:

Your Company has entered into the Re-development and Rehabilitation of Slums in and around Bhandup area of Mumbai.

The SPV (a LLP) wherein your Company holds 40% equity stake has launched its Project at Byculla, Mumbai.

### DIRECTORS:

In accordance with the applicable provisions of the Companies Act, 2013, Mr. Mayur R Shah, Director retires by rotation and being eligible offers himself for reappointment.

Mr. Deepak R. Shah (DIN: 09954206) was appointed as an Additional Director at the Board Meeting held on February 9, 2017. The Company has received a Notice signifying his candidature for appointment under Section 160 (1) of the Companies Act, 2013.

Brief resume of Mr. Deepak R. Shah, nature of his experience in specific functional area and names of the companies in which he holds directorship, is mentioned and forms part of this Annual Report.

The reappointment of Mr. S. Rameshwarthi (DIN-00135602) as Whole Time Director & CFO for a period of 3 years from May 1, 2017 is recommended by the Board of Directors.

### CHANGES IN DIRECTORS:

Mr. V. Nagarajan, an Independent Director of the Company has resigned from the Board effective from May 29, 2017 (during pre-occupation). He was appointed as a Director on the Board on January 28, 2005. At the 37th AGM of the Company, his appointment as an Independent Director was formalized by the shareholders under Section 149 of the Companies Act 2013.

## Director's Report

Since January 2005, he has been Chairing the Audit Committee and Investors Grievance Committee of the Board. Mr. V. Nagarajan has been a Member of the Nomination & Remuneration Committee also. The Company has benefited immensely from his vast experience and positive approach.

The Board while appreciating the efforts put in by Mr. V. Nagarajan during the trying times placed on record his valuable contribution towards achieving excellence in all the spheres of Corporate activities and various Governance initiatives of the Company.

### AUDITORS:

Since the tenure of M/s. Haribhakti & Co. LLP, Chartered Accountants, the Statutory Auditors of the Company is upto the conclusion of this 40th Annual General Meeting, the Board of Directors at their Meeting held on May 29, 2017 have shortlisted M/s. Rajendra & Co., Chartered Accountants as the Statutory Auditors of the Company effective from the beginning of the FY 17-18, i.e. from April 1, 2017. A certificate from them has been received to the effect that their appointment as Statutory Auditors, if made, is within the limits prescribed under section 139 of the Companies Act, 2013.

### SCHEME OF AMALGAMATION:

The scheme of amalgamation of Purneka Pvt Ltd (PPL)-a 100% subsidiary of the Company with itself was approved on October 6, 2016 by the Hon'ble High Court of Judicature, Bombay.

### PARTICULARS OF EMPLOYEES:

Except the Chairman & Managing Director none of the employees are covered under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014. The other details of disclosures pertaining to the Managerial personnel are dealt in the annexure which forms part of this Directors Report.

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

The Company undertakes necessary Energy conservation and technology absorption methods while executing the projects by implementing advanced building system and usage of energy efficient materials during the construction of Projects.

There were no foreign exchange earnings and outgo during the current period.

### LISTING:

The Equity Shares of the Company are listed on the BSE Limited and NSE Limited. The Company has paid the Annual Listing Fees for both the Exchanges for the year 2017-18.

### DEMATERIALIZATION OF SHARES:

The members are aware that the Company's equity shares are under compulsory trading in dematerialized form for all categories of investors.

### REPORT U/S 134 (3) OF THE COMPANIES ACT 2013:

A report containing relevant information as required by the said section of the Companies Act 2013 is dealt separately and forms part of this Directors Report.

### FIXED DEPOSITS:

Your Company has not accepted any deposits from the public or its employees during the period under review.

### DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has in place a Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review No Complaints were received.

### CORPORATE GOVERNANCE:

A separate section on disclosures specified in Companies Act 2013 along with other requirements as specified in Regulations 17 to 27 and 46(2)(b) to (f) of SEBI (LODR) Regulations, 2015 forms part of this Annual Report.

### ACKNOWLEDGEMENTS:

As the tenure of 10 years of the Company's present Statutory Auditors, M/s. Haribhakti & Co LLP Chartered Accountants is expiring at the conclusion of the ensuing Annual General Meeting, the Board of Directors take this opportunity to place on record their sincere appreciation for the excellent support and guidance provided by the outgoing Statutory Auditors. The Board also express its sincere appreciation and support extended by the shareholders, bankers, customers, suppliers / associates during the year under review.

The Board whole heartedly acknowledges the dedicated and sincere efforts and services put in by the employees at all levels in the Company during very trying times. Their dedicated efforts and enthusiasm has been integral to your Company's growth and success.

Place: Mumbai  
Date: May 29, 2017

For and on behalf of the Board  
Chetan R. Shah

Chairman & Managing Director.

## Director's Report

### REPORT U/S 134(3) OF THE COMPANIES ACT 2013 FORMING PART OF DIRECTORS REPORT

Extract of annual Return as provided under section 92(3) of the Companies Act 2013

#### I. REGISTRATION AND OTHER DETAILS:

I	CIN	L65990MH1978PLC020080
II	Registration Date	January 1, 1978
III	Name of the Company	Marathon Nextgen Realty Limited
IV	Category / Sub-category of the Company	Public Limited Company
V	Address of the Registered Office of the Company	Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai 400 013
VI	Whether Listed (Yes/No)	Yes
VII	Name, Address and contact details of Registrar and Transfer Agent, if any	Adroit Corporate Services Pvt. Ltd. 17/18/19/20, Jaijimbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai 400 059

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name & Description of main products / services	NIC Code of the Product / service	% of total turnover of the Company
1	Real Estate & Construction	70	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name & Address of the Company	CIN / GLN	% of shares held	Holding / Subsidiary/ Associate	Applicable Section
1	Ithaca Informatics Pvt. Ltd. 702, Marathon Max Jn. of Mulund - Goregaon Link Road, Mulund (W) Mumbai 400 080	U72900MH1994PTC081170	75%	Holding	2 (46) of the Companies Act 2013
2	Swayam Realtors & Traders LLP Marathon Futurex N.M. Joshi Marg Lower Parel Mumbai 400 013.	AAB-0362	40%	JV	2(6) of the Companies Act 2013
3	Columbia Chrome Pvt. Ltd.	U29110MH19945PTC086065	40%	JV	2(6) of the Companies Act 2013

## Director's Report

### IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity):

#### I. Category-wise Share Holding

Category of shareholders	No. of shares held at the beginning of the year (01.04.2016)				No. of shares held at the end of the year (31.03.2017)				% change during the year	
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares		
<b>A. PROMOTERS:</b>										
<b>1 Indian</b>										
a. Individuals/HUF	900	0	900	0.00	900	0	900	0.00	0.00	
b. Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00	
c. State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00	
d. Bodies Corp.	21327000	0	21327000	75.00	21327000	0	21327000	75.00	0.00	
e. Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00	
f. Any other	0	0	0	0.00	0	0	0	0.00	0.00	
<b>Sub-Total (A) (1)</b>	<b>21327900</b>	<b>0</b>	<b>21327900</b>	<b>75.00</b>	<b>21327900</b>	<b>0</b>	<b>21327900</b>	<b>75.00</b>	<b>0.00</b>	
<b>1 Foreign</b>										
a. NRIs - Individual	0	0	0	0	0	0	0	0	0	
b. Other - Individuals	0	0	0	0	0	0	0	0	0	
c. Bodies Corp.	0	0	0	0	0	0	0	0	0	
d. Banks/FI	0	0	0	0	0	0	0	0	0	
e. Any other	0	0	0	0	0	0	0	0	0	
<b>Sub-Total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Shareholding of Promoters (A) = (A) (1) + (A) (2)</b>	<b>21327900</b>	<b>0</b>	<b>21327900</b>	<b>75.00</b>	<b>21327900</b>	<b>0</b>	<b>21327900</b>	<b>75.00</b>	<b>0.00</b>	
<b>B. PUBLIC SHAREHOLDING:</b>										
<b>1 Institutions:</b>										
a. Mutual Funds	22	731	753	0.00	22	731	753	0.00	0.00	
b. Banks/FI	1732	495	2227	0.01	1732	495	2227	0.01	0.00	
c. Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00	
d. State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00	
Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00	
Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00	
FIs	0	0	0	0.00	0	0	0	0.00	0.00	
Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00	
Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00	
<b>Sub-Total (B) (1)</b>	<b>1754</b>	<b>1226</b>	<b>2980</b>	<b>0.01</b>	<b>1754</b>	<b>1226</b>	<b>2980</b>	<b>0.01</b>	<b>0.00</b>	

## Director's Report

Category of shareholders	No. of shares held at the beginning of the year (01.04.2016)				No. of shares held at the end of the year (31.03.2017)				% change during the year	
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares		
<b>2 Non-Institutions:</b>										
<b>4 Bodies Corporate:</b>										
<b>I Indian</b>	208217	96743	304960	1.07	254754	95676	350430	1.23	0.0	
<b>II Overseas</b>	0	0	0	0.00	0	0	0	0.00	0.00	
<b>Individuals:</b>										
<b>i Individual shareholders holding nominal share capital up to Rs.2 Lac</b>	1154125	156520	1310645	4.61	132869	151899	1480758	5.21	0.3	
<b>ii Individual shareholders holding nominal share capital in excess Rs.2 Lac</b>	5299738	0	5299738	18.64	5067123	0	506712	17.82	-0.82	
<b>c Others (specify) Clearing Members, NRIs &amp; Trusts</b>	191122	0	191122	0.57	208154	0	208154	0.74	+0.017	
<b>Sub-Total (B) (2)</b>	<b>6853202</b>	<b>253263</b>	<b>7106465</b>	<b>24.99</b>	<b>6858900</b>	<b>247575</b>	<b>7106465</b>	<b>24.99</b>	<b>0.00</b>	
<b>Total (B) - (B1)+(B2)</b>	<b>6853202</b>	<b>253263</b>	<b>7106465</b>	<b>25.00</b>	<b>6860654</b>	<b>248801</b>	<b>7109445</b>	<b>25.00</b>	<b>0.00</b>	
<b>c. SHARES HELD BY CUSTODIAN FOR GDRs &amp; ADRs:</b>										
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Grand Total (A+B+C)</b>	<b>28182856</b>	<b>254489</b>	<b>28437345</b>	<b>100.00</b>			<b>28437345</b>	<b>100.0</b>	<b>100.0</b>	

### ii. Shareholding of Promoters:

SR. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2016)			Shareholding at the end of the year (31.03.2017)			% 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	Itheca Informatics Pvt. Ltd.	21327000	75%	0	21327000	75%	0	0
2	Chetan R. Shah	150	0%	0	150	0%	0	0
3	Mayur R. Shah	150	0%	0	150	0%	0	0
4	Shalaja C. Shah	150	0%	0	150	0%	0	0
5	Sonal M. Shah	150	0%	0	150	0%	0	0
6	Ansuya R. Shah	150	0%	0	150	0%	0	0
7	Ramniklal Z. Shah	150	0%	0	150	0%	0	0
	<b>Total</b>	<b>21327900</b>	<b>75%</b>	<b>0</b>	<b>21327900</b>	<b>75%</b>	<b>0</b>	<b>0</b>

## Director's Report

### iii. Change in Promoters Shareholding (please specify, if there is no Change):

SR. No.		Shareholding at the beginning of the year (01.04.2016)		Shareholding at the end of the year (31.03.2017)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	21327900	75	21327900	75
2	Date-wise Increase / Decrease in Promoters Share holding during the year specifying in the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.	No Change	No change	No change	No change
3	At the end of the year	21327900	75	21327900	75

### iv. Shareholding Pattern of top ten shareholders (other than Directors, Promoters & holders of GDRs and ADRs):

SR. No.	For each of the top 10 Shareholders	Shareholding at the beginning of the year (01.04.2016)		Shareholding at the end of the year (31.03.2017)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year				
	Khyati S. Valla	7,44,829	2.62	6,70,829	2.36
	Shraddha S. Valla	7,43,829	2.62	6,66,329	2.34
	Vijay M. Parekh	7,36,829	2.59	5,90,078	2.08
	Parush M. Parekh	7,37,329	2.59	5,84,380	2.05
	Shoornil A. Pratapsinh	3,49,500	1.23	5,59,500	1.97
	Rajanya A. Ravasia	2,52,000	0.89	2,95,400	1.04
	Manoj Michia	2,00,500	0.70	2,17,300	0.76
	Manisha K. Desai	41,350	0.15	1,88,150	0.66
	Padma H. Agarwal	1,64,812	0.58	1,64,812	0.58
	Shoshin M. Shah	1,57,668	0.55	1,57,668	0.55

## Director's Report

2 Date-wise Increase / Decrease in other than Promoters' Share holding during the year specifying in the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)						
	Name of the Shareholder	Date	No. of Shares	% of their holding	Reason	Cumulative Shareholding
i	Khyati S. Valin	24-06-2016	7500	0.03	Sold	7,37,329
		30-06-2016	5000	0.02	Sold	7,32,329
		01-07-2016	7500	0.03	Sold	7,24,829
		08-07-2016	15000	0.05	Sold	7,09,829
		02-09-2016	2500	0.01	Sold	7,07,329
		09-09-2016	15000	0.05	Sold	6,92,329
		23-09-2016	7500	0.03	Sold	6,84,829
18-11-2016	14000	0.05	Sold	6,70,829		
ii	Shradha S. Volla	24-06-2016	7500	0.03	Sold	7,36,329
		30-06-2016	5000	0.02	Sold	7,31,329
		01-07-2016	7500	0.03	Sold	7,23,829
		08-07-2016	15000	0.05	Sold	7,08,829
		02-09-2016	17500	0.06	Sold	6,91,329
23-09-2016	25000	0.09	Sold	6,66,329		
iii	Vijay M. Parekh	24-06-2016	5000	0.02	Sold	7,31,829
		30-06-2016	30000	0.11	Sold	7,01,829
		02-09-2016	17500	0.06	Sold	6,84,329
		16-09-2016	22500	0.08	Sold	6,61,829
		20-09-2016	7500	0.03	Sold	6,54,329
		21-10-2016	9756	0.03	Sold	6,44,573
		28-10-2016	23895	0.08	Sold	6,20,678
		24-03-2016	5000	0.02	Sold	6,15,678
		31-03-2017	25600	0.09	Sold	5,90,078
		iv	Paresh M. Parekh	24-06-2016	5000	0.02
30-06-2016	30000			0.11	Sold	7,02,329
15-07-2016	8000			0.03	Sold	6,94,329
02-09-2016	17500			0.06	Sold	6,76,829
16-09-2016	22500			0.08	Sold	6,54,329
17-09-2016	7500			0.03	Sold	6,46,829
21-10-2016	9900			0.03	Sold	6,36,929
28-10-2016	21500			0.08	Sold	6,15,429
24-03-2017	5000			0.02	Sold	6,10,429
31-03-2017	26049			0.09	Sold	5,84,380
v	Aditya Prateepsinh Shoorji	03-02-2017	35000	0.12	Bought	3,84,500
		17-02-2017	35000	0.12	Bought	4,19,500
		10-03-2017	35000	0.12	Bought	4,54,500
		24-03-2017	35000	0.12	Bought	4,89,500
		31-03-2017	70000	0.25	Bought	5,59,500
vi	Rajanya A. Ravnsin	03-02-2017	35000	0.12	Sold	3,14,500
		17-02-2017	35000	0.12	Sold	2,79,500
		10-03-2017	35000	0.12	Sold	2,44,500
		24-03-2017	35000	0.12	Sold	2,09,500
		31-03-2017	70000	0.25	Sold	1,39,500
vii	Manoj Mehra	08-07-2016	15400	0.05	Bought	2,67,400
		15-07-2016	8000	0.03	Bought	2,75,400
		21-10-2016	10000	0.04	Bought	2,85,400
		28-10-2016	10000	0.04	Bought	2,95,400
viii	Manisha K. Desai	13-05-2016	4600	0.02	Sold	195900
		10-06-2016	24100	0.08	Sold	171800
		17-06-2016	900	0.00	Bought	172700
		24-06-2016	5000	0.02	Bought	177700
		09-09-2016	20300	0.07	Bought	198000
		16-09-2016	2100	0.01	Bought	200100
		20-09-2016	1200	0.00	Bought	201300
		28-10-2016	15000	0.05	Bought	216300
		13-01-2017	1000	0.00	Bought	217300
ix	Padma H. Agrwal	NIL	NIL	NIL	NIL	NIL
x	Shashin M. Shah	NIL	NIL	NIL	NIL	NIL

## Director's Report

### V. Shareholding of Directors and Key Managerial Personnel:

SR. No.	For each of the Directors & KMP	Shareholding at the beginning of the year (01.04.2016)		Shareholding at the end of the year (31.03.2017)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year  DIRECTORS Mr.Chetan R Shah Mr.Mayur R Shah Ms.Shalaja C Shah	150 150 150	0 0 0	150 150 150	0 0 0
2	KMP:				0
	K.S.Raghavan -CS	300	0	300	0

### VI. INDEBTNESS:

(Rs. In Cr.)

Indebtness of the Company including interest outstanding / accrued but not due for payment:				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtness at the beginning of the Financial Year	0	0	0	0
I Principal Amount	0	0	0	0
II. Interest due but not paid	0	0	0	0
III. Interest accrued but not due	0	0	0	0
<b>Total (I+II+III)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change to Indebtness during the Financial Year	11.31	0	0	11.31
I. Addition	0	0	0	0
II. Reduction	0	0	0	0
Indebtness at the end of the Financial Year	11.31	0	0	11.31
I Principal Amount	0	0	0	0
II. Interest due but not paid	0	0	0	0
III. Interest accrued but not due	0	0	0	0
<b>Total (I+II+III)</b>	<b>11.31</b>	<b>0</b>	<b>0</b>	<b>11.31</b>

## Director's Report

### VII. REMUNERATION OF DIRECTOR AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-Time Directors and / or Manager:				
(Amount INR Lacs)				
SR. No.	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
		Chetan Shah (CMD)	S. Ramamurthi (WTD)	
1	Gross salary	65.00	-	65.00
	a. Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	-	0	-
	b. Value of perquisites u/s.17(2) of the Income Tax Act, 1961.	16.80	0	16.80
	c. Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961.	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	63.00	-	63.00
	-as % of profit	-	-	-
	-other, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	144.80	-	144.80

#### Sitting fees paid to other Directors:

SR. No.	Particulars of Sitting fees	Name of the Directors							Total Amount (in RS)
		Mayur R. Shah	Shailaja C Shah	V. Nageshjan	V. Ranganathan	Padmanabha Shetty	Anup P. Shah	Deepak R. Shah	
1	<b>Independent Directors</b>								
	- Fee for attending Board / Committee meetings	-	-	110000	90000	130000	100000	10000	440000
	- Commission	-	-	-	-	-	-	-	-
	-Other, please specify	-	-	-	-	-	-	-	-
	Total (1)	-	-	110000	90000	130000	100000	10000	440000
2	<b>Other Non-Executive Directors</b>								
	- Fee for attending Board / Committee meetings	50,000	50,000	-	-	-	-	-	100000
	- Commission	-	-	-	-	-	-	-	-
	-Other, please specify	-	-	-	-	-	-	-	-
	Total (2)	50,000	50,000	-	-	-	-	-	100000
	Total (B) - (1+2)	50,000	50,000	110000	90000	130000	100000	10000	540000
	Total Managerial Remuneration	-	-	-	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-	-	-	-

## Director's Report

### D. Remuneration to Key Managerial Personnel other MD/WTD/Manager:

(₹ In Lacs)

SR. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total Amount
1	Gross salary		35.64		35.64
	a. Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	0	Entire	0	0
	b. Value of perquisites u/s.17(2) of the Income Tax Act, 1961.	0	NIL	0	0
	c. Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961.	0	NIL	0	0
2	Stock Option	0	NIL	0	0
3	Sweat Equity	0	NIL	0	0
4	Commission		NIL		
	-as % of profit	0	NIL	0	0
	-other, specify	0	NIL	0	0
5	Others, please specify		NIL		
	Total	0	35.64	0	35.64

### VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / Court)	Appeal made, If any (give details)
<b>A Company:</b>					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0
<b>B Directors:</b>					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0
<b>C Other Officers in default:</b>					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0

#### Number of Meetings of the Board:

Five Board meetings were held on the following dates during the year under review.

May 30, 2016, September 14, 2016, December 14, 2016, February 9, 2017 and March 17, 2017.

## Director's Report

### DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134 (3) (C) of the Companies Act, 2013 with respect to Directors responsibilities it is hereby confirmed that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) the Directors had 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 or loss of the Company for that period.
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) the Directors had prepared the annual accounts on a going concern basis.
- (v) the Directors has laid down internal financial controls for ensuring the orderly and efficient conduct of its business, including the adherence to Company's policies, the safe guarding 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;
- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

### Statement of declaration given by the Independent Directors under section 149(6) of the Companies Act 2013:

All the Independent Directors of the Company have complied with section 149(6) of the Companies Act 2013, by submitting the Annual declaration for the financial year 2016-17.

### Matters relating to determination of payment of Commission to Mr.Chetan R Shah, Chairman & Managing Director –KMP of the Company for the year 2016-17:

The Nomination & Remuneration Committee of the Board met on May 23, 2017 to decide the Commission payable to the CMD for the year 2016-17.

### Explanations or comments by the Board on every qualification, reservation or adverse remarks or disclaimer, if any, made by the Auditor in his report.

No qualification, reservation or adverse remarks or disclaimer is made by the Secretarial Auditor in his report

### Particulars of loans, guarantees or Investments under section 186:

There are no loans, guarantees or investments made during the year under review.

### Particulars of contracts or arrangements (COA) with related parties referred to in subsection (1) of section 188:

There is no COA with related parties as referred above during the year under review.

### The state of Company's affairs:

The Company's Operating Profit before Tax expenses: Rs. 11,182 lacs

Segment wise Operating Profit before Tax expenses: Rs. 11,182 lacs

The Company's Other Income before Tax expenses: Rs. 5,542 lacs

The Profit before Tax, depreciation & amortization (EBITDA): Rs. 11,227 lacs

The Profit after Tax, depreciation & amortization (EBITDA): Rs. 8,796 lacs

The Net profit for the Year ended: Rs. 8,802 lacs

The Company's basic and diluted Earnings Per Share (EPS) for year ended on March 31,2017: Rs. 30.93

## Director's Report

### Dividend details:

In line with the Dividend Policy of the Company, your directors are pleased to recommend a dividend of Rs.17 per equity share (10%) for the year 2016-17.

### Scheme of Amalgamation:

The Hon'ble High Court of Jurisdiction, Bombay, had issued Orders, confirming the amalgamation of Parmaka Pvt.Ltd., wholly owned Subsidiary of the Company with itself, on October 6, 2016. Necessary filing with MCA was completed on October 21, 2016.

### Buyback of Shares:

During the year under review the Board of Directors at its Meeting held on March 17,2017 have approved a buyback of 54,37,345 number of fully paid equity shares of Rs. 10/- each, under tender offer method, from the shareholders, at a price of Rs. 275/- per share for a total consideration of Rs. 149,52,69,375/-

### Material changes and commitments affecting the financial position of the Company:

No material changes occurred and no commitments affecting the financial position of the company had happened between the end of the financial year 2016-17 and the date of this report, except the above referred "Buyback of shares."

### Conservation of Energy etc.

The Company undertakes necessary Energy conservation and technology absorption, methods while, executing the projects, by implementing advanced building system and usage of energy efficient materials during the construction of Projects.

### Visualization of Potential Risk:

During the year under review, the Company has ventured into the SRA segment in the realty vertical by undertaking the development of Projects at Bhandup (W), Mumbai.

The process of identification of Risk elements, in developing the said projects are initiated and are in place. The risk containment measures will be addressed, along with the project milestones identified thereon. No potential threat is envisaged.

### CSR Policy Initiatives & Spending:

The Company has a CSR policy. For the FY 2016-17, the amount to be spent on the CSR related activities, amounting to Rs.1.40 crore, was contributed to a recognized Trust.

### Evaluation Mechanism of Directors:

The performance evaluation of all the Directors was undertaken as per the prescribed standards. The Independent Directors of the Company at their meeting held on February 9,2017, have carried out such evaluation of all the directors for the year under review and submitted their report to the Chairman & the Managing Director of the Company.

The Board has also undertaken the Performance evaluation of all of its Independent Directors pursuant to the Clause VIII of Schedule IV of the Companies Act 2013 (Code for Independent Directors).

### Directors Familiarization Initiatives:

The Company has undertaken a Familiarization programme for Directors on February 28, 2017. The Directors have met at the Corporate Office of the Company and a detailed presentation was made by the CMD about the ongoing projects (SRA). The procedures and the process of the execution of the projects were explained to them. Later, the Directors were accompanied to the Project sites at Bhandup to get familiarize themselves on the actual activities.

The feedback received from them were noted by the Management.

### Appointment and Remuneration of Managerial Personnel 2014 Rules:

- a. Details as per Rule 5 (f) of the Companies (Appointment and Remuneration of Managerial Personnel 2014 Rules):
  - (i) The ratio of the remuneration of CMD to the median remuneration of the employees of the Company for the FY:2016-17: 1:11.38
  - (ii) The %age increase of remuneration:7.00%
    - a. CMD – 20% age of increase, in the FY 2016-17
    - b. CS – 12.98% age increase, in the FY 2016-17
  - (iii) 19.94% age increase in the median remuneration of the employees.
  - (iv) The no. of permanent employees of the company are: 18
  - (v) The explanation of the relationship between average increase in remuneration and the company's performance:
 

The increase in the net profit of the company for the FY:16-17:Rs.8802 lacs lacs (Previous FY, Rs. 8697 lacs)

The %age increase is 1.20 %.
  - (vi) Comparison of remuneration of the KMP against the performance of the Company.

KMP	%age of Increase in Remuneration	Remarks
1.CMD	20% increase compared to last year-Increase in the performance of the Company - Net profits -1.2%	Nominal increase as per prevailing standards in the sector.
2.CS	12.98% increase compared to last year-Increase in the performance of the Company - Net profits -1.2%	Nominal increase as per prevailing standards in the sector.

## Director's Report

(vii) Variation of market cap, P/E at the closing of FY etc.,

Details	FY 2016-17	FY 2015-16	FY 2014-15	FY 2013-14	Variation
Market Cap (Rs. in crore)	746	398	281	234	27% (Increase)
Closing Price (Rs)	BSE-262.40 NSE-262.50	140	148	123.50	122.5% (Increase)
EPS (Rs)	30.93	30.59	20.26	19.25	4.42% (Increase)
P/E (Rs)	8.49	4.58	7.31	6.42	

Total no. of equity shares listed with BSE & NSE: 2,84,37,345 of Rs. 10/- each.

- (x) The key parameters for any variable component of remuneration availed by the directors: Not Applicable
- (xi) The ratio of remuneration of the highest paid director to that of employees who are not directors but receive remuneration in excess of the highest paid director during the year: None of the employee in this category.

**Affirmation that the remuneration is as per the remuneration policy of the company:**

The Managerial Remuneration paid during the FY 2016-17 is as per the Remuneration policy of the Company.

**b. Details as per Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) 2014 Rules:**

Except the Chairman & Managing Director (CMD) none of the employees are covered under Rule 5(2) Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

## Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[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,  
Marathon Nextgen Realty Limited,  
Marathon Futurus, Maratal Mill Compound,  
N.M. Joshi Marg, Lower Parel (W),  
Mumbai 400 013.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Marathon Nextgen Realty Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, and in the manner reported hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March, 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made under that Act
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made under that Act;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made under that Act to the extent applicable to Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit Period)
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the Audit Period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) The laws as are applicable specifically to the Company are as under:
  - (a) The Real Estate (Regulation and Development) Act, 2016.
  - (b) The Maharashtra Ownership Flats (Regulation and Promotion of Construction, Sale, Management, Transfer) Act 1963 and its Rules;
  - (c) The Maharashtra Apartment Ownership Act 1970;
  - (d) Building & other construction Workers welfare cess Act 1996.
  - (e) Development Control Regulations as updated.

## Secretarial Audit Report

(f) Maharashtra Town Planning Act-1974;

(g) Environment Protection Act 1986;

**Further report that** for the compliance of Labour Laws and other General Laws, my examination and reporting is based on the documents, records as produced and shown to me and the information and explanation as provided to me, by the officers and management of the Company and to the best of my judgment and understanding of the applicability of the different enactments upon the Company, in my opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable General Laws and Labour Laws.

**Further report** the Company has complied with the applicable clauses/regulations of the following:

- (a) Secretarial Standards with regards to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (b) The Equity Listing Agreement, to the extent applicable, entered in to by Company with National Stock Exchange of India Limited and BSE Limited; and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review and as per the explanations and clarifications given to me and the representations made by the Management, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, etc. mentioned above subject to the following observations:

- (a) The Company has not filed Board Resolution passed for Borrowing Power under section 179(3) of the Companies Act, 2013, in Form MGT-14 during the period under audit but the same has been filed subsequently.
- (b) The Company has not filed particulars of modification of charge created in favour of L&T Infrastructure Finance Company Limited for Rs. 195 crores in Form No. CHG-1 during the period under audit but the same has been filed subsequently.

**Further report that**

The Compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by Statutory financial audit and other designated professionals;

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent 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 the provisions of the Act;

Adequate notice is required to be given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were to be sent at least seven days in advance, 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.

**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 applicable laws, rules, regulations and guidelines.

**Further report that** during the audit period:

- (a) The equity shares of the Company have been listed and admitted to dealing on National Stock Exchange of India Limited with effect from 26.09.2016.
- (b) The Scheme of Amalgamation between Parmeka Private Limited and the Company, was approved by Hon'ble High Court of Bombay under section 391-394 of the Companies Act, 1956 on 06.10.2016.
- (c) The Board of Directors of the Company having decided to buy back not exceeding 54,37,345 fully paid equity shares of face value of Rs. 10 each at a price of Rs. 275/- per share and passed necessary resolution on 17.03.2017.

Date: 29-05-2017  
Place: Mumbai

(NITIN R. JOSHI)  
Practicing Company Secretary  
Membership No. 3137  
Certificate of Practice No.1884

**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.

## Secretarial Audit Report

'Annexure A'

To,

The Members,  
Marathon Nextgen Realty Limited,  
Marathon Futorex, Mafatal Mill Compound,  
N.M. Joshi Marg, Lower Parel(W),  
Mumbai 400 013.

Our report of 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 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 test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

Date: 29-05-2017  
Place: Mumbai

(NITIN R. JOSHI)  
Practicing Company Secretary  
Membership No. 3137  
Certificate of Practice No.1884



## Report on Corporate Governance 2016-17

The Directors present the Company's Report on Corporate Governance for the year ended 2016-17.

### (1) Philosophy on Corporate Governance:

The Marathon Group is committed to providing and adhering to the highest standards of Customer Service in the sector. The vision of the Company is to provide the customer a product, meeting the highest standard of excellence at the most reasonable price.

The Marathon Group in general and Marathon Nextgen Realty Limited in particular is committed to the adherence of all compliances. In true spirit, at all times and the adoption of the best practices conducive to maintain good governance. Our inherent desire to improve and innovate brings out good governance practices which reflect and redefine the Marathon culture at every point of time – all this is deeply ingrained in our value system and forms part of the strategic thought process – our philosophy mainly rests on five basic concepts, viz., (i) Board accountability to the Company and shareholders as a whole, (ii) guidance and effective monitoring by the Board in strict terms, (iii) protection of minority interests and rights (iv) equitable treatment to all concerned and (v) transparency and timely disclosure.

Keeping in view of the above philosophy, the Company has been striving continuously for maintaining excellence through adoption of good governance and disclosure practices. The Company has complied and/or has been complying with the provisions Corporate Governance mandated by Regulations 17 to 27, 46(2) (b to i) of SEBI (LODR) Regulations 2015

The following are the broad categories of Governance perceptives:

- ✓ Proper composition of the Board of Directors
- ✓ Timely dissemination of material information to the shareholders concerning their interests
- ✓ Transparency and accountability
- ✓ Adequate internal control measures
- ✓ Compliance with the applicable laws and regulations

### (2) BOARD COMPOSITION AND PARTICULARS OF DIRECTORS:

(i) The present strength of Board of Directors of the Company is eight. Directors the composition of which is as follows:

1	Mr. Chetan R. Shah	Promoter	Chairman & Mg. Director
2	Mr. Mayur R. Shah	Promoter	Vice Chairman & Director
3	Mr. S. Ramanurthi	Non-promoter	Whole Time Director
4	Mr. V. Ranganathan	Non-Executive	Independent Director
5	Mr. V. Nagarajan	Non-Executive	Independent Director
6	Mr. Padmanabha Shetty	Non-Executive	Independent Director
7	Ms. Shalaja C. Shah	Promoter	Director
8	Mr. Anup P. Shah	Non-Executive	Independent Director
9	Mr. Deepak R. Shah	Non-Executive	Independent Director

\* Resigned w.e.f. May 29, 2017

The Board of Directors of the Company is qualified and experienced.

### (ii) Board/Committee Meetings and Proceedings:

The Company has a methodical and well designed process of placing vital and sufficient information before the Board pertaining to business to be considered at each Board Meeting. This enables the members of the Board to actively and freely participate in discussions in the meeting and the Board in turn is able to take corrective and appropriate decision based on the available inputs from the Members of the Board. The Members of the Board are also updated upon various events as are required under the Listing Agreement.

On the advice of the Managing Director of the Company and in compliance of the Secretarial Standards, the Company Secretary after collecting and collating details and information from the concerned departments, finalizes the agenda for the Board Meeting which is distributed to all members of the Board in advance.

### (iii) Number of Board Meetings and other details held and the dates on which held:

Five Board Meetings were held during the Financial Year ended 31st March, 2017 on the following dates:

30th May, 2016, 14th September, 2016, 14th December, 2016; 9th February, 2017 and 17th March, 2017

## Report on Corporate Governance 2016-17

The Company has obtained the requisite disclosures from the Directors in respect of their directorship in other companies. Composition of Board of Directors and their attendance at the Board meetings during the period and at the last Annual General Meeting as also number of other directorship/ memberships of committees of other companies are as under:

Name of Director	Director Identification Number (DIN)	Category of Directorship		No. of Board Meetings attended	Attendance at the last AGM	Directorship in other Companies including private companies in India	No. of Committees in which Chairman/ Member (other than Marathon Nextgen Realty Limited)	
		Executive or Non Executive	Independent				Member	Chairman
Mr. Chetan R. Shah Chairman & Managing Director	00135296	Promoter-Executive		5	Yes	19	Nil	Nil
Mr. Mayur R. Shah Vice-Chairman & Director	00135504	Promoter-Non Executive		4	Yes	17	Nil	Nil
Mr. S. Ramanurthi Whole time Director	00135602	Executive-WTD		5	Yes	1	Nil	Nil
Mr. V. Nagarajan*	00135714	Non-Executive	Independent	4	Yes	1	Nil	Nil
Mr. V. Ranganathan	00269682	Non-Executive	Independent	4	Yes	-	Nil	Nil
Mr. Padmanabha Shetty	00433761	Non-Executive	Independent	5	Yes	3	1	-
Ms. Shalaja C. Shah	00215042	Promoter-Non Executive		5	Yes	3	-	-
Mr. Anup P. Shah	00293207	Non-Executive	Independent	2	Yes	9	8	7
Mr. Deepak R. Shah (w.e.f. February 9, 2017)	06954206	Non-Executive	Independent	1	Yes	1	Nil	Nil

\* Resigned w.e.f. May 29, 2017

## Report on Corporate Governance 2016-17

The particulars of Directors who are proposed to be appointed / re-appointed at the ensuing AGM is given below:

### 1. Mr. Deepak P. Shah (DIN :06954206):

Name of Director	Mr. Deepak P. Shah
Qualification	Chartered Accountant
Age	52 years
Date of appointment (Initial)	February 9, 2017
Expertise in specific functional areas	<ul style="list-style-type: none"> <li>Have own firm by the name of Deepak P. Shah &amp; Associates, Chartered Accountants.</li> <li>Co-Chairman of Indirect Tax Committee of Bombay Chartered Accountants' Society.</li> <li>Member &amp; Public Relations Committee and International Taxation Committee of Bombay Chartered Accountants' Society.</li> <li>Vice Chairman of All India Federation of Tax Practitioners (AIFTP WZ) for 2016-2017</li> <li>Member of Patilkhola Foundation &amp; Research Committee &amp; Journal Committee of AIFTP(WZ)</li> <li>Committee Member of Board of Studies of Institute of Chartered Accountants of India (ICAI), New Delhi.</li> <li>Committee Member of Residential Refresher Course &amp; Skill Development Committee of The Chamber of Tax Consultants for the year 2016-17</li> <li>Served as an editor of BCA Reference for 12 years.</li> <li>Was member of Research Team for the Publication Titled : Digest of Case Laws (2003-2011) – Direct Taxes Including Allied Laws – A Tax Companion, jointly published by All India Federation of Tax Practitioners and Income Tax Appellate Tribunal Bar Association.</li> </ul>
Other Companies in which Directorship held	The Ruby Mills Limited
Other Public Companies in which membership of Committees of Directors held	Nil
No. of shares held as on 31.3.2017	Nil

### 2. S. Ramamurthi (DIN:00135602): Mr. S. Ramamurthi, Whole Time Director & CFO of the Company, is being reappointed as Whole Time Director. His brief profile is as follows:

Qualification	B.A. ACA, PG in System Management from Jemmalal Bajaj Institute of Management ;
Date of appointment (Initial)	January 28, 2005
Age	65 years
DIN	00135602
Other Directorships	Citadel Realty & Developers Ltd (CEO & CFO)
No. of shares held as on 31.3.2017	Nil

The Nomination & Remuneration Committee of Directors at their Meeting held on May 23, 2017 had recommended the re-appointment of Mr. S. Ramamurthi for a period of 3 years effective from May 1, 2017.

## Report on Corporate Governance 2016-17

### 3. Mr. Mayur R. Shah (DIN: 00135504): Mr. Mayur R. Shah, Vice Chairman and Director of the Company retire at this AGM and being eligible offer himself for reappointment. His brief profile is as follows:

Name of Director	Mr. Mayur R. Shah
Qualification	Civil Engineering from Bombay University & M.S. in Structural Engineering from USA.
Age	55 years
Date of appointment (Initial)	March 31, 2003
Expertise in specific functional areas	Having rich and varied experience in Construction Industry
Other Companies in which Directorship held	<ul style="list-style-type: none"> <li>Columbia Chrome (India) Pvt. Limited</li> <li>Cornell Housing And Infrastructure Private Limited</li> <li>Lark Consultancy Pvt. Ltd.</li> <li>Marathon IT Infrastructure Pvt. Ltd.</li> <li>Marathon Fiscal Pvt. Ltd.</li> <li>Marathon Proclin Infrastructures Pvt. Ltd.</li> <li>Marathon Realty Private Ltd.</li> <li>Marathon Nexzone Infra Pvt. Ltd.</li> <li>Matrix Land Hub Private Limited</li> <li>Nexigen Land Private Limited</li> <li>Rare Townships Private Limited</li> <li>Swarnim Enterprises Private Limited</li> <li>Terrapaks Assets Pvt Ltd.</li> </ul>
Share holding in the Company	150 equity shares.

### (iii) Number of Shares held by the Non –Executive Directors as on March 31, 2017:

Name of Non –Executive Directors	No. of Shares held
Mr. V. Ranganathan	Nil
Mr. V. Natarajan	Nil
Mr. Padmanabha Shetty	Nil
Mr. Anup P. Shah	Nil
Mr. Deepak R. Shah	Nil

\*Resigned w.e.f May 29, 2017

### (v) Directors' Familiarization Programme:

Upon induction, the Directors are provided with an induction kit which, inter alia, includes the Company's Memorandum and Articles of Association, Corporate Governance Policy, Terms of references of Board Committees, Code of Conduct, Code of Conduct for Prevention of Insider Trading and the last 2 years' Annual Reports. An appointment letter is also issued to the Independent Directors of the Company which incorporates their roles, duties and responsibilities, remuneration, performance evaluation process, time commitment required, Insurance cover etc.

The Company has undertaken a Familiarization programme for Directors on February 28, 2017. The Directors have met at the Corporate Office of the Company and a detailed presentation was made by the CMD about the ongoing projects (SRA) The procedures and the process of the execution of the projects were explained to them. Later, the Directors were accompanied to the Project sites at Bhandup to get familiarized themselves on the actual activities.

The feedback received from them were noted by the Management.

The Company holds Board Meetings at its registered office and also in other locations within Mumbai. The Directors periodically review the various businesses of the Company, in the context of the industry scenario, competitive environment and regulatory framework.

Presentations are also made to the Board / Board Committees, inter alia, on CSR Initiatives, quarterly and annual results, annual business plan etc. The Directors are briefed periodically on the risk assessment & minimization procedures, changes in organizational structure, and Company's succession planning & management development processes. The Directors are also provided with adequate opportunity to interact with the senior managers of the Company.

Web link of the Company regarding the familiarization programmes imparted:  
www.marathonnextgen.com

## Report on Corporate Governance 2016-17

### 3. Audit Committee:

#### a) Brief description of terms of reference:

The terms of reference of the Audit Committee of the Company shall inter-alia include the following review of:

- (1) management discussion and analysis of financial condition and results of operations;
- (2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) internal audit reports relating to internal control weaknesses; and
- (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (6) statement of deviations;
- (b) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(f).

#### b) Composition, name of the members and Chairperson of Audit Committee:

The constitution of the Committee and the attendance of each Member of the committee is given below:

Name	Designation	Executive/Non-Executive/Independent	Committee Meeting attended
Mr. V. Nagarajan*	Chairman	Independent	3
Mr. Padmanabha Shetty	Member	Independent	4
Mr. Chetan R. Shah	Member	Executive- CMD	4
Mr. Anup P. Shah	Member	Independent	4

\*Resigned w.e.f May 29, 2017

#### c) During the Year ended March 31, 2017 five Audit Committee Meetings were held on the following dates:

30th May, 2016; 14th September, 2016; 14th December, 2016 and 17th March, 2017

The Audit Committee during the year ended 31st March 2017 reviewed:

- (i) the Company's financial reporting process;
- (ii) disclosure of financial information;
- (iii) the periodical and annual financial statements;
- (iv) related party transactions;
- (v) risk assessment;
- (vi) adequacy of internal control;
- (vii) performance of Auditors;
- (viii) vigil mechanism process.

### 4. Nomination & Remuneration Committee:

#### (a) Brief description of terms of reference:

Role of committee shall, inter-alia, include the following:

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) devising a policy on diversity of board of directors;
- (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

## Report on Corporate Governance 2016-17

(b) The following is the composition of Nomination & Remuneration Committee of Directors.

Name	Category	Position
Mr. V. Ranganathan	Independent Director	Chairman
Mr. V. Nagarajan*	Independent Director	Member
Mr. Padmanabha Shetty	Independent Director	Member

\*Resigned w.e.f May 29, 2017

A meeting of the said Committee was held on Tuesday, May 23 2017 to review and recommend the Commission payable to the CMD and to recommend the reappointment of Mr. S.Ramamurthi as Whole Time Director and CFO of the Company for a period of 3 years effective from May 1,2017.

### 5. CSR Committee:

The Company has CSR policy in line with the requirements a CSR Committee is in place. Following is the composition of the CSR Committee

Name	Category	Position
Mr. V. Ranganathan	Independent Director	Chairman
Mr. Chetan R. Shah	Executive-Promoter	Member
Mr. Mayur R. Shah	Non Executive-Promoter	Member

A meeting of the CSR Committee was held on February 9, 2017 to review the CSR activities carried out by the Company. The Company is required to spend Rs.1.40 crore towards the CSR activities for the year 2016-17. The Committee approved the contribution of Rs.1.40 crore to a recognized Trust in line with its CSR Policy.

#### Performance evaluation criteria for Independent Directors:

The evaluation of IDs has been done by the entire Board of Directors, excluding the director being evaluated. The Board will keep in view the report of performance evaluation while determining the suitability of extending or continuing the term of appointment of the IDs.

### 6. Remuneration of Directors:

Details of the remuneration paid to the Directors of the Company during the period ended March 31, 2017 are given below:

(Amount in ₹)

Name of Director	Salary	Perquisites	Commission	Sitting fees	Total
Mr. Chetan R. Shah*	65,00,000	16,80,000	63,00,000	-	1,44,80,000
Mr. S. Ramamurthi*	Nil	Nil	Nil	Nil	Nil
Mr. Mayur R. Shah	Nil	Nil	Nil	50,000	50,000
Mr. V. Ranganathan	Nil	Nil	Nil	90,000	90,000
Ms. Shalaja C. Shah	Nil	Nil	Nil	50,000	50,000
Mr. V. Nagarajan*	Nil	Nil	Nil	130,000	130,000
Mr. Padmanabha Shetty	Nil	Nil	Nil	130,000	130,000
Mr. Anup P. Shah	Nil	Nil	Nil	100,000	100,000
Mr. Deepak R. Shah	Nil	Nil	Nil	10,000	10,000

\*The tenure of Mr. Chetan R. Shah, Chairman & MD of the Company is for a period of 5 years from July 1,2013 to June 30,2018

The tenure of Mr.S.Ramamurthi, WTD & CFO of the Company is for the period of 3 years from May1,2017 to April 30,2020.

\*Mr.V.Nagarajan has resigned from Directorship of the Company effective from May 29,2017.

The reconstitution of the Committees would take place in the subsequent Board Meeting of the Company.

The Non-Executive Directors of the Company were paid remuneration by way of Sitting Fees only for attending the Meetings.

### 7. Share holder/Investors grievance Committee:

a) The following is the composition of Shareholders Grievance Committee of Directors:

Name	Category	Position
Mr. V. Nagarajan*	Independent Director	Chairman
Mr. V. Ranganathan	Independent Director	Member
Mr. S. Ramamurthi	Executive-Whole Time Director	Member

\*Resigned w.e.f May 29, 2017

## Report on Corporate Governance 2016-17

During the Financial Year ended 31st March 2017: - NIL - complaint was received by the Registrars.

### 8. GENERAL BODY MEETINGS

Venue and time of last three Annual General Meetings:

Year / no.	Location	Date	Time	Special Resolutions	Postal Ballot
2013-14 37th AGM	Kilachand Conference Hall, 2nd floor, I.M.C. Bldg., IMC Marg, Churchgate, Mumbai 400 020	24.09.2014	11.30 a.m.	4 (Four)	NIL
2014-15 38th AGM	Kilachand Conference Hall, 2nd floor, I.M.C. Bldg., IMC Marg, Churchgate, Mumbai 400 020	28.08.2015	03.30 p.m.	1 (One)	NIL
2015-16-EGM	Kilachand Conference Hall, 2nd floor, I.M.C. Bldg., IMC Marg, Churchgate, Mumbai 400 020	Dec 10, 2015	11.30am	2 (Two)	
2015-16 39th AGM	Kilachand Conference Hall, 2nd floor, I.M.C. Bldg., IMC Marg, Churchgate, Mumbai 400 020	Sept. 27, 2016	11.30am	1 (One)	

#### Details of Postal Ballot:

- Purpose: Approval of Scheme of Amalgamation of Parmeka Pvt. Ltd. a Wholly Owned Subsidiary with the Company-Notice dated March 2, 2016.
  - Person who conducted the Postal Ballot exercise: Mr. Nitin R. Joshi, Practicing CS.
  - Procedure for Postal Ballot: Proper procedure followed.
  - Voting Results announced on April 7, 2016.
- Purpose: 1. Approval of Amendment to RPT and 2. Approval of new RPT - Notice dated Feb 9, 2017.
  - Person who conducted the Postal Ballot exercise: Mr. Nitin R. Joshi, Practicing CS.
  - Procedure for Postal Ballot: Proper procedure followed.
  - Voting Results announced on March 22, 2017.
- Purpose: Approval of Buy Back of Shares-Notice dated March 17, 2017.
  - Person who conducted the Postal Ballot exercise: Mr. Nitin R. Joshi, Practicing CS.
  - Procedure for Postal Ballot: Proper procedure followed. Voting Results was announced on April 27, 2017 (FY 2017-18); hence details of Voting results are not provided here.

#### 1. Purpose:

For Approval of Scheme of Amalgamation:

#### VOTING RESULTS OF POSTAL BALLOT PROCESS ANNOUNCED ON APRIL 7, 2016:

Date of the AGM / EGM	Postal Ballot
Total number of Shareholders on record date	4,715
No. of shareholders present in the meeting either in person or through proxy: Promoters & Promoter Group Public	NA
No. of shareholders present in the meeting video conferencing: Promoters & Promoter Group Public	NA

## Report on Corporate Governance 2016-17

1. Agenda-wise disclosure: (Reg. 44 of SEBI (LODR) Regulations 2015)

Agenda No-1- Approval of Scheme of Amalgamation of Parmeka Pvt. Ltd. a wholly owned Subsidiary with the Company:

Resolution required: (Ordinary / Special)		Ordinary Resolution							
Whether promoter / promoter group are interested in the agenda / resolution?		Yes							
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes in favour	No. of Votes against	% of Votes in favour on votes polled	% of Votes against on votes polled	Invalid Votes
		(1)	(2)	(3) = [(2)/(1)]*100	(4)	(5)	(6) = [(4)/(2)]*100	(7) = [(5)/(2)]*100	
Promoters & Promoters Group					Not Voted. Postal Ballot is for Public Share Holders.				
Public	E-Voting	14654	14754	100	12996	1758	88.08	11.92	NIL
	Postal Ballots	2520209	2519380	100	2519362	18	100	0.00	NIL
	<b>Total</b>	<b>2534963</b>	<b>2534134</b>		<b>2532358</b>	<b>1776</b>			

Agenda No-2 -Approval of RPT (new u/s 188 of the CA 2013 and Reg 23 of SEBI (LODR) Regulations, 2015

Resolution required: (Ordinary / Special)		Ordinary Resolution							
Whether promoter / promoter group are interested in the agenda / resolution?		Yes							
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes in favour	No. of Votes against	% of Votes in favour on votes polled	% of Votes against on votes polled	Invalid Votes
		(1)	(2)	(3) = [(2)/(1)]*100	(4)	(5)	(6) = [(4)/(2)]*100	(7) = [(5)/(2)]*100	
Promoters & Promoters Group					Not Voted. Postal Ballot is for Public Share Holders.				
Public	E-Voting	135429	135429	100	135251	1780	99.87	0.13	
	Postal Ballots	871937	871937	100	870273	1664	99.81	0.19	
	<b>Total</b>	<b>2226228</b>	<b>2226228</b>	<b>100</b>	<b>2222784</b>	<b>3444</b>	<b>99.85</b>	<b>0.15</b>	

#### 9. Means of Communication:

The quarterly and half-yearly results are regularly submitted to the Stock Exchanges in accordance with the Listing Agreement and are published in one English daily newspaper and one vernacular daily news paper having adequate circulation.

#### 10. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting	: 40th Annual General Meeting
- Date and Time	: September 20, 2017 at 3:30 p.m.
- Venue	: M. C. Ghis Hall, Bhogilal Hargovindas Building, 18/20, Dubhach Marg, Klna Ghodia, Mumbai - 400001.
Financial Year	: April 1, 2016 to March 31, 2017
Date of Book Closure	: September 12, 2017 to September 20, 2017
Listing on Stock Exchanges	: BSE LTD & NSE LTD
Stock Code	: BSE-503101; NSE-Symbol: "Mnathon"
ISIN in NSDL & CDSL	: INE182D01012
CIN	: L65990MH1978PLC020080

## Report on Corporate Governance 2016-17

### Stock Price Data:

Table below gives the monthly highs and lows of the Company's shares on the Bombay Stock Exchange Limited (BSE):

MONTHS (FY: 2016-2017)	HIGH (Rs.)	LOW (Rs.)	SENSEX		
			HIGH	LOW	CLOSE
April	173.90	135.00	26,100.54	24,523.20	25,606.62
May	178.00	145.00	26,837.20	25,057.93	26,667.96
June	234.40	156.15	27,105.41	25,911.33	26,599.72
July	231.00	200.00	28,240.20	27,034.14	28,051.86
August	297.00	205.50	28,532.25	27,627.97	28,452.17
September	290.00	220.50	29,077.28	27,716.78	27,865.96
October	290.00	232.00	28,477.65	27,488.30	27,930.21
November	274.00	187.00	28,029.80	25,717.93	26,662.81
December	240.00	183.20	28,803.76	25,753.74	26,626.46
January	210.00	190.35	27,980.39	26,447.06	27,665.96
February	233.95	199.00	29,065.31	27,590.10	28,743.32
March	272.00	214.00	29,824.62	28,716.21	29,620.50

### Registrar & Transfer Agents:

Adroit Corporate Services Private Limited  
19/20 Jeebhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka,  
Andheri (East), Mumbai 400 059. Email: adroit@svsnl.net

### Share Transfer System:

Share transfers are registered and duly transferred share certificates are returned to the lodger within a period of fifteen days from the date of receipt, if the documents are otherwise in order.

Share transfers and other related requests are considered for approval every fortnight by the Share Transfer Committee.

### Distribution of shareholding as on March 31, 2017:

Category (Shares)	No. of Shareholders	Percentage (%)	No. of Shares of Rs.10/each	Percentage (%)
1 - 500	1741	89.05	567017	1.99
501 - 1000	277	5.20	200267	0.70
1001 - 2000	142	2.67	201986	0.71
2001 - 3000	50	0.94	125760	0.44
3001 - 4000	19	0.36	67147	0.24
4001 - 5000	11	0.21	50727	0.18
5001 - 10000	31	0.58	221978	0.78
Above 10000	53	1.00	27002463	94.95
<b>Total</b>	<b>5324</b>	<b>100.00</b>	<b>28437345</b>	<b>100.00</b>

### Dematerialization of Shares and Liquidity:

The status of Dematerialized/ Physical shares of the Company as on March 31, 2017 is as under:

Categories	Physical	Demat	Total (Category)	% age to the total	% in physical	% in Demat
Resident Individuals	151839	6395992	6547831	23.03	2.32	97.68
Non-Resident Individual	-	200731	200731	0.71	-	100
Corporate Bodies	95676	26,477	357853	1.25	26.74	73.26
Mutual Fund/UTI	1226	1754	2980	0.01	41.14	58.86
H/Banks	-	-	-	-	-	-
Promoter group, including Directors & their relatives	-	21327900	21327900	75.00	0.00	100
<b>Total</b>	<b>248791</b>	<b>28182856</b>	<b>28437345</b>	<b>100</b>	<b>0.87</b>	<b>99.13</b>

## Report on Corporate Governance 2016-17

### Categories of Shareholders as on March 31, 2017:

Sr. No.	Categories	No. of Shareholders	No. of Shares	Voting Strength (%)
1	Promoters	7	2,13,27,900	75.00
2	Mutual Funds / UTI	8	2980	0.01
3	Financial Institution / Banks	-	-	-
4	Corp. Bodies, Cl. Members, Brokers, Trusts	184	357853	1.25
5	NRI/OCBs/Pis	54	200731	0.71
6	General Public	5071	6547881	23.03
	<b>Total</b>	<b>5324</b>	<b>28437345</b>	<b>100.00</b>

Outstanding GDRs/ ADRs/ Warrants or any convertible instruments conversion date and likely impact on equity: Not Applicable

### Address for correspondence:

The Shareholders may send their queries to the e-mail address, [shares@marathonnextgen.com](mailto:shares@marathonnextgen.com), proactively managed by the Company, under the Shareholders' / Investors' Grievance Committee of:

**Marathon Nextgen Realty Limited**  
8th Floor, Marathon Max,  
Jt. of Mulund Goregaon Link Road,  
Mulund (W), Mumbai 400080.  
Tel: 022 67728474

### Registered Office:

**Marathon Nextgen Realty Limited**  
Marathon Futurex,  
N.M. Joshi Marg,  
Lower Parel (West), Mumbai 400018.  
Tel: 022 24925869/ 24963547 Fax: 022 2496 3560  
Website: [marathonnextgenrealty.com](http://marathonnextgenrealty.com).

### Registrar and Share Transfer Agents:

Adroit Corporate Services Private Limited  
19/20 Jeebhoy Industrial Estate, 1st Floor,  
Makwana Road, Marol Naka, Andheri (East), Mumbai 400 059  
Tel: 022 2859 4060/ 6060/ 4442 Fax: 022 2850 3748 e-mail: [adroit@svsnl.net](mailto:adroit@svsnl.net)

### 11. Other Disclosures

#### Related Party Transactions:

Related Party Transaction is defined under Regulation 2 (zc) of SEBI (LODR) Regulations -2015 as, "a transfer of resources, services or obligations between a listed entity and a related party, regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract".

Transaction with a related party shall be considered material if the transaction/transactions to be entered into individually or taken together with previous transactions during the financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements.

There were no material transactions with related parties during the financial year ended on 31st March 2017 which are prejudicial to the interest of the Company and its shareholders.

Also Transactions with related parties as per Accounting standard-AS-24 are disclosed in Note No. 44 of the standalone accounts in the Annual Report-2016-17.

- Details of non compliance, penalty, strictures imposed by BSE, SEBI or any statutory authority, on any matter related to capital markets, during the last three years: **NONE**.

- Details of vigil mechanism whistle blower policy and affirmation that no personnel have been denied access to the Audit Committee: **Furnished**.

- Weblink of availability of policy for determining the material subsidiaries and RPT policy: [www.marathonnextgenrealty.com](http://www.marathonnextgenrealty.com)

- Details of compliance with mandatory requirements and adoption of non mandatory requirements: **Mandatory requirements as per the SEBI (LODR) Regulations-2015 are adhered with.**

- Weblink of the Company regarding the Policy determining "material" subsidiaries:

[www. Marathonnextgen.com](http://www.Marathonnextgen.com)

- Weblink of the Company regarding the Policy on RPTs:

[www. Marathonnextgen.com](http://www.Marathonnextgen.com)

## Report on Corporate Governance 2016-17

### 12. Statutory Compliance, Penalties and Strictures:

The Company has complied with all requirements of the Corporate Governance as per the Schedule -V (paragraphs 2 to 10) of SEBI (LODR) Regulations 2015.

### 13. Adoption of discretionary requirements specified in Part E of Schedule II on Corporate Governance as per SEBI(LODR) Regulations 2015:

- A. The Board:  
The Chairman of the Board is executive Chairman and do not maintain a separate office.
- B. Shareholders Rights:  
A half yearly declaration of financial performance including summary of significant events to be sent to Shareholders: Not yet Initiated.
- B. Modified Opinion In audit Report:  
Efforts are made to move towards unmodified audit opinion regime.
- A. Separate Posts of Chairperson and CEO:  
Presently the post of Chairman & Managing Director/CEO is held by an individual person.
- B. Reporting of the Internal Auditor:  
The Internal Auditors are reporting directly to the Audit Committee of the Company.

### 14. Necessary disclosures have been made in this report regarding the compliance with Corporate Governance requirements specified in SEBI(LODR) Regulations 2015.

- The Management Discussion and Analysis Report forms part of this Annual Report.
- There were no presentations made to the Institutional Investors or analysts separately.

### 15. Reconciliation of Share Capital Audit:

As required by Circular dated Dec 31 2002 read with Regulation 55(A) of SEBI (Depositories and Participants) Regulations-1996 the Quarterly "Reconciliation of Share Capital" Report pertaining for the financial year: 2016-17 were furnished to the BSE Ltd: as follows

Quarter ended on	Furnished on
June 30 ,2016	July 12,2016
September 30 ,2016	October 10,2016
December 31,2016	January 10,2017
March 31, 2017	April 10,2017

## Report on Corporate Governance 2016-17

### CERTIFICATE

To

The Members of Marathon Nextgen Realty Ltd.

Sub: Declaration by the Managing Director under Schedule V (D) of SEBI (LODR) Regulations 2015.

I, Chetan R Shah, Managing Director of Marathon Nextgen Realty Ltd hereby declare that all members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2017.

Place : Mumbai  
Date: May 29, 2017

Chetan R. Shah  
Chairman & Managing Director

### Certificate on Compliance from the Practicing Company Secretary

Sub: Compliance Certificate under Schedule V (E) of SEBI (LODR) Regulations 2015.

Certificate of the Practicing Company Secretary has been obtained on the compliance of conditions of the Corporate Governance and the same forms part of this Directors Report.

For and on behalf of the Board of Directors:

Mumbai  
Date: May 29, 2017

Chetan R. Shah  
Chairman & Managing Director

To the Members of  
**MARATHON NEXTGEN REALTY LIMITED**  
Mumbai

I have examined the compliance of the conditions of Corporate Governance by Marathon Nextgen Realty Limited ("the Company") for the year ended 31 March, 2017 as stipulated in and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Compliance of the Conditions of Corporate Governance of the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/Listing Regulations, as applicable.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

(NITIN R. JOSHI)  
Practicing Company Secretary  
FCS No: 3137  
PCS No: 1884  
Self  
Place: Mumbai  
Date: May 29, 2017

## Management Discussion & Analysis Report

The Management of the Company is pleased to present this report covering the activities of the Company during the year ended on 31st March 2017.

### a. Industry structure and development:

The Real Estate sector is the second largest contributor to employment generation in our Country, just after agriculture. This sector has emerged as a major sector of the economy, contributing about 9% to the GDP of the country. There are about 76,000 companies which are engaged in this sector and a very sizeable amount of investment is made in this sector. It has 4 sub-sectors, namely, retail, housing, commercial and hospitality and all of these are the lifelines of the economy and of the public.

The "Real Estate" has always been a complicated and controversial economic category. It is notoriously opaque and unorganized. It is an investment asset as well as consumption good. So it can be assessed and analyzed in terms of both asset valuations as well as price inflation.

### b. Opportunities and Threats:

With the Government of India targeting "Housing for All" by 2022, it is all the more pertinent that this sector gets the impetus from the Government by not only recognizing the priority sector lending in the category of infrastructure but also by rightfully regulating the sector, which will only lead to further growth.

Delays in the project are the biggest issue faced by the buyers. Since last 10 years many projects have seen delays up to 7 years. The long drawn out and complex system for obtaining approvals of the municipal authorities for construction is a major problem faced by the Real Estate sector.

#### Real Estate (Regulation and Development) Act 2017 (RERA) the game Changer:

The government of India has enacted the Real Estate (Regulation & Development) Act 2016(RERA) and all the sections of the Act have come into force with effect from May 1, 2017. Maharashtra was one of the first States to notify its rules under the Act and establish Maharashtra Real Estate Regulatory Authority (Maha-RERA)

The Act seeks to address issues like delays, price, quality of construction and titles and other changes.

The RERA, aimed at bringing in transparency and redefining the engagement between the various stake holders, can be a potential game changing event.

The level playing field created by RERA would provide much needed confidence to investors and home buyers to take a relook at the sector and make a informed investment decisions. While the Act might transform the way in which the various stake holders operate, it will particularly have a far reaching impact on residential developers, who would need to recalibrate their business practices to stay in the game. The single largest reform that the sector is going to witness is the implementation of RERA. The Real estate sector is one of the most globally recognized sectors and is slated to grow at 30% over the next decade.

The Company is presently involved in development of Slum Rehabilitation projects around Bhandup (W) area, Mumbai and through its JV is engaged in the development of high end residential spaces at Byculla, Mumbai.

### c. Segment-wise or product-wise performance

(i) The focus of the Company of presents is on the Slum Rehabilitation activities & high end residential segment.

(ii) There is an increase in demand for the commercial space owing to rapid growth in Services sector such as ITES, BFSI, Telecom and owing to a rising demand from MNCs to establish offices in India. The Company has embarked on development of Phase-III, IT Park at FutureX premises.

### d. Outlook:

#### Housing boom set to be next growth driver:

With Government schemes like "Pradhan Mantri Awas Yojana"(PMAY) and "Housing for All" by 2022, there is a huge demand and upside expected in the real estate sector in the coming few years and rising incomes and the best affordability would boost the demand for houses.

60 million new homes are expected to be built between 2018 and 2024, creating about 2 million jobs annually and giving a boost of (0.75%) to India's GDP. The volume of social and affordable housing will rise almost 70% to 10.5 million annually by 2024, exceeding the 33% increase in the premium market.

The housing sector is at tipping point and will be the economy's next big growth driver. The Government of India has been on the mission to expand affordable housing. In February 2017 the Government granted affordable housing builders "infrastructure status" making them eligible for state incentives, subsidies, tax benefits and institutional funding. In June 2015, the Government announced "Housing for all" programme which aims to construct 20 million homes across the country and in December 2016 it announced rebates and interest waivers for home loans under the programme.

Home sales, which slumped in the wakes of the demonetization of high value notes in November 2016, have since shown signs of a recovery, according to a real estate advisory firm Sales across nine cities rose 19% in the March Qtr- 2017, rebounding from 20% slump in the previous 3 months.

## Management Discussion & Analysis Report

### GST Impact on India Real Estate Sector:

The Goods and Services Tax (GST) is beyond doubt the most revolutionary tax related reform to be seen in India in several decades, since it will eliminate the conflicting and cascading taxation structures which have confounded several industries over the past few decades. It will most certainly have a profound effect on India's economic prospects.

A single indirect tax which covers all goods and services will, in the long run, increase tax collection by making it easier for retailers and several other business to comply and also moderate overall taxation levels. It should be remembered that the favorable effects will become evident only 2-3 years of its implementation.

Though the GST tax structure has been announced, there is still a lot of conjecture about which tax rate will be applicable to the real estate and construction industry.

The tax rate applicable for real estate is 12% bracket. However, the GST rate is not the only important factor. The abatement rules as applicable under the service tax regime and the input tax credit facility for developers will determine if the effective tax incidence on real estate is lower or higher under GST.

The GOI has offered some clarity on the abatement rules for under construction houses and input tax credit benefits for developers.

#### Impact on Residential Real Estate:

Sales are not just impacted by tax rates but also by sentiment and on account of the trust deficit which RERA now seeks to address. That said, if costs do go higher under GST, the lower prevailing current home loans rates could assuage the impact to some extent.

Sales are not just impacted by tax rates but also by sentiment and on account of the trust deficit which RERA now seeks to address. That said, if costs do go higher under GST, the lower prevailing current home loans rates could assuage the impact to some extent.

Buyers and investors, as well as developers are understandably worried that the final ticket size of homes will increase at 12% GST. Developers are still awaiting further clarity on this, but they know that it is the interest of their business to keep ticket sizes range-bound.

#### Impact on Rental Housing:

Other doubts pertain to the rental housing market, which would naturally be impacted if the Govt were to tax residential leases under GST. The common apprehension is that if this were to happen, the rental housing segment may see a huge slump over the medium term, since residential leases are currently not taxed at all.

Here it is pertinent to note that residential leasing is an inherent demand which will not evaporate merely by higher taxes. Certainly we may be looking at a rental stagnation or marginal decline as the market readjusts to new dynamics which GST will infuse. However, rental housing demand is sticky and end-user driven in nature, so we are definitely not looking at a major slump in this segment because of GST even if it does tax residential leases.

#### Impact on Commercial Real Estate:

When it comes to GST's impact on the Commercial Office real estate market with the existing service tax for commercial leases at 15%, GST @ 12% would be likely to be neutral overall.

#### Impact on Affordable Housing:

Affordable housing is currently exempt from service tax. It is likely that the government may come out with a clarification regarding the applicability or continuing exemption under the GST.

#### Risks and concerns:

Real estate, widely considered to be a major asset class has been traditionally plagued with opaque practices, information asymmetry and a muddled regulatory framework in India. One of the frequently cited reasons for the current slow down in residential sector is the trust deficit between the customers and developers. For the past many years, developers have not been able to deliver on their commitments, seriously denting the confidence of potential buyers.

Availability of right type of land for development (including Slum Re-development) is a major issue. Apart from the increase in land prices, inputs costs have also been increasing. Higher interest cost would dent margins and may have a direct effect on the customers' cash flow as well. Increase in end product prices coupled with tight liquidity may impact demand.

The Company has a Risk Management Policy, which is being periodically reviewed

### e. Internal control systems and their adequacy:

The internal controls are supplemented by an internal audit and are reviewed by the management. Documented policies and guidelines and procedures are in place. The internal auditor covers all activities of the Company. The internal control system is designed to ensure that every aspect of the Company's activity is properly monitored. Despite the satisfactory functioning of the control systems, the Company is reviewing the same and may even go for external consultants to critically examine the existing systems and suggest changes if any to make them more contemporary in case the need arise.

# Standalone Results

## Independent Auditor's Report

To the Members of Marathon Nextgen Realty Limited

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of Marathon Nextgen Realty Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information, (hereinafter referred to as "Standalone Ind AS Financial Statements").

### Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the (state of affairs) financial position, profit or loss (financial performance including other comprehensive income) cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder. 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 and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements are free from material misstatement.

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

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

### Opinion

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

### Emphasis of Matter

We draw attention to the following matters:

- (i) Note 8.1 to the Standalone Ind AS Financial Statements regarding the adequacy of provision for income tax, which comprises of long term capital loss, business and other income, which is based on the legal advice and as certified by an independent firm of Chartered Accountants and which has been relied upon by us.
- (ii) Note 2.71 to the Standalone Ind AS Financial Statements regarding the manner of recognition of income from operations amounting to Rs. 1,931,090,000, which is subject to the approval of shareholders.

Our report is not modified in respect of these matters.

### Report on Other Legal and Regulatory Requirements

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



## Independent Auditor's Report

(ii) As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;
- e. On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements – Refer Note no. 38 on Contingent Liabilities to the Standalone Ind AS Financial Statements;
  - (ii) The Company did not have any material foreseeable losses on long term contracts including derivative contracts;
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - (iv) The Company has provided requisite disclosures in its Standalone Ind AS Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the Management representation, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management (Refer Note no. 46 to the Standalone Ind AS Financial Statements).

For Haribhakti & Co. LLP  
Chartered Accountants  
[CA Firm Registration No. 103523W/W100048]  
Sushil Shah  
Partner  
Membership No. 046539  
Place: Mumbai  
Date: 29th May, 2017

## Independent Auditor's Report

### ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Marathon Nextgen Realty Limited ("the Company") on the Standalone Ind AS Financial Statements for the year ended March 31, 2017]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) During the year, fixed assets of the Company have been physically verified by the Management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are in the name of the Company, except for the details given below:

Land / Building	Total number of cases	Leasehold/ Freehold	Gross Block as on March 31, 2017 (Rs.)	Net Block as on March 31, 2017 (Rs.)	Remarks
Land	1	Freehold	149,198	149,198	Unused FSI of self developed project

- (ii) Inventories comprise of car parking units, expenditure incurred on acquisition of land and tenancy rights, development rights, and other expenditure on construction and development of the project of the Company. As explained to us, physical verification of the project site was carried out during the year by the Management. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) The Company has granted unsecured loans to companies and a Limited Liability Partnership covered in the register maintained under Section 189 of the Act.
  - (a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that, the terms and conditions of the aforesaid loans granted by the Company are not prejudicial to the interest of the Company.
  - (b) The schedule of repayment of principal and payment of interest in respect of such loans has not been stipulated and hence, we are unable to comment whether the repayments or receipts are regular and report on amounts overdue for more than ninety days, if any, as required under Paragraph 3(ii) of the Order.
- (iv) Based on the information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 of the Act, except with respect to a transaction carried out by it with a company in which Directors are interested as Directors and shareholders of the recipient company, wherein the loan extended by the Company is in the nature of project advance. Maximum amount of loan outstanding during the year is of Rs. 2,95,86,47,083 and the outstanding amount as on March 31, 2017 is of Rs. 2,89,33,19,749. As explained in Note no. 61 to the Standalone Ind AS Financial Statements, the Management is of the opinion that, project advance of this nature would not attract the provisions of Section 185 of the Act.
 

Further, the provisions of Section 186 of the Act are not applicable to the Company as it is engaged in the business of Real estate & Construction.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government of India has prescribed the maintenance of cost records for the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under. However, at present the Company does not fall under the criteria for which such records are required to be maintained. Hence, the said rules are not applicable to the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employee's state insurance, income tax, service tax, value added tax, excise duty, cess and any other material statutory dues applicable to it. However there have been slight delays in few cases.

AND

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income tax, service tax, value added tax, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

## Independent Auditor's Report

(b) According to the information and explanation given to us, the dues outstanding with respect to, Income tax, excise duty on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty including penalty	92,58,246	1991-92, 1992-93, 1994-95, 1995-96	Central Excise & Service tax Appellate Tribunal (CESTAT)
Central Excise Act, 1944	Penalty	15,000	1998-99, 1991-92, 1992-93	Commissioner of Central Excise (Appeal)
Central Excise Act, 1944	Excise duty	12,68,210	1977-78, 1983-84, 1991-92, 1992-93	Deputy Commissioner of Central Excise (Appeal)
Income Tax Act, 1961	Income Tax	3,41,120	Asst. Year 2011-12	Income Tax Assessing Officer
The Maharashtra Value Added Tax Act, 2002	Value Added Tax	4,30,46,633	2008-09	Deputy Commissioner of Sales Tax (Appeals)

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution. The Company does not have any loans or borrowings from any banks, government or debenture holders during the year.
- (ix) In our opinion and according to the information and explanations given to us, the moneys raised by way of term loan have been applied by the Company for the purpose for which they were raised. The Company has not raised moneys by way of Initial public offer or further public offer (including debt instruments) during the year.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the Management.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, Paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, Paragraph 3(xiv) of the Order is not applicable to the company.
- (xv) As per the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No. 103523W/W100048  
Snehal Shah  
Partner  
Membership No. 048539  
Place: Mumbai  
Date: 29th May, 2017

## Independent Auditor's Report

### ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Marathon Nextgen Realty Limited on the Standalone Ind AS Financial Statements for the year ended March 31, 2017)

#### Report on the Internal Financial Controls over Financial Reporting under Clause (l) 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 Marathon Nextgen Realty Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. These 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No. 103523W/W100048  
Snehal Shah  
Partner  
Membership No. 048539  
Place: Mumbai  
Date: 29th May, 2017

## Balance Sheet as at 31st March 2017

(Amt. in ₹)				
PARTICULARS	NOTE NO.	AS AT 31st MARCH 2017	AS AT 31st MARCH 2016	AS AT 1st APRIL 2015
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
a. Property, Plant and Equipment	3	2,724,354	3,876,343	8,705,248
b. Investment Property	4	-	-	1,346,852
c. Investment in Joint Ventures	5A	4,761,610	4,761,610	4,761,610
d. Financial Assets				
i. Investment	5B	78,000	616,728	1,251,088,215
ii. Loans	6	4,148,443,724	4,048,510,055	4,205,449,861
iii. Other Financial Assets	7	827,565	855,565	791,125
iv. Deferred Tax Assets (Net)	8	7789,921	5,358,985	4,061,125
f. Non-current Tax Assets	9	104,983,124	94,568,704	-
g. Other Non-current Assets	10	-	-	-
<b>Total Non-current assets</b>		<b>4,269,558,298</b>	<b>4,158,547,989</b>	<b>5,476,204,036</b>
<b>Current Assets</b>				
a. Inventories	11	199,179,242	1,315,705,838	100,005,568
b. Financial Assets				
i. Trade Receivables	12	2,627,409,021	690,585,718	6,811,228
ii. Cash and Cash equivalents	13	3,343,600	32,195,093	42,177,177
iii. Bank Balances other than Cash and Cash Equivalents	14	1,565,599	1,601,536	1,317,163
iv. Loans	15	26,771	142,314	70,633
v. Other Financial Assets	16	4,434,787	6,081,159	3,648,198
c. Other Current Assets	17	200,712,607	140,453,257	4,522,603
<b>Total Current Assets</b>		<b>3,036,671,627</b>	<b>2,190,764,915</b>	<b>158,552,570</b>
<b>Total Assets</b>		<b>7,306,229,925</b>	<b>6,349,312,904</b>	<b>5,634,756,606</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a. Equity Share Capital	18	284,373,450	284,373,450	189,582,300
b. Other Equity	19	6,826,534,176	5,980,537,035	5,361,474,547
<b>Total Equity</b>		<b>7,110,907,626</b>	<b>6,264,910,485</b>	<b>5,551,056,847</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
a. Financial Liabilities				
i. Borrowings	20	113,126,441	-	-
ii. Other Financial Liabilities	21	1,954,349	1,751,452	1,550,303
b. Provisions	22	3,443,803	4,336,028	3,698,855
<b>Total Non-current Liabilities</b>		<b>118,524,593</b>	<b>6,087,480</b>	<b>5,249,158</b>
<b>Current Liabilities</b>				
a. Financial Liabilities				
i. Trade Payable	23	-	-	-
Due to Micro and Small Enterprises		1,080,251	1,133,509	690,930
Other than Micro and Small Enterprises		14,696,835	12,330,437	5,209,869
ii. Other Financial Liabilities	24	41,720,317	51,745,023	66,210,926
b. Other Current Liabilities	25	17,967,721	12,523,349	2,881,418
c. Provisions	26	1,342,582	582,621	3,457,458
<b>Total Current Liabilities</b>		<b>76,797,706</b>	<b>78,314,939</b>	<b>78,450,601</b>
<b>Total Liabilities</b>		<b>195,322,299</b>	<b>84,402,420</b>	<b>83,699,759</b>
<b>Total Equity and Liabilities</b>		<b>7,306,229,925</b>	<b>6,349,312,904</b>	<b>5,634,756,606</b>

The accompanying notes are an integral part of financial statements.

As per our report of even date  
For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No. 103523W/W100048  
Snehal Shah  
Partner  
Membership No. 048539  
Place: Mumbai  
Date: 29th May, 2017

For and on behalf of the Board of Directors  
**CHETAN R. SHAH**  
Chairman & Mg. Director  
DIN: 00135296  
**S. RAMAMURTHI**  
Wholtime Director & CFO  
DIN: 00135602

**K. S. RAGHAVAN**  
Company Secretary  
ACS - 8269

## Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2017

(Amt. in ₹)				
PARTICULARS	NOTE NO.	Year Ended 31-3-2017	Year Ended 31-3-2016	
Revenue from Operations	27	1,931,394,920	1,972,769,200	
Other Income	28	554,253,887	507,847,111	
<b>Total Income (A)</b>		<b>2,485,648,807</b>	<b>2,480,616,311</b>	
<b>Expenses:</b>				
Property Development Expenses	29	124,649,546	51,369,738	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	1,120,526,596	1,258,672,857	
Employee benefits expense	31	36,330,340	35,155,828	
Depreciation	3	1,474,169	2,507,731	
Finance costs	32	2,985,730	103,169	
Other expenses	33	81,535,493	24,637,853	
<b>Total Expenses (B)</b>		<b>1,367,501,874</b>	<b>1,372,847,176</b>	
<b>Profit before Tax (C = A - B)</b>		<b>1,118,146,932</b>	<b>1,107,769,135</b>	
<b>Tax Expense:</b>				
Current tax		242,000,000	235,600,000	
Deferred tax		(2,748,219)	(1,352,402)	
Adjustment of Tax related to earlier period		(57,079)	3,713,328	
<b>Total Tax Expense (D)</b>	8	<b>238,594,702</b>	<b>237,960,926</b>	
<b>Profit for the year (E = C - D)</b>		<b>879,552,231</b>	<b>869,808,209</b>	
<b>Other Comprehensive Income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Net Gain / (Loss) on Fair Value of Equity Instruments		71,902	(209,488)	
Remeasurement of Defined Benefit Obligation		916,792	157,558	
Income Tax effect on above remeasurement		(317,283)	(54,542)	
<b>Total Other Comprehensive Income (Net of tax) (F)</b>		<b>671,411</b>	<b>(106,432)</b>	
<b>Total Comprehensive Income for the year (G = E + F)</b>		<b>880,223,641</b>	<b>869,701,777</b>	
Earning Per Share (Rs.)	40			
Basic (Face Value of Rs. 10 each)		30.93	30.59	
Diluted (Face Value of Rs. 10 each)		30.93	30.59	

The accompanying notes are an integral part of financial statements.

As per our report of even date  
For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No. 103523W/W100048  
Snehal Shah  
Partner  
Membership No. 048539  
Place: Mumbai  
Date: 29th May, 2017

For and on behalf of the Board of Directors  
**CHETAN R. SHAH**  
Chairman & Mg. Director  
DIN: 00135296  
**S. RAMAMURTHI**  
Wholtime Director & CFO  
DIN: 00135602

**K. S. RAGHAVAN**  
Company Secretary  
ACS - 8269

## Cash Flow Statement for the year ended 31st March, 2017

(Amt. in ₹)

PARTICULARS	Year Ended 31st March, 2017	Year Ended 31st March, 2016
<b>A. Cash Flow from Operating Activities</b>		
Profit before tax	1,118,146,932	1,107,769,135
Adjustments for:		
Dividend income	(14,548)	(19,022)
Interest income	(551,427,799)	(505,633,620)
Liabilities no longer required written back	(353,450)	(629,619)
Provision for employee benefits	788,997	879,954
Finance costs	2,985,730	103,169
Provision for doubtful debts	9,139,842	-
Loss on sale of PPE	-	360,032
Depreciation and amortisation	1,474,169	2,907,731
<b>Operating profit before working capital changes</b>	<b>580,739,873</b>	<b>605,738,760</b>
(Increase) / Decrease in trade and other receivable	(2,000,529,938)	(821,090,706)
(Increase) / Decrease in Inventory	1,120,526,596	1,258,603,044
(Decrease) / Increase in trade & other payable	(5,206,668)	(1,230,595,681)
<b>Cash (used in) operations</b>	<b>(304,470,137)</b>	<b>(187,344,583)</b>
Direct taxes paid (Net of refund)	(251,369,160)	(337,223,940)
<b>Net cash (used in) operating activities (A)</b>	<b>(555,839,297)</b>	<b>(524,568,523)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of PPE	(322,180)	(281,277)
Proceeds from sale of PPE	-	1,842,419
(Investment in) equity shares	-	(20,050,000)
Proceeds from sale of investments	660,630	-
Loans (given) / repaid	(99,818,126)	156,868,125
Investment in bank deposits with original maturity more than 3 months	(4,237,500)	-
Interest received	551,258,932	505,633,620
Dividend received	14,548	19,022
<b>Net cash flow from Investing Activities (B)</b>	<b>447,556,304</b>	<b>644,031,909</b>

## Cash Flow Statement for the year ended 31st March, 2017

(Amt. in ₹)

PARTICULARS	Year Ended 31st March, 2017	Year Ended 31st March, 2016
<b>C. Cash flow from Financing Activities</b>		
Proceeds from borrowing	113,993,123	-
Dividend and dividend distribution tax paid	(34,226,500)	(136,906,000)
Interest paid	(2,985,730)	(103,169)
<b>Net cash flow from / (used in) Financing Activities (C)</b>	<b>76,780,893</b>	<b>(137,009,169)</b>
<b>Net (decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(31,502,100)</b>	<b>(17,545,783)</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>		
Balance with Bank - In Current Account (Note 13)	32,184,753	42,144,927
Cash on hand (Note 13)	10,340	32,255
Bank overdraft (Note 24)	(7,479,748)	-
Adjustment on account of amalgamation (Note 4B)	-	83,951
<b>Total</b>	<b>24,715,345</b>	<b>42,261,128</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>		
Balance with Bank - In Current Account (Note 13)	3,249,375	32,184,753
Cash on hand (Note 13)	94,225	10,340
Bank overdraft (Note 24)	(10,130,355)	(7,479,748)
<b>Total</b>	<b>(6,786,755)</b>	<b>24,715,345</b>

### Explanatory notes to Statements of Cash Flows:

- Statement of Cash Flows is prepared in accordance with the format prescribed by Securities & Exchange Board of India and as per Ind AS 7 as notified by Ministry of Corporate Affairs.
- In Part A of the Cash Flow Statement, figures in brackets indicate deduction made from the net profit for deriving the net cash flow from operating activities. In Part B and Part C, figures in brackets indicate cash outflows.

The accompanying notes are an integral part of financial statements.

As per our report of even date  
For **Haribhakti & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No. 103522W/W100048

Snehal Shah  
Partner  
Membership No. 048539

Place: Mumbai  
Date: 29th May, 2017

For and on behalf of the Board of Directors

**CHETAN R. SHAH**  
Chairman & Md. Director  
DIN: 00135296

**S. RAMAMURTHI**  
Whole-time Director & CFO  
DIN: 00135602

**K. S. RAGHAVAN**  
Company Secretary  
ACS - R269

## Statement of Changes in Equity for the year ended 31st March 2017

### A. Equity Share Capital (Refer Note 18)

PARTICULARS	As at 31st March 2017	As at 31st March 2016
Balance at the beginning of the year	284,373,450	189,582,300
Issue of bonus shares	-	94,791,150
Balance at the end of the year	284,373,450	284,373,450

### B. Other Equity (Refer Note 19)

PARTICULARS	Reserves & Surplus			Other Comprehensive Income	Total
	Capital Redemption Reserve	General Reserve	Retained Earnings	Equity Instruments through OCI	
Balance as at 1st April 2015	2,500,000	3,500,000,000	1,858,421,104	553,443	5,361,474,547
Profit for the year	-	-	869,808,209	-	869,808,209
Other comprehensive income-Actuarial gain on defined benefit plans (Net of tax)	-	-	103,056	-	103,056
Other comprehensive income-Net Gain / (Loss) on fair value of Equity Instrument	-	-	-	(209,488)	(209,488)
Issue of bonus equity shares	(2,500,000)	(92,291,150)	-	-	(94,791,150)
Equity dividend paid	-	-	(113,749,380)	-	(113,749,380)
Dividend distribution tax paid on equity dividend	-	-	(23,156,620)	-	(23,156,620)
Amalgamation adjustment (Refer Note 48)	-	(18,942,139)	-	-	(18,942,139)
Balance as at 31st March 2016	-	3,388,766,711	2,591,426,369	343,955	5,980,537,035
Profit for the year	-	-	879,552,231	-	879,552,231
Other comprehensive income-Actuarial gain on defined benefit plans (Net of tax)	-	-	599,509	-	599,509
Other comprehensive income-Net Gain / (Loss) on fair value of Equity Instrument	-	-	-	71,902	71,902
Dividend paid	-	-	(28,437,345)	-	(28,437,345)
Dividend distribution tax paid	-	-	(5,789,155)	-	(5,789,155)
Balance as at 31st March 2017	-	3,388,766,711	3,437,351,608	415,857	6,826,534,176

The accompanying notes are an integral part of financial statements.

As per our report of even date  
For **Haribhakti & Co. LLP**  
Chartered Accountants  
CAI Firm Registration No. 103523W/W100048  
Sachin Shah  
Partner  
Membership No. D48539  
Place: Mumbai  
Date: 29th May, 2017

For and on behalf of the Board of Directors  
**CHETAN R. SHAH**  
Chairman & Mg. Director  
DIN: 00135296  
**S. RAMAMURTHI**  
Wholetime Director & CFO  
DIN: 00135602

**K. S. RAGHAVAN**  
Company Secretary  
ACS - 8269

## Notes to Financial Statements for the year ended 31st March 2017

### Marathon Nextgen Realty Limited

#### 1. Company Overview

Marathon Nextgen Realty Limited ("the Company") is public limited Company domiciled in India, its shares are listed on Bombay Stock Exchange ("BSE") and National Stock Exchange ("NSE"). The Company was incorporated on 13th January, 1978 and is primarily engaged in the business of construction, development and sale of commercial and residential real estate projects. The core business activities are carried out under various business model like own development, through joint ventures and joint development and other arrangements with third parties. The registered office of the Company is located at Marathon Futures, N. M. Joshi Marg, Lower Parcel, Mumbai 400 013. The Company is registered with the Ministry of Corporate Affairs under CIN L65990MH1978PLC020080.

#### 2. Significant Accounting Policies

##### 1. Basis of Preparation of Financial Statements

###### a. Compliance with Ind AS

The financial statements comply with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 to comply with the Section 133 of the Companies Act, 2013 ("the 2013 Act"), and the relevant provisions of the 2013 Act/ Companies Act, 1956 ("the 1956 Act"), as applicable.

The financial statements upto the year ended 31st March, 2016 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the 1956 Act / the 2013 Act.

These financial statements are the Company's first Ind AS financial statements and are covered by Ind AS 101 - First Time Adoption of Indian Accounting Standards (Ind AS 101). The transition to Ind AS has been carried out from the accounting principles generally accepted in India ("Indian GAAP") which is considered as the "Previous GAAP" for purposes of Ind AS 101.

Refer Note 34 for an explanation of how the transition from the previous GAAP to Ind AS has affected the financial position, financial performance and cash flows of the Company.

###### b. Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value (Refer Note 2(V) regarding financial instruments).

###### c. Operating Cycle

The normal operating cycle in respect of operation relating to under construction real estate project depends on signing of agreement, size of the project, phasing of the project, type of development, project complexities, approvals needed & realisation of project into cash & cash equivalents and are in the range of 3 to 7 years. Accordingly, project related assets & liabilities have been classified into current & non-current based on operating cycle of the respective projects. All other assets and liabilities have been classified into current and non-current based on a period of twelve months.

###### d. Functional and Presentation Currency

These financial statements are presented in Indian rupees, which is also the functional currency of the Company.

##### II. Use of Estimates and Judgements

The preparation of the financial statements in conformity with recognition and measurement principles of Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Estimates and underlying assumptions are reviewed on an ongoing basis. They are based on the historical experience and other factors, including expectations of future events that may have financial impact on the Company and are believed to be prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialise. Following are the key areas of estimation and judgement.

###### a. Evaluation of Percentage Completion

Determination of revenues under the percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the financial statements for the period in which such changes are determined.

###### b. Impairment of Non Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

## Notes to Financial Statements for the year ended 31st March 2017

### c. Impairment of Financial Assets

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

### d. Useful life and residual value of Property, Plant and Equipment and Intangible Assets

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

### e. Recognition and Measurement of Defined Benefit Obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, expected return on plan assets, trends in salary escalation and attrition rate. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the postemployment benefit obligations.

### f. Fair Value Measurement of Financial Instruments

When the fair values of the financial assets and liabilities recorded in the Balance Sheet cannot be measured based on the quoted market prices in active markets, their fair value is measured using valuation technique. The inputs to these models are taken from the observable market wherever possible, but where this is not feasible, a review of judgement is required in establishing fair values. Any changes in assumptions could affect the fair value relating of financial instruments.

## III. Measurement of Fair Values

The Company has an established control framework with respect to the measurement of fair values. The Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the Management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

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

Level 3: Inputs for the asset or liability, not based on observable market data.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## IV. Property, Plant and Equipment (PPE) & Depreciation

### a. Recognition and Measurement

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

- Its purchase price, including import duties and nonrefundable purchase taxes, after deducting trade discounts and rebates.
- Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.

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

### b. Subsequent Expenditure

Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing PPE, including repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

## Notes to Financial Statements for the year ended 31st March 2017

Any gain or loss on disposal of an item of PPE is recognised in the Statement of Profit and Loss in the year of disposal.

Expenses incurred for acquisition of capital assets excluding advances paid towards the acquisition of fixed assets outstanding at each Balance Sheet date are disclosed under Capital Work in Progress. Capital Work in Progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

### c. Depreciation

Depreciation is provided from the date the assets are ready to be put to use, on straight line method as per the useful life of the tangible assets as prescribed under Part C of Schedule II of The Companies Act, 2013.

Depreciation is calculated on a prorata basis from the date of installation / acquisition till the date the assets are sold or disposed.

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

## V. Investment Property

Investment property is property held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Based on technical evaluation and consequent advice, the Management believes a period of 60 years as representing the best estimate of the period over which investment properties are expected to be used. Accordingly, the Company depreciates investment property over a period of 60 years.

Any gain or loss on disposal of investment property is recognised in the Statement of Profit and Loss.

The fair value of investment property is disclosed in the notes. Fair value is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

## VI. Financial Instruments

### a. Financial Assets

#### i. Classification

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

#### ii. Initial Recognition and Measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### iii. Subsequent Measurement

For purposes of subsequent measurement financial assets are classified into two broad categories:

- Financial asset at fair value
- Financial asset at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in profit or loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

#### iv. Equity Investments

All equity investments other than investment in subsidiaries and joint venture are measured at fair value. Equity instruments which are held for trading are classified as at Fair Value Through Profit & Loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at Fair Value Through Other Comprehensive Income (FVTOCI) or FVTPL. The Company makes such selection on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

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

Investment in equity instruments of Subsidiaries, Joint Venture and Associates are measured at cost

- v. A financial asset mainly debt that meets the following 2 conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.
- **Business Model Test:** the objective of the Company's model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
  - **Cash Flow Characteristics Test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

A financial asset that meets the following 2 conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business Model Test:** the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets.
- **Cash Flow Characteristics Test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different basis.

All other financial assets are measured at fair value through profit or loss.

#### vi. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset.

#### vii. Impairment of Financial Asset

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial asset measured at amortised cost
- Financial asset measured at fair value through other comprehensive income

Expected credit losses are measured through a loss allowance of an amount equal to:

- 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

#### b. Financial Liabilities

##### i. Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost or at fair value through profit or loss.

##### ii. Initial Recognition and Measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

##### iii. Subsequent Measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Any difference between proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of borrowing using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction cost of the loan to the extent that it is probable that some or all of the facility will be drawn down.

##### iv. Derecognition

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

#### v. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### c. Equity Instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recognised at the proceeds received net of direct issue cost.

### VII. Inventories

- Inventories comprise of: (i) Finished Realty Stock representing unsold premises in completed projects (ii) Realty Work In Progress representing properties under construction / development and (iii) Raw Material representing inventory yet to be consumed.
- Inventories other than Raw Material above are valued at lower of cost and not realisable value. Raw Materials are valued at weighted average method.
- Cost of Realty construction / development is charged to the Statement of Profit and Loss in proportion to the revenue recognised during the period and the balance cost is carried over under Inventory as part of either Realty Work in Progress or Finished Realty Stock. Cost of Realty construction / development includes all costs directly related to the Project (including finance cost attributable to the project) and other expenditure as identified by the Management which are incurred for the purpose of executing and securing the completion of the Project (net off incidental recoveries / receipts) up to the date of receipt of Occupation Certificate of Project from the relevant authorities.

Construction Work In Progress includes cost of land, premium for development rights, construction costs, allocated interest and expenses incidental to the projects undertaken by the Company.

### VIII. Revenue Recognition

- The Company is following the "Percentage of Completion Method" of accounting. As per this method, revenue from sale of properties is recognised in the Statement of Profit & Loss in proportion to the actual cost incurred as against the total estimated cost of projects under execution with the Company on transfer of significant risk and rewards to the buyer.

In accordance with the "Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable), construction revenue on such projects, measured at the fair value (i.e. adjusted for discounts, incentives, time value of money adjustments etc.), have been recognised on percentage of completion method provided the following thresholds have been met:

- All critical approvals necessary for the commencement have been obtained
- The expenditure incurred on construction and development costs is not less than 25 per cent of the total estimated construction and development costs
- At least 25 percent of the saleable project area is secured by contracts or agreements with buyers and
- At least 10 percent of the contract consideration is realized at the reporting date in respect of such contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

Revenue from sale of completed properties (Finished Realty Stock) is recognised upon transfer of significant risks and rewards to the buyer.

- Income from relinquishment of rights over property is recognised on the basis of terms agreed with the party, which is based on the transfer of risks and rewards related to the asset.
- Interest income is accounted on an accrual basis at effective interest rate.
- Dividend income is recognised when the right to receive the payment is established.
- Rent income is accounted on accrual basis over tenure of the lease / service agreement.

### IX. Income Tax

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

#### a. Current Tax

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

Current tax assets and liabilities can be offset only if the Company

- has a legally enforceable right to set off the recognised amounts; and
- Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## Notes to Financial Statements for the year ended 31st March 2017

### b. Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (including those arising from consolidation adjustments such as unrealised profit on inventory etc.).

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

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

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

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

Deferred tax assets and liabilities are offset only if:

- The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

### X. Employee Benefits

#### a. Short term employee benefits

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

#### b. Post Employment Benefits

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

ii. **Defined benefit plans:** Provision for Gratuity is recorded on the basis of actuarial valuation certificate provided by the actuary using Projected Unit Credit Method.

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

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

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

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

#### c. Other Long Term Employee Benefits

Company's liability towards compensated absences is determined by an independent actuary using Projected Unit Credit Method. Past services are recognised on a straight line basis over the average period until the benefits become vested. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of the estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

## Notes to Financial Statements for the year ended 31st March 2017

### XI. Leases

a. **Where Company is the Lessee:** Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating lease. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on straight line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the lease.

b. **Where Company is the Lessor:** Assets representing lease arrangements given under operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on straight line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the lease. Initial direct costs are recognised immediately in the Statement of Profit and Loss.

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

d. Payments made under operating leases are recognised in the Statement of Profit and Loss. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

### XII. Borrowing Cost

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing.

Borrowing costs, allocated to qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the time all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

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

### XIII. Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### XIV. Earnings Per Share

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

### XV. Cash Flow Statement

Cash Flow Statement is prepared under the "Indirect Method" as prescribed under the Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows.

Cash and Cash equivalents for the purpose of cash flow statement comprise of cash at bank and in hand and short term investments with original maturity of three months or less.

### XVI. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in the Notes. Contingent liabilities are disclosed for:

- possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognised though are disclosed, where an inflow of economic benefits is probable.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.





## Notes to Financial Statements for the year ended 31st March 2017

### XVII. Segment Reporting

The Chief Operational Decision Maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. The operating segments are identified on the basis of nature of products/services.

The Board of Directors of the Company has appointed the Managing Director as the CODM who assesses the financial performance and position of the Company, and makes strategic decisions.

### XVIII. Recent Accounting Developments

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment'. The amendments are applicable to the Company from 1st April, 2017.

**Amendment to Ind AS 7:** The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows, and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The effect on the financial statements is being evaluated by the Company.

**Amendment to Ind AS 102:** The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that includes a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. As there is no such transaction of above nature at this stage, there will not be any effect due to above amendments.

### 3. Property, Plant & Equipment

PARTICULARS	Freehold Land	Plant and Machinery	Furniture & Fixtures	Air Conditioners and Office Equipments	Motor Vehicles	Computers	Leasehold Land	Total
<b>Gross Block at Deemed Cost</b>								
At 1st April 2015	257,648	3,369,613	250,753	31,300	4,763,521	32,413	-	8,705,248
Acquisition	-	258,487	-	9,200	-	13,590	2,476,956,462	2,477,237,739
Disposal / Reclassification	-	(3,369,613)	(250,753)	(31,300)	-	(27,248)	(2,476,956,462)	(2,480,635,376)
<b>At 31st March 2016</b>	<b>257,648</b>	<b>258,487</b>	<b>-</b>	<b>9,200</b>	<b>4,763,521</b>	<b>18,755</b>	<b>-</b>	<b>5,307,611</b>
<b>Accumulated depreciation</b>								
At 1st April 2015	-	-	-	-	-	-	-	-
Depreciation for the year	-	1,380,127	95,279	3,930	1,427,600	795	-	2,907,731
Disposal / Reclassification	-	(1,377,450)	(95,279)	(3,734)	-	-	-	(1,476,463)
<b>As at 31st March 2016</b>	<b>-</b>	<b>2,677</b>	<b>-</b>	<b>196</b>	<b>1,427,600</b>	<b>795</b>	<b>-</b>	<b>1,431,268</b>
<b>Net Block</b>								
As at 31st March 2016	257,648	258,810	-	9,004	3,335,921	17,960	-	3,876,343
As at 1st April 2015	257,648	3,369,613	250,753	31,300	4,763,521	32,413	-	8,705,248

## Notes to Financial Statements for the year ended 31st March 2017

**Note i:** The Company has elected to use the exemption available under Ind AS 101 to continue the carrying value of all of its PPE as recognised in the financial statements as of the date of transition to Ind AS, measured as per Previous GAAP and treat the same as its deemed cost as of the date of transition to Ind AS.

**Note ii:** Leasehold land was acquired on amalgamation with Parmeka Private Limited. The disposal done is for transfer of the same to Stock in Trade, based on the nature and business of the entity and intention to sell such property in the normal course of business.

PARTICULARS	Freehold Land	Plant and Machinery	Furniture & Fixtures	Air Conditioners and Office Equipments	Motor Vehicles	Computers	Leasehold Land	Total
<b>Gross Block at Deemed Cost</b>								
At 1st April 2016	257,648	258,487	-	9,200	4,763,521	18,755	-	5,307,611
Acquisition	-	63,137	-	200,343	-	58,700	-	322,180
<b>At 31st March 2017</b>	<b>257,648</b>	<b>321,624</b>	<b>-</b>	<b>209,543</b>	<b>4,763,521</b>	<b>77,455</b>	<b>-</b>	<b>5,629,791</b>
<b>Accumulated depreciation</b>								
At 1st April 2016	-	2,677	-	196	1,427,600	795	-	1,431,268
Depreciation for the year	-	21,133	-	16,000	1,427,602	9,434	-	1,474,169
Disposal / Reclassification	-	-	-	-	-	-	-	-
<b>As at 31st March 2017</b>	<b>-</b>	<b>23,810</b>	<b>-</b>	<b>16,196</b>	<b>2,855,202</b>	<b>10,229</b>	<b>-</b>	<b>2,905,437</b>
<b>Net Block</b>								
As at 31st March 2017	257,648	297,814	-	193,347	1,908,319	67,226	-	2,724,354
As at 31st March 2016	257,648	258,810	-	9,004	3,335,921	17,960	-	3,876,343

### 4. Investment Property

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Gross carrying amount</b>			
Opening balance	-	1,346,852	1,346,852
Addition during the year	-	-	-
Transfer to stock-in-trade	-	(1,346,852)	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>1,346,852</b>
<b>Net carrying amount</b>	<b>-</b>	<b>-</b>	<b>1,346,852</b>

Investment properties mainly comprise car park area in opening Balance Sheet which has been reclassified to stock in trade based on the intention of the Management to sell those car park areas / to further develop the said area, in the normal course of business. Further, fair value of those car parks in opening Balance Sheet approximates carrying amount. There are no rental income and depreciation in respect of above investment properties for FY 2016-17 and FY 2015-16 due to reclassification.

## Notes to Financial Statements for the year ended 31st March 2017

### 5A. Investment in Joint Ventures (Trade Investments)

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Investment in equity instruments at cost- Unquoted</b>			
5,208 (5,208 as at 31st March 2016 and 5,208 as at 1st April 2015) Equity Shares of Columbia Chrome (I) Private Limited	520,800	520,800	520,800
<b>Investment in Limited Liability Partnership at cost- Unquoted</b>			
Swayam Realtors & Traders LLP	4,240,810	4,240,810	4,240,810
<b>Total</b>	<b>4,761,610</b>	<b>4,761,610</b>	<b>4,761,610</b>
Aggregate amount of quoted investment & market value thereof	-	-	-
Aggregate amount of unquoted investment	4,761,610	4,761,610	4,761,610
Aggregate amount of impairment in value of investment	-	-	-

### Information about Joint Ventures

PARTICULARS	Proportion of Ownership Interest as at		
	31st March 2017	31st March 2016	1st April 2015
<b>Columbia Chrome (I) Private Limited</b> Country of Incorporation: India Principal Activity: Construction	40%	40%	40%
<b>Swayam Realtors &amp; Traders LLP</b> Country of Incorporation: India Principal Activity: Construction	40%	40%	40%

## Notes to Financial Statements for the year ended 31st March 2017

### 5B. Investments (Financial) - (Non-Trade Investments)

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Investment in equity instruments at fair value through OCI- Quoted</b>			
Nil (16,740 as at 31st March 2016 and 16,740 as at 1st April 2015) Equity Shares of Peninsula Land Limited of Rs. 2 each	-	287,928	464,535
Nil (8,000 as at 31st March 2016 and 8,000 as at 1st April 2015) Equity Shares of Integra Garments and Textile Ltd. of Rs. 3 each	-	20,800	15,280
Nil (8,000 as at 31st March 2016 and 8,000 as at 1st April 2015) Equity Shares of Morarjee Textiles Limited of Rs. 7 each	-	280,000	318,400
<b>Total Investments at FVOCI</b>	<b>-</b>	<b>588,728</b>	<b>798,215</b>
<b>Investment in equity instruments at fair value through profit or loss- Unquoted</b>			
Nil (2,10,000 as at 31st March 2016 and 2,10,000 as at 1st April 2015) Equity Shares of Electric Control Gear (India) Limited	-	-	-
<b>Investment in preference shares at fair value through profit or loss- Unquoted</b>			
*Nil (Nil as at 31st March 2016 and 92,612 as at 1st April 2015) 0% Redeemable Cumulative Preference Shares of Parmeka Pvt. Ltd. of Rs. 100 each *	-	-	1,750,262,000
<b>Investment in Government Securities at amortised cost - Unquoted</b>			
6 years National Savings Certificate	28,000	28,000	28,000
<b>Total</b>	<b>28,000</b>	<b>616,728</b>	<b>1,251,088,215</b>
Aggregate amount of quoted investment & market value thereof	-	588,728	798,215
Aggregate amount of unquoted investment	28,000	28,000	1,250,290,000
Aggregate amount of impairment in value of investment	-	2,100	2,100

### 6. Loans (Non-current) Unsecured, considered good and valued at amortised cost

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Loans to Related Parties (Refer Note 44)</b>			
Marathon Realty Private Limited*	2,893,319,749	2,579,074,037	2,860,141,087
Columbia Chrome (I) Private Limited	880,541,364	782,938,664	702,542,131
Swayam Realtors & Traders LLP	374,582,611	686,497,354	642,766,643
<b>Total</b>	<b>4,148,443,724</b>	<b>4,048,510,055</b>	<b>4,205,449,861</b>

6.1 \* Pursuant to an agreement, the Company has given advances to Marathon Realty Pvt. Ltd. to explore for the opportunities in a project, with which it is going to jointly execute the said project. At periodic intervals surplus amounts are returned as they are not immediately required for the project. The Company is of the opinion that, project advance of this nature would not attract the provisions of Section 185 of the Act.

## Notes to Financial Statements for the year ended 31st March 2017

### 7. Other Financial Assets (Non-current) Unsecured, considered good and valued at amortised cost

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Security deposits	827,565	855,565	791,125
<b>Total</b>	<b>827,565</b>	<b>855,565</b>	<b>791,125</b>

### 8. Deferred Tax Assets

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>The balance comprises of temporary differences attributable to:</b>			
Difference in WDV of PPE as per Books and as per Tax Laws	2,845,522	3,494,797	2,475,635
Employee benefits allowed on payment basis	1,781,282	1,864,188	1,585,490
Provision for doubtful debts	3,163,117	-	-
<b>Total</b>	<b>7,789,921</b>	<b>5,358,985</b>	<b>4,061,125</b>

8.1 The Company has computed income tax on its profits for the year ended 31st March, 2017 as per the provisions of Income Tax Act, 1961. The computation of tax provision has been made on the legal advice obtained by the Company and such computation has been verified by an independent firm of Chartered Accountants. Auditors have relied upon the same.

### 8.2 Movement in Deferred Tax Assets

For the year ended 31st March 2016

PARTICULARS	As at 1st April 2015	Recognised in		As at 31st March 2016
		Profit or Loss	OCI	
Property, plant and equipment	2,475,635	1,019,162	-	3,494,797
Employee benefits	1,585,490	333,240	(54,542)	1,864,188
Provision for doubtful debts	-	-	-	-
<b>Total</b>	<b>4,061,125</b>	<b>1,352,402</b>	<b>(54,542)</b>	<b>5,358,985</b>

For the year ended 31st March 2017

PARTICULARS	As at 1st April 2016	Recognised in		As at 31st March 2017
		Profit or Loss	OCI	
Property, plant and equipment	3,494,797	(649,275)	-	2,845,522
Employee benefits	1,864,188	234,377	(317,283)	1,781,282
Provision for doubtful debts	-	3,163,117	-	3,163,117
<b>Total</b>	<b>5,358,985</b>	<b>2,748,219</b>	<b>(317,283)</b>	<b>7,789,921</b>

## Notes to Financial Statements for the year ended 31st March 2017

### 8.3 A reconciliation of the Income tax expense to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

PARTICULARS	Year ended 31st March 2017	Year ended 31st March 2016
Enacted Income Tax rate	34.61%	34.61%
Profit before tax	1,118,146,932	1,107,769,135
Current Tax on Profit before Tax at enacted rates	386,968,290	383,376,743
<b>Tax effect of the amounts not deductible/(taxable) in calculating taxable income</b>		
Additional tax expense on account of MAT (MAT Credit Entitlement not recognised)	83,673,000	52,574,414
Permanent disallowances	5,041,390	34,598
Income exempt from Income Tax	(31,771)	(6,583)
Income considered for capital gains / adjusted against brought forward capital losses	(237,381,068)	(239,435,021)
Tax in respect of earlier years	(657,079)	3,713,328
Others	981,940	(2,296,553)
<b>Total Income Tax Expense</b>	<b>238,594,702</b>	<b>237,960,926</b>
<b>Effective Tax Rate</b>	<b>21.34%</b>	<b>21.48%</b>

8.4 The current tax expense for the year ended 31st March 2017 is provided in accordance with the Section 115JB of Income Tax Act 1961 is Rs. 24,20,00,000 (PY. Rs. 23,56,00,000). The Company is eligible to carry forward MAT Credit aggregating to Rs. 20,73,75,843 (PY. Rs. 12,37,02,844) as per Section 115JAA of the Income Tax Act 1961. However, the Company has not recognised the same as an asset in the books of account on prudence basis.

8.5 The Company has not created deferred tax assets on long term capital loss of Rs. 1,08,06,16,464 (PY. Rs. 53,25,69,761) based on the non-availability of virtual certainty of future taxable long term capital gains. Further, the Company has also not created deferred tax assets on provision for doubtful debts / advances of Rs. 6,70,70,982 (PY. Rs. 6,70,70,982) based on conservative approach for allowability of expense by tax authority in future.

### 9. Non-current Tax Assets

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Income taxes paid	104,983,124	94,568,704	-
[Net of provision Rs. 60,07,00,000 (Rs. 35,87,00,000 as at 31st March 2016)]			
<b>Total</b>	<b>104,983,124</b>	<b>94,568,704</b>	<b>-</b>

### 10. Other Non-current Assets

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Advance for land	50,325,000	50,325,000	50,325,000
Less: Provision for doubtful advance	(50,325,000)	(50,325,000)	(50,325,000)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Company has entered into an agreement on 20th February, 2007 for development of property in Bangalore with the owner of the land. Development work would commence once the regulatory compliances are met with. The company has paid an advance towards the joint venture on the basis of the agreement signed. The advance paid by the company is adequately secured by a collateral in the form of encumbered land based on an agreement between the company and the Power of Attorney Holders in the form of a registered document. However, by way of abundant caution, the Company has made a provision in the financials for the previous year.

## Notes to Financial Statements for the year ended 31st March 2017

### 11. Inventories

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Finished Goods (At lower of cost and net realisable value)</b>			
Era - Car Park	450,000	450,000	450,000
Innova - Car Park	30,599,958	29,253,106	30,033,293
Innova - Phase II	-	-	69,522,275
Investment property converted to stock in trade	-	1,346,852	-
<b>Total Finished Goods</b>	<b>31,049,958</b>	<b>31,049,958</b>	<b>100,005,568</b>
<b>Work in Progress</b>			
WIP CTS 93	5,461,090	5,380,900	-
WIP Kings Project	117,850,191	38,098,836	-
Project WIP CTS Conwood 2/142	175,650	-	-
Land Cost - CTS 87/pt	6,415,200	-	-
Project WIP CTS 88A/pt, 97pt, 97/1 (Refer note i below)	38,227,163	-	-
<b>Total Work in Progress</b>	<b>168,129,284</b>	<b>43,479,738</b>	<b>-</b>
<b>Lensehold Land (Refer note ii below)</b>			
	-	1,745,176,142	-
<b>Total</b>	<b>199,179,242</b>	<b>1,319,705,838</b>	<b>100,005,568</b>

#### Notes:

- The plot of land has been charged by way of mortgage against the loan availed by the Company.
- The leasehold land is pledged against loan taken by Marathon Realty Pvt Ltd.

### 12. Trade Receivable

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Related Parties (Refer Note 44)	2,627,409,021	683,774,490	-
Others	16,745,982	23,557,210	23,557,210
Provision for doubtful debts	(16,745,982)	(16,745,982)	(16,745,982)
<b>Total</b>	<b>2,627,409,021</b>	<b>690,585,718</b>	<b>6,811,228</b>

#### Break up of Security Details

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Secured, considered good	2,627,409,021	-	-
Unsecured, considered good	-	690,585,718	6,811,228
Unsecured, considered doubtful	16,745,982	16,745,982	16,745,982
	2,644,155,003	707,331,700	23,557,210
Provision for doubtful debts	(16,745,982)	(16,745,982)	(16,745,982)
<b>Total</b>	<b>2,627,409,021</b>	<b>690,585,718</b>	<b>6,811,228</b>

## Notes to Financial Statements for the year ended 31st March 2017

### 13. Cash and Cash Equivalents

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Balance with Bank - In Current Account	3,249,375	32,184,753	42,144,022
Cash on hand	94,225	10,340	32,255
<b>Total</b>	<b>3,343,600</b>	<b>32,195,093</b>	<b>42,177,177</b>

### 14. Bank Balances other than Cash and Cash Equivalents

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Unpaid dividend account	1,483,628	1,517,605	1,243,032
Fractional entitlement	81,971	83,931	74,131
<b>Total</b>	<b>1,565,599</b>	<b>1,601,536</b>	<b>1,317,163</b>

### 15. Loans (Current)

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Unsecured, considered good:</b>			
Loans to staff	26,771	142,314	70,633
<b>Total</b>	<b>26,771</b>	<b>142,314</b>	<b>70,633</b>

### 16. Other Financial Assets (Current)

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Bank deposit with original maturity of more than 12 months	4,237,500	-	-
Interest accrued on investment	197,287	28,420	28,420
(Includes Interest on fixed deposit)			
Other receivable			
-from Related Party (Refer Note 44)	-	51,925	148,860
-from others	9,139,842	6,000,811	3,470,918
Less: Provision for doubtful debts	(9,139,842)	-	-
<b>Total</b>	<b>4,434,787</b>	<b>6,081,159</b>	<b>3,648,198</b>

### 17. Other Current Assets

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Advance for land / project			
- to Related Party	1,680,550	-	-
- to others	185,304,213	135,695,558	-
Income tax refund receivable	-	388,181	-
Advance to suppliers	3,686,015	1,295,043	1,860,812
Prepaid expenses	106,319	122,444	156,117
Dues from Government Authorities	9,935,510	879,309	2,505,679
Other Receivable (from Related Party- Refer Note 44)	-	2,072,722	-
<b>Total</b>	<b>200,712,607</b>	<b>140,453,257</b>	<b>4,522,603</b>

## Notes to Financial Statements for the year ended 31st March 2017

### 18. Equity Share Capital

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Authorised Share Capital</b>			
4,97,50,000 (4,97,50,000 as at 31st March 2016 and 4,97,50,000 as at 1st April 2015) Equity Shares of Rs. 10 each	497,500,000	497,500,000	497,500,000
25,000 (25,000 as at 31st March 2016 and 25,000 as at 1st April 2015) Preference Shares of Rs. 100 each	2,500,000	2,500,000	2,500,000
<b>Total</b>	<b>500,000,000</b>	<b>500,000,000</b>	<b>500,000,000</b>
<b>Issued, Subscribed and Paid-up</b>			
2,84,37,345 (2,84,37,345 as at 31st March 2016 and 1,89,58,230 as at 1st April 2015) Equity Shares of Rs. 10 each*	284,373,450	284,373,450	189,582,300
<b>Total</b>	<b>284,373,450</b>	<b>284,373,450</b>	<b>189,582,300</b>

#### a. Terms / Rights attached to Equity Shares

- The Company has only one class of equity shares having face value of Rs. 10 each.
- Each holder of equity shares are entitled to one vote per share.
- All shares rank pari passu with regard to dividend.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preference amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### b. Terms / Right attached to Preference Shares

- The Company has only one class of preference shares having face value of Rs. 100 each.
- The preference shares carry a dividend of 6% and dividend is cumulative.
- The type of preference share is non convertible, redeemable.
- The preference shares rank ahead of equity shares in the event of liquidation.
- The presentation of liability and equity portions of these shares is explained in the Summary of Significant Accounting Policy.

#### c. Reconciliation of number and value of shares outstanding at the beginning and end of the year :

PARTICULARS	Number of Shares	Amount
Outstanding as at 1st April 2015	18,958,230	189,582,300
Equity Shares Issued during the year	9,479,115	94,791,150
<b>Outstanding as at 31st March 2016</b>	<b>28,437,345</b>	<b>284,373,450</b>
Equity Shares Issued during the year		
<b>Outstanding as at 31st March 2017</b>	<b>28,437,345</b>	<b>284,373,450</b>

#### d. Shares held by the Holding / Ultimate Holding Company and /or their Subsidiaries

Name: Ithaka Informatics Pvt. Ltd.  
Nature of Relationship: Holding Company

PARTICULARS	Number of Shares	Amount
Equity holding as at 31st March 2017	21,327,000	213,270,000
Equity holding as at 31st March 2016	21,327,000	213,270,000
Equity holding as at 1st March 2015	14,218,000	142,180,000

#### e. Details of Shareholders holding more than 5% Shares in the Company

Name of the Shareholder: Ithaka Informatics Pvt. Ltd.

PARTICULARS	Number of Shares	Holding
Equity holding as at 31st March 2017	21,327,000	75%
Equity holding as at 31st March 2016	21,327,000	75%
Equity holding as at 1st March 2015	14,218,000	75%

## Notes to Financial Statements for the year ended 31st March 2017

### f. Aggregate number of equity shares issued for consideration other than Cash and shares brought back during the period of five years preceding the reporting date:

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Equity Shares allotted as fully paid by way of bonus shares by capitalizing General Reserve and Capital Redemption Reserve	-	9,479,115	-

### 19. Other Equity

(Refer Statement of Changes in Equity for detailed movement)

#### a. Movement in Other Equity

PARTICULARS	Year ended 31st March 2017	Year ended 31st March 2016
<b>Capital Redemption Reserve</b>		
Opening balance	-	2,500,000
Less: Utilised for issue of bonus shares	-	(2,500,000)
Closing balance	-	-
<b>General Reserves</b>		
Opening balance	3,388,766.71	3,500,000,000
Less: Utilised for issue of bonus shares	-	(92,291,150)
Less: Adjustment on account of amalgamation (Refer Note 4B)	-	(18,942,139)
Closing balance	3,388,766.71	3,388,766.71
<b>Retained Earnings</b>		
Opening balance	2,591,426,369	1,858,421,104
Profit for the year	879,552,231	869,808,209
Actuarial gain on defined benefit plans (Net of tax)	599,509	103,056
Equity dividend paid	(28,437,345)	(113,749,380)
Dividend distribution tax paid on equity dividend	(5,789,155)	(23,156,620)
Closing balance	3,437,351,608	2,591,426,369
<b>Equity Instruments through OCI</b>		
Opening balance	343,955	553,443
Additions / (Deductions) during the year	71,902	(209,468)
Closing balance	415,857	343,955
<b>Total</b>	<b>6,826,534,176</b>	<b>5,980,537,035</b>

#### b. Nature and Purpose of Reserves

##### i. Capital Redemption Reserve

Capital redemption reserves are created for buy back of shares. The Company may issue fully paid-up bonus shares to its members out of the Capital Redemption Reserve.

##### ii. General Reserve

General Reserve represents the statutory reserve, this is in accordance with Indian Corporate law wherein a portion of profit is apportioned to general reserve. Under Companies Act, 1956 it was mandatory to transfer amount before a company can declare dividend, however under Companies Act, 2013 transfer of any amount to General reserve is at the discretion of the Company.

## Notes to Financial Statements for the year ended 31st March 2017

### iii. Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders.

### iv. Other Comprehensive Income

The Company has elected to recognise changes in the fair value of certain investments in equity shares in other comprehensive income. These changes are accumulated within the FVTOCI equity investment reserve within equity.

### 20. Borrowings (Non-current)

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Term loan from financial institution (Secured)	113,126,441	-	-
<b>Total</b>	<b>113,126,441</b>	<b>-</b>	<b>-</b>

#### Notes:

- The loan together with interest and other charges is secured by following:
  - First charge by way of mortgage of:
    - Development rights of the free sale component of the Project Phase I 'Marathon Embrace' (the Project)
    - Plot of land of the Project
  - First charge on:
    - All moveable of the Borrower / Project, both present and future
    - Transferable Development Right ("TDR") generated out of the Project (including TDR purchased by borrower)
    - Entire Receivables of the Project
    - All rights, title, interest, claims, benefits demand and privileges under the Project, both present and future
    - Escrow account Debt Service Reserve Account ("DSRA") and monies deposited therein including any investments made from Escrow Account
  - Unconditional and Irrevocable Personnel Guarantee of Mr. Chetan Shah and Mr. Mayur Shah
  - Demand Promissory Note
- The loan is repayable in 84 months with moratorium period on principal payment for a period of 60 months. After the expiry of moratorium period, the loan is repayable in 8 equal quarterly instalments.
- The applicable rate of interest is 14.5%. The lender have right to reset the spread on expiry of 12 months from first disbursement and every year thereafter.

### 21. Other Financial Liabilities (Non-current)

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Rent rates & taxes	1,954,349	1,751,452	1,550,303
<b>Total</b>	<b>1,954,349</b>	<b>1,751,452</b>	<b>1,550,303</b>

#### Notes:

Provision is created for payment of rent and municipal taxes payable to Bombay Port Trust. The party has not demanded the said liabilities and same are not expected to be paid in next one year.

### 22. Provisions (Non-current)

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Provision for Employee Benefits (Refer Note 43)	-	-	-
Gratuity	2,692,662	3,882,248	3,281,496
Leave Encashment	751,141	453,780	417,359
<b>Total</b>	<b>3,443,803</b>	<b>4,336,028</b>	<b>3,698,855</b>

## Notes to Financial Statements for the year ended 31st March 2017

### 23. Trade Payable

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Micro and Small Enterprises*	1,080,251	1,133,509	690,930
Others	14,696,835	12,330,437	5,209,869
<b>Total</b>	<b>15,777,086</b>	<b>13,463,946</b>	<b>5,900,799</b>

\* The Company has sent letters to suppliers to confirm whether they are covered under Micro, Small and Medium Enterprises Development Act 2006 as well as they have filed required memorandum with the prescribed authorities. Out of the letters sent to the parties, few confirmations have been received till the date of finalisation of the Balance Sheet. Based on the confirmations received, the outstanding amount payable to supplier's covered under Micro, Small and Medium Enterprises Development Act, 2006 are given below:

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
The principal amount remaining unpaid at the end of the year	1,080,251	1,133,509	690,930
The interest amount remaining unpaid at the end of the year	-	-	-
The interest amount paid in terms of Section 16 of MSMED Act, 2006	-	-	-
The Balance of MSME parties as at the end of the year	<b>1,080,251</b>	<b>1,133,509</b>	<b>690,930</b>

### 24. Other Financial Liabilities (Current)

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Interest accrued but not due on long-term borrowing	866,682	-	-
Unpaid dividend	1,483,628	1,517,605	1,243,632
Director's remuneration payable (Refer Note 44)	4,061,295	3,923,520	3,498,530
Society dues payable*	17,714,432	36,795,394	57,215,661
Bank overdraft	10,130,355	7,479,748	-
Employee dues payable	2,157,003	1,251,487	2,633,073
Other payable	5,306,922	777,269	1,620,630
<b>Total</b>	<b>41,720,317</b>	<b>51,745,023</b>	<b>66,210,926</b>

Society Dues payable are after netting off of Fixed Deposit and Interest accrued thereon of Rs. 829,39,841 (Rs. 5,37,64,468 as at 31st March 2016 and Rs. 2,03,13,640 as at 1st April 2015) and receivable related to society of Rs. 7,99,94,925 (Rs. 8,44,53,365 as at 31st March 2016 and Rs. 2,17,50,130 as at 1st April 2015).

### 25. Other Current Liabilities

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Statutory dues	9,675,372	5,230,740	2,881,418
Advance from customers	8,282,349	7,292,609	-
<b>Total</b>	<b>17,957,721</b>	<b>12,523,349</b>	<b>2,881,418</b>

## Notes to Financial Statements for the year ended 31st March 2017

### 26. Provisions (Current)

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Provision for Employee Benefits (Refer Note 43)			
Gratuity	1,273,917	431,361	364,611
Leave Encashment	68,665	151,260	139,120
Provision for Income Tax	-	-	2,914,294
(Net of advance tax Rs. 31,49,85,706 as at 1st April 2015)			
Provision for Wealth Tax	-	-	39,433
<b>Total</b>	<b>1,342,582</b>	<b>582,621</b>	<b>3,457,458</b>

### 27. Revenue from Operations

PARTICULARS	Year ended 31st March 2017	Year ended 31st March 2016
Sale of Products / Services		
Sale of property / Relinquishment of rights	1,931,090,000	1,972,360,000
Other Operating Revenue		
Car parking rental	304,520	409,200
<b>Total</b>	<b>1,931,394,520</b>	<b>1,972,769,200</b>

27/1 The Company has recognized revenue from operations of Rs. 1931,090,000 (FY ended March 2016 Rs. 191,01,60,000/-, March 2015 "NIL") on account of relinquishment of its rights in terms of the shareholder agreement dated 10th September, 2015 and addendum thereto dated 20th September, 2015 and 17th September, 2016, entered between the Company, Marathon Realty Pvt. Ltd. and Parmika Pvt. Ltd. (erstwhile wholly owned subsidiary of the Company) relating to property specified therein. The Company is not aware if such underlying property so relinquished is registered or not by the concerned party. Approval of shareholders will be taken in due course of time.

### 28. Other Income

PARTICULARS	Year ended 31st March 2017	Year ended 31st March 2016
Dividend received (On non-current investments measured at FVTOCI)	14,548	19,022
Interest on loans / project advances	500,718,420	505,633,620
Other Interest	50,709,379	
Liabilities no longer required written back	353,450	628,619
Miscellaneous Income	2,458,090	1,565,850
<b>Total</b>	<b>554,253,887</b>	<b>507,847,111</b>

## Notes to Financial Statements for the year ended 31st March 2017

### 29. Project Development Expenses

PARTICULARS	Year ended 31st March 2017	Year ended 31st March 2016
Cost of material consumed	17,226,119	6,724,046
Construction expenses	102,885,987	40,046,763
Payment to Municipal Authorities	3,537,440	4,558,909
<b>Total</b>	<b>124,649,546</b>	<b>51,369,738</b>

### 30. Change in Inventory of Finished Goods and Work In Progress

PARTICULARS	Year ended 31st March 2017	Year ended 31st March 2016
Opening Balance		
Work in progress	43,479,738	-
Finished stock	31,049,958	100,005,568
Leasehold land	1,245,176,142	
	1,319,705,838	100,005,568
Less:		
Closing Balance		
Work in progress	168,129,284	43,479,738
Finished stock	31,049,958	31,049,958
Leasehold land	-	1,245,176,142
	199,179,242	1,319,700,838
(Increase) / Decrease in value	1,120,526,596	(1,219,700,270)
Investment property converted to stock in trade	-	1,416,665
Transfer of leasehold land from PPE to inventory	-	2,476,956,462
<b>Total</b>	<b>1,120,526,596</b>	<b>1,258,672,857</b>

### 31. Employee Benefits Expense

PARTICULARS	Year ended 31st March 2017	Year ended 31st March 2016
Salary, wages and commission	33,841,067	32,870,641
Contribution to Provident and other funds	1,640,622	1,351,028
Gratuity	569,763	825,300
Leave encashment	219,234	54,854
Staff welfare expenses	59,654	54,205
<b>Total</b>	<b>36,330,340</b>	<b>35,155,828</b>

Refer Note 43 on disclosure on employee benefits

## Notes to Financial Statements for the year ended 31st March 2017

### 32. Finance Costs

PARTICULARS	Year ended 31st March 2017	Year ended 31st March 2016
Interest on loan	866,682	-
Less: Transferred to work in progress	(866,682)	-
Interest on delayed payment of taxes	2,985,730	103,169
Total	2,985,730	103,169

### 33. Other Expenses

PARTICULARS	Year ended 31st March 2017	Year ended 31st March 2016
Rent	24,092,342	107,572
Power	267,144	546,834
Repairs and maintenance	118,906	104,444
Rates and taxes	8,088,987	165,583
Professional fees	10,576,827	5,912,647
Insurance	238,535	348,660
Brokerage	292,960	1,764,452
Auditors' remuneration (Refer Note 42)	1,575,994	1,248,526
Loss on sale / discarding of assets	-	360,032
Provision for doubtful debts	9,139,842	-
Advertisement and publicity	1,753,663	-
Stamp duty	-	3,140,000
Directors' Sitting Fees	560,000	408,000
Corporate Social Responsibility expenditure (Refer Note 45)	14,400,000	-
Miscellaneous expenses	10,430,293	10,531,003
Total	81,535,493	24,637,853

### 34. First Time Adoption of Ind AS

The Company's financial statements for the year ended 31st March, 2017 are the first annual financial statements prepared in compliance with Ind AS.

The adoption of Ind AS was carried out in accordance with Ind AS 101, using 1st April, 2015 as the transition date. Ind AS 101 requires that all Ind AS that are effective for the first Ind AS Financial Statements for the year ended 31st March, 2017, be applied consistently and retrospectively for all fiscal years presented.

All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under both Ind AS and Previous GAAP as of the Transition Date have been recognised directly in equity at the Transition Date.

"For the purposes of reporting we have transitioned our basis of accounting from generally accepted accounting principles in India ("IGAAP") to Ind AS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31st March 2017, the comparative information presented in these financial statements for the year ended 31st March 2016 and in the preparation of an opening Ind AS balance sheet at 1st April 2015 (the "transition date"). In preparing our opening Ind AS balance sheet, we have adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected our financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, we did not revise estimates previously made under IGAAP except where required by Ind AS."

## Notes to Financial Statements for the year ended 31st March 2017

### a. Optional Exemptions Availed

Ind AS - 101 allows certain exemptions to first time adopters from retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

#### i. Designation of Previously Recognised Financial Instruments

"Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in equity instrument in other comprehensive income. Ind AS 101 allows such designation of previous recognized financial assets as fair value through other comprehensive income on the basis of facts and circumstances existed at the date of transition to Ind AS. Accordingly, the Company has designated investment in Listed Equity Instruments at fair value through other comprehensive income on the basis of facts and circumstances existing on the date of transition."

#### ii. Deemed Cost

Company has availed the exemption of recognising and valuing the PPE at the carrying value of previous GAAP as its Deemed cost on the date of transition.

#### iii. Investment in Subsidiary, Joint Venture and Associates

The Company has availed the exemption of recording and presenting the investment in Subsidiary, Joint Venture and Associates at Previous GAAP carrying amount on the date of transition.

### b. Mandatory Exceptions Applied

Ind AS 101 specifies mandatory exceptions from retrospective application of some aspects of other Ind ASs for first-time adopters. Following exception are applicable to the Company

#### i. Estimates

"An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies). Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for investment in equity instruments carried at FVTOCI in accordance with Ind AS at the date of transition as these were not required under Previous GAAP."

#### ii. Classification and Measurement of Financial Assets

As required under Ind AS 101 the company has assessed the classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.





## Notes to Financial Statements for the year ended 31st March 2017

### c. Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101.

#### i. Reconciliation of Balance Sheet as at 1st April, 2015 and 31st March, 2016

PARTICULARS	Footnotes	As at 1st April 2015			As at 31st March 2016		
		IGAAP*	Ind AS adjustments / reclassifications	Ind AS	IGAAP*	Ind AS adjustments / reclassifications	Ind AS
<b>ASSETS</b>							
<b>Non-current Assets</b>							
a. Property, Plant and Equipment		8,705,248	-	8,705,248	3,876,343	-	3,876,343
b. Investment Property		1,346,852	-	1,346,852	-	-	-
c. Investment in Joint Ventures		4,761,610	-	4,761,610	4,761,610	-	4,761,610
d. Financial Assets							
i. Investment	vi (a)	1,250,534,772	553,443	1,251,088,215	272,772	343,956	616,728
ii. Loans	vi (b)	4,209,163,912	(3,714,051)	4,205,449,861	4,048,510,055	-	4,048,510,055
iii. Other Financial Assets		791,125	-	791,125	855,565	-	855,565
e. Deferred tax assets (Net)		4,061,125	-	4,061,125	5,358,985	-	5,358,985
f. Non-Current Tax Assets	vi (b)	-	-	-	100,861,572	(6,292,868)	94,568,704
g. Other Non-current Assets	vi (c)	-	-	-	135,695,558	(135,695,558)	-
<b>Total Non-current assets</b>		<b>5,479,364,644</b>	<b>(3,160,608)</b>	<b>5,476,204,036</b>	<b>4,300,192,460</b>	<b>(141,644,470)</b>	<b>4,158,547,990</b>
<b>Current Assets</b>							
a. Inventories		100,005,568	-	100,005,568	1,319,705,838	-	1,319,705,838
b. Financial Assets							
i. Trade Receivables		6,811,228	-	6,811,228	690,585,718	-	690,585,718
ii. Cash and Cash equivalents		42,177,777	-	42,177,777	32,195,093	-	32,195,093
iii. Bank Balances other than Cash and Cash Equivalents		1,317,163	-	1,317,163	1,601,536	-	1,601,536
iv. Loans		70,633	-	70,633	142,314	-	142,314
v. Other Financial Assets		3,648,198	-	3,648,198	6,081,159	-	6,081,159
c. Other Current Assets	vi (b), (c)	4,522,603	-	4,522,603	5,093,176	135,360,081	140,453,257
<b>Total Current Assets</b>		<b>158,552,570</b>		<b>158,552,570</b>	<b>2,055,404,834</b>	<b>135,360,081</b>	<b>2,190,764,915</b>
<b>Total Assets</b>		<b>5,637,917,214</b>	<b>(3,160,608)</b>	<b>5,634,756,606</b>	<b>6,355,597,294</b>	<b>(6,284,389)</b>	<b>6,349,312,905</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
a. Equity Share Capital		189,582,300	-	189,582,300	284,373,450	-	284,373,450
b. Other Equity	iv	5,224,015,104	157,459,443	5,361,474,547	5,941,726,579	38,810,456	5,980,537,035
<b>Total Equity</b>		<b>5,413,597,404</b>	<b>137,459,443</b>	<b>5,551,056,847</b>	<b>6,226,100,029</b>	<b>38,810,456</b>	<b>6,264,910,485</b>

## Notes to Financial Statements for the year ended 31st March 2017

PARTICULARS	Footnotes	As at 1st April 2015			As at 31st March 2016		
		IGAAP*	Ind AS adjustments / reclassifications	Ind AS	IGAAP*	Ind AS adjustments / reclassifications	Ind AS
<b>Non-current liabilities</b>							
a. Financial Liabilities							
i. Borrowings		-	-	-	-	-	-
ii. Other financial liabilities		1,550,303	-	1,550,303	1,751,452	-	1,751,452
b. Provisions		3,698,855	-	3,698,855	4,336,028	-	4,336,028
<b>Total non-current liabilities</b>		<b>5,249,158</b>	<b>-</b>	<b>5,249,158</b>	<b>6,087,480</b>	<b>-</b>	<b>6,087,480</b>
<b>Current liabilities</b>							
a. Financial Liabilities							
i. Trade Payable		5,900,799	-	5,900,799	13,463,946	-	13,463,946
ii. Other financial liabilities		66,210,926	-	66,210,926	51,745,023	-	51,745,023
b. Other Current Liabilities	vi (d)	2,881,418	-	2,881,418	76,783,349	(4,240,000)	12,523,349
c. Provisions	vi (b), (e)	144,077,509	(140,620,051)	3,457,458	41,437,467	(40,854,845)	582,621
<b>Total Current Liabilities</b>		<b>219,070,652</b>	<b>(140,620,051)</b>	<b>78,450,601</b>	<b>123,409,785</b>	<b>(45,094,845)</b>	<b>78,314,939</b>
<b>Total Liabilities</b>		<b>224,319,810</b>	<b>(140,620,051)</b>	<b>83,699,759</b>	<b>129,497,265</b>	<b>(45,094,845)</b>	<b>84,402,420</b>
<b>Total Equity and Liabilities</b>		<b>5,637,917,214</b>	<b>(3,160,608)</b>	<b>5,634,756,606</b>	<b>6,355,597,294</b>	<b>(6,284,389)</b>	<b>6,349,312,905</b>

\* IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note and are after considering the effect of amalgamation as explained in Note 45.

#### ii. Reconciliation of the statement of Profit & Loss

PARTICULARS	Footnotes	Year ended 31st March 2016		
		IGAAP*	Ind AS adjustments / reclassifications	Ind AS
Revenue from Operations		1,972,769,200	-	1,972,769,200
Other Income		503,607,111	4,240,000	507,847,111
<b>Total Income (A)</b>	vi (i)	<b>2,476,376,311</b>	<b>4,240,000</b>	<b>2,480,616,311</b>
<b>Expenses</b>				
Project Development Expenses		51,369,738	-	51,369,738
Change in Inventory of Finished goods and Work in Progress		1,258,672,857	-	1,258,672,857
Employee Benefits Expense	vi (f)	34,998,230	157,598	35,155,828
Depreciation		2,907,731	-	2,907,731
Finance Costs		103,169	-	103,169
Other Expenses		24,637,853	-	24,637,853
<b>Total Expenses (B)</b>		<b>1,372,689,578</b>	<b>157,598</b>	<b>1,372,847,176</b>
<b>Profit before Tax (C = A - B)</b>		<b>1,103,686,733</b>	<b>4,082,402</b>	<b>1,107,769,135</b>

## Notes to Financial Statements for the year ended 31st March 2017

PARTICULARS	Footnotes	Year ended 31st March 2016		
		IGAAP*	Ind AS adjustments / reclassifications	Ind AS
<b>Tax expense:</b>				
Current Tax		235,600,000	-	235,600,000
Deferred Tax	vi (f)	(1,297,860)	(54,542)	(1,352,402)
Adjustment of Tax Related to earlier period		3,713,328	-	3,713,328
<b>Total Tax Expense (D)</b>		<b>238,015,468</b>	<b>(54,542)</b>	<b>237,960,926</b>
<b>Profit for the year (E - C - D)</b>		<b>865,671,265</b>	<b>4,136,944</b>	<b>869,808,209</b>
<b>Other Comprehensive Income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Net Gain / (Loss) on fair value of Equity Instruments	vi (a)	-	(209,488)	(209,488)
Actuarial gain on defined benefit plans	vi (f)	-	157,598	157,598
Income Tax effect on above	vi (f)	-	(54,542)	(54,542)
<b>Total Other Comprehensive Income (Net of tax) (F)</b>			<b>(106,432)</b>	<b>(106,432)</b>
<b>Total Comprehensive Income for the year (G = E + F)</b>		<b>865,671,265</b>	<b>4,030,512</b>	<b>869,701,777</b>

\* IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note and are after considering the effect of amalgamation as explained in Note 48.

### iii. Impact of adoption of Ind AS on statement of cashflows

PARTICULARS	Year ended 31st March 2016		
	Amount as per IGAAP *	Impact of Transition to IND AS	Amount as per Ind AS
Net cash flow (used in) Operating Activities	(524,558,523)	-	(524,640,204)
Net cash flow from Investing Activities	644,031,909	-	644,031,909
Net cash flow (used in) Financing Activities	(137,009,160)	-	(137,009,160)
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(17,545,783)</b>	<b>-</b>	<b>(17,545,783)</b>
Cash and Cash Equivalents at the beginning of the year	42,261,128	-	42,261,128
Cash and Cash Equivalents at the end of the year	24,715,345	-	24,715,345

\* IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note and are after considering the effect of amalgamation as explained in Note 48.

### iv. Reconciliation of Equity

PARTICULARS	As at 1st April 2015	As at 31st March 2016
Equity as per IGAAP	5,413,597,404	6,226,100,029
Reversal of proposed dividend and tax thereon	136,906,000	34,226,500
Reversal of share of loss from Associate	-	4,240,000
Fair value of equity instrument through OCI	553,443	343,956
Equity as per Ind AS	<b>5,551,056,847</b>	<b>6,264,910,485</b>

## Notes to Financial Statements for the year ended 31st March 2017

### v. Reconciliation of Total Comprehensive Income

PARTICULARS	Year Ended 31st March 2016
Profit after Tax under IGAAP	865,671,265
Reversal of share of loss from Associate	4,240,000
Fair Value of equity instrument through OCI	(209,488)
<b>Total Comprehensive Income as per Ind AS</b>	<b>869,701,777</b>

### vi. Explanatory Notes

#### a. Fair Valuation of Investment in Equity Instruments

The Company has designated its investment in Listed Equity Instruments at fair value through other comprehensive income (FVTOCI) on the basis of facts and circumstances existing on the date of transition. Resultant loss on fair valuation of investments has been recognised in OCI.

#### b. Reclassification of Income Tax Assets / Liabilities

Income tax assets (advance tax) and liabilities (provision for tax) have been netted off to show only one balance at the Balance Sheet date.

#### c. Reclassification of Project Advance

Project advance amounting to Rs. 13,56,95,558 has been reclassified as current as on 31st March 2016.

#### d. Share of Loss from Joint Venture

Share of loss from joint venture has been reversed in FY 2015-16 and effect has been taken in opening balance sheet to the extent of investment in such joint venture.

#### e. Proposed Dividend and Distribution Tax thereon

Under Ind AS, dividend to the holders of equity instruments is recognised as a liability in the period in which the obligation to pay is established. Hence, the dividend proposed after the date of Balance Sheet is not recognised in the books of account. The proposed dividend and distribution tax thereon recognised under Previous GAAP have been reversed under Ind AS.

#### f. Remeasurement of Defined Benefit Obligation

Actuarial gain on remeasurement of defined benefit obligation (Gratuity) has been reclassified from profit or loss to OCI after deducting tax effect thereon.

### 35. Financial Risk Management

The Company's principal financial liabilities comprise borrowings, trade and other payable. The main purpose of financial liabilities is to manage finance for the Company's operations. The Company has loan and other receivables, trade and other receivable and cash and short term deposits that arise directly from its operations. The Company's activities expose it to a variety of financial risk as follows:

- I Market Risk
- II Credit Risk
- III Liquidity Risk

#### I Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risks: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as at March 31, 2017 and March 31, 2016.

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations, provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including interest rates.

#### a. Interest rate risk and sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. The risk is planned to be managed by having a portfolio mix of floating and fixed rate debt. As at 31st March 2017, entire borrowings are at floating rate. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. With all other variables held constant, the following table demonstrates the impact of borrowing cost on floating rate portion of loans and borrowings and loans on which interest rate swaps are taken.

## Notes to Financial Statements for the year ended 31st March 2017

Interest Rate Sensitivity	Increase / decrease in Basis Points	Effect on profit before tax
For the year ended 31st March 2017 INR Borrowing	+50	(1,806,235)
For the year ended 31st March 2016 INR Borrowing	-50	1,806,235
		NIL

### b. Commodity price risk and sensitivity

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Company enter into contracts for procurement of material, most of the transactions are short term fixed price contract and a few transactions are long term fixed price contracts.

### c. Financial instruments and cash deposits

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations.

### d. Competition and price risk

The Company faces competition from local competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

### ii. Credit Risk

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

The Company's maximum exposure to credit risk as at 31st March, 2017, 2016 and 1st April, 2015 is the carrying value of each class of financial assets.

### a. Trade and Other Receivables

Customer credit risk for realty sales is managed by entering into sale agreements in the case of sale of under-construction flat/premises which stipulate construction milestone-based payments and interest clauses in case of delays and also by requiring customers to pay the total agreed sale value before handover of possession of the premises/flats, thereby substantially eliminating the Company's credit risk in this respect. In the case of sale of finished units, sale agreements are executed only upon/against full payment. Further, trade receivables from Marathon Realty Pvt. Ltd. are secured by way of pledge of shares of the Holding Company, Itace Informatics Pvt. Ltd., held by Marathon Realty Pvt. Ltd."

### Impairment

Expected credit loss assessment for customers as at 1st April 2015, 31st March 2016 and 31st March 2017:

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macroeconomic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. In view of the above, the Company believes that no provision is required as per expected credit loss method.

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

PARTICULARS	Amount (Rs.)
Balance as at 1st April 2015	16,745,982
Impairment loss recognised	-
Amounts written off	-
<b>Balance as at 31st March 2016</b>	<b>16,745,982</b>
Impairment loss recognised	9,139,842
Amounts written off	-
<b>Balance as at 31st March 2017</b>	<b>25,885,824</b>

## Notes to Financial Statements for the year ended 31st March 2017

### b. Loans

The loans and advances are in the nature of advances for project in SPVs where the Company is a stakeholder and hence the risk is minimal. Based on the above factors and historical data, loss on collection of receivables is not material and hence no additional provision was made.

Expected credit loss assessment of loans as at 1 April 2015, 31 March 2016 and 31 March 2017.

Considering the nature of the business, the Company has a policy to provide loans in the nature of project advance to its group entities / related parties for undertaking projects, based on its primary business real estate development through project partners. The loans given to these entities are repayable on demand and there is no past history for any default/delay/irregularity in repayments based on demands made. Moreover, all the group entities to whom loans have been advanced, have substantial potential in the projects to repay the loan based on the valuation of such entities and their activities are controlled and managed by the Company. Accordingly, on view of such control over operations and underlying security of the project/ assets, these loans are considered adequately secured for repayments. In view of the above, the Company believes that no provision is required to be made using the expected credit loss method.

### iii. Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The Company is required to maintain ratios (including total debt to EBITDA / net worth, EBITDA to gross interest, debt service coverage ratio and secured coverage ratio) as mentioned in the loan agreements at specified levels. In the event of failure to meet any of these ratios these loans become callable at the option of lenders.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the treasury department under policies approved by the Board of Directors. The treasury team identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board lays down principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk and investment of excess liquidity.

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

As at 31st March 2017

PARTICULARS	Less than 1 year	1 to 5 years	More than 5 years	Total	Carrying Amount*
Borrowings **	20,214,985	83,903,679	145,047,217	145,047,217	113,126,441
Rent, rates and taxes	-	1,954,349	-	1,954,349	1,954,349
Trade payable	15,777,086	-	-	-	15,777,086
Unpaid dividend	1,483,628	-	-	-	1,483,628
Director's remuneration payable	4,061,295	-	-	-	4,061,295
Society dues payable	17,714,432	-	-	-	17,714,432
Bank overdraft	10,130,355	-	-	-	10,130,355
Employee dues payable	2,157,003	-	-	-	2,157,003
Other payable	5,306,922	-	-	-	5,306,922

\* Difference in total outstanding liability and carrying amount is on account reduction of un-amortized borrowing costs from loan balance in view of recognition of Interest Cost on "Effective Interest Rate Method" basis as provided in Ind AS.

\*\* Cash outflow within 1 year and thereafter upto 5 years denotes only interest payments.

## Notes to Financial Statements for the year ended 31st March 2017

As at 31st March 2016

PARTICULARS	Less than 1 year	1 to 5 years	More than 5 years	Total	Carrying Amount*
Rent, rates and taxes	-	1,751,452	-	1,751,452	1,751,452
Trade payable	13,463,946	-	-	-	13,463,946
Unpaid dividend	1,517,605	-	-	-	1,517,605
Director's remuneration payable	3,923,520	-	-	-	3,923,520
Society dues payable	36,795,394	-	-	-	36,795,394
Bank overdraft	7,479,748	-	-	-	7,479,748
Employee dues payable	1,251,487	-	-	-	1,251,487
Other payable	777,269	-	-	-	777,269

As at 1st April 2015

PARTICULARS	Less than 1 year	1 to 5 years	More than 5 years	Total	Carrying Amount*
Rent, rates and taxes	-	1,550,303	-	1,550,303	1,550,303
Trade payable	5,900,799	-	-	-	5,900,799
Unpaid dividend	1,243,032	-	-	-	1,243,032
Director's remuneration payable	3,498,530	-	-	-	3,498,530
Society dues payable	57,215,661	-	-	-	57,215,661
Employee dues payable	2,633,073	-	-	-	2,633,073
Other payable	1,620,630	-	-	-	1,620,630

### 36. Capital Risk Management

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended 31st March, 2017 and 31st March, 2016.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest bearing loans and borrowing for reported periods.

For the purpose of the Company's capital management, capital includes issued capital, compulsorily convertible debentures, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, trade and other payables less cash and short term deposits.

### 37. Fair Value of Financial Instruments

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements.

## Notes to Financial Statements for the year ended 31st March 2017

PARTICULARS	As at 31st March 2017		As at 31st March 2016		As at 1st April, 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets:</b>						
Financial Asset designated at fair value through Other Comprehensive Income						
Investment			588,728	588,728	798,215	798,215
In equity instruments						
<b>Financial Asset designated at amortized cost</b>						
Investment	28,000	28,000	28,000	28,000	1,250,290,000	1,250,290,000
Loans	4,148,470,495	4,148,470,495	4,048,652,369	4,048,652,369	4,205,520,494	4,205,520,494
Security deposit	827,565	827,565	855,565	855,565	791,125	791,125
Trade receivable	2,627,409,021	2,627,409,021	690,585,718	690,585,718	6,811,228	6,811,228
Cash and bank balances	4,909,200	4,909,200	33,796,630	33,796,630	43,494,340	43,494,340
Bank deposit with original maturity of more than 12 months	4,237,500	4,237,500	-	-	-	-
Interest accrued on Investment	197,287	197,287	28,420	28,420	28,420	28,420
Other receivable	-	-	6,052,739	6,052,739	3,619,778	3,619,778
	<b>6,786,079,067</b>	<b>6,786,079,067</b>	<b>4,780,588,168</b>	<b>4,780,588,168</b>	<b>5,511,353,599</b>	<b>5,511,353,599</b>
<b>Financial Liabilities</b>						
<b>Financial liabilities at amortised cost</b>						
Borrowings	113,126,441	113,126,441	-	-	-	-
Trade payable	15,777,086	15,777,086	13,463,946	13,463,946	5,900,799	5,900,799
Rent Rates and Taxes	1,954,349	1,954,349	1,751,452	1,751,452	1,550,303	1,550,303
Interest accrued but not due	866,682	866,682	-	-	-	-
Unpaid dividend	1,483,628	1,483,628	1,517,605	1,517,605	1,243,032	1,243,032
Director's remuneration payable	4,061,295	4,061,295	3,923,520	3,923,520	3,498,530	3,498,530
Society dues payable	17,714,432	17,714,432	36,795,394	36,795,394	57,215,661	57,215,661
Bank overdraft	10,130,355	10,130,355	7,479,748	7,479,748	-	-
Employee dues payable	2,157,003	2,157,003	1,251,487	1,251,487	2,633,073	2,633,073
Other payable	5,306,922	5,306,922	777,269	777,269	1,620,630	1,620,630
	<b>172,578,193</b>	<b>172,578,193</b>	<b>66,960,422</b>	<b>66,960,422</b>	<b>73,662,028</b>	<b>73,662,028</b>

### Fair value hierarchy

The fair value of financial instruments as disclosed above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

## Notes to Financial Statements for the year ended 31st March 2017

The categories used are as under:

- Level 1: Quoted prices for identical instruments in an active market;  
Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and  
Level 3: Inputs which are not based on observable market data

Fair value hierarchy for financial assets and liabilities measured at fair value and those measured at amortised cost but fair value is required to be disclosed:

PARTICULARS	As at 31st March 2017		As at 31st March 2016		As at 1st April, 2015	
	Level 1	Level 3	Level 1	Level 3	Level 1	Level 3
Investment in equity instruments	-	-	588,728	-	798,215	-
Other investments	-	28,000	-	28,000	-	1,250,290,000
Loans	-	4,148,470,495	-	4,048,052,369	-	4,205,520,494
Borrowings	-	113,126,441	-	-	-	-

Note:

- Carrying amount of financial assets and liabilities other than disclosed above approximate the fair value.
- Fair value of loans and borrowings approximates the carrying values considering the discount rate which is based on the market rate. The discount rate is equivalent to the Effective Interest Rate of such loans and borrowings. There is no significant change in the market rate for discounting of such loans and borrowings.
- Fair value of investment in equity instruments (Quoted) is based on market value of such instruments on reporting date.
- Fair value of investment in unquoted instruments is based on independent valuer's report.

### 38. Contingent Liabilities

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April, 2015
<b>Claim against company not acknowledged as debts:</b>			
Disputed liabilities appealed *			
- Central Excise duty	10,541,456	10,541,456	10,546,456
- PF and ESIC dues (Refer note a and b below)	4,750,560	4,750,560	4,750,560
- Income Tax Demand	341,120	25,221,050	-
- Sales Tax Demand (Refer note c below)	43,046,633	43,046,633	43,046,633
<b>Total</b>	<b>58,679,765</b>	<b>83,659,699</b>	<b>58,343,649</b>

\* As certified by Management and consultants

- The Employees' Provident Fund Authorities have issued a show cause notice against the Company raising a claim of Rs. 38,93,486/- purportedly being arrears pertaining to damages and delayed payment of interest. The Company appealed against the order in the Provident Fund Appellate Tribunal and pending hearing the recovery of principal interest and damages has been stayed.
- The Employees' State Insurance Corporation has raised a claim of Rs. 8,67,074/- purportedly being arrears of contribution, damages and delayed payment interest. The company had made a representation to the Board for Industrial and Financial Reconstruction in this regard, besides filing an appeal in the ESIC court.
- The Sales tax department has issued notice of demand u/s 32 of The Maharashtra Value Added Tax Act, 2002 dated 26th February, 2015 for Rs. 4,30,46,633/- for the period 01.04.2008 to 31.03.2009. The said demand is under appeal and the Company expects that there will not be any liability on the same in future.

### 39. Segment Reporting

The 'management approach' as defined in 'Ind AS 108 - Operating Segments' requires disclosure of segment-wise information based on the manner in which the Chief Operating Decision Maker (CODM) evaluates the performance and allocates resources. In cases where a reporting entity operates in more than one business segment. Since the Company is primarily engaged in the business of real estate development which the Management and CODM recognise as the sole business segment, the disclosure of such segment-wise information is not required and accordingly, not provided.

## Notes to Financial Statements for the year ended 31st March 2017

### 40. Earning Per Share

PARTICULARS	Year ended 31st March 2017	Year ended 31st March 2016
Profit after tax as per the Statement of Profit and Loss	879,552,231	869,808,709
Profit for the year attributable to equity shareholders	879,552,231	869,808,209
Weighted average number of equity shares	28,437,345	28,437,345
Basic and diluted earnings per share *	30.93	30.59
Nominal value per equity share	10	10

\* During the year ended 31st March, 2016, the Company had made allotment of 94,79,115 equity shares of Rs. 10/- each as bonus shares in proportion of one equity share for every two equity shares held. The earnings per share has been adjusted for both the period presented above.

### 41. Lease

#### Operating Lease Arrangement

The Company has been operating from the premises owned by group Company Marathon Realty Private Limited. During the year, Company had entered into formal agreement for payment of rent on the premises occupied by it. The rental payable per month has been Rs. 20,00,000 per month. The lease does not have any non-cancellable portion. Tenure of the lease agreement is valid till 31st March 2017. Total rent charged to the Statement of Profit and loss is Rs. 2,40,92,342 (Previous year Rs. 1,07,572)

### 42. Auditors' Remuneration

PARTICULARS	Year ended 31st March 2017	Year ended 31st March 2016
Statutory audit fees (including limited review and consolidation)	1,025,000	1,025,000
Tax audit fees	175,000	175,000
Fees for certification and other services	3,50,000	25,000
Reimbursement of expenses	25,994	23,626
<b>Total</b>	<b>1,575,994</b>	<b>1,248,626</b>

### 43. Employee Benefits

#### a. Defined Contribution Plans

Amounts recognised in the Statement of Profit and Loss:

PARTICULARS	Year ended 31st March 2017	Year ended 31st March 2016
Contribution to Provident and other funds	1,640,622	1,351,028

#### b. Defined Benefit Plan (Gratuity) and other Long-term Employee Benefits (Leave Encashment)

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is not funded and payout is done by company on resignation / retirement of employees.

## Notes to Financial Statements for the year ended 31st March 2017

Disclosure as per Valuation Reports of Independent Actuary

### A. Movement in Obligation

PARTICULARS	Gratuity		Leave Encashment	
	Year ended 31st March 2017	Year ended 31st March 2016	Year ended 31st March 2017	Year ended 31st March 2016
Change in present value of obligations				
Defined Benefit Obligation at the beginning of the year	4,313,609	3,646,107	605,040	556,479
Current service cost	224,674	533,411	73,333	357,272
Interest cost	345,089	291,689	48,224	44,518
Remeasurements - Due to financial assumptions	131,980	-	34,577	-
Remeasurements - Due to experience adjustments	(1,048,773)	(157,598)	63,101	(346,936)
Benefits paid	-	-	(4,469)	(6,293)
Defined Benefit Obligation at the end of the year	3,966,579	4,313,609	819,806	605,040

### B. Amounts recognised in the Statement of Profit and Loss

PARTICULARS	Gratuity		Leave Encashment	
	Year ended 31st March 2017	Year ended 31st March 2016	Year ended 31st March 2017	Year ended 31st March 2016
Current service cost	224,674	533,411	73,333	357,272
Interest cost	345,089	291,689	48,224	44,518
Remeasurements - Due to financial assumptions	-	-	34,577	-
Remeasurements - Due to experience adjustments	-	-	63,101	(346,936)
Amount recognised in profit or loss	569,763	825,100	219,235	54,854
Remeasurements - Due to financial assumptions	131,980	-	-	-
Remeasurements - Due to experience adjustments	(1,048,773)	(157,598)	-	-
Amount recognised in OCI	(916,793)	(157,598)	-	-
Total amount recognised in the Statement of Profit and Loss	(347,030)	667,502	219,235	54,854

## Notes to Financial Statements for the year ended 31st March 2017

### C. Amount recognised in Balance Sheet

PARTICULARS	Gratuity			Leave Encashment		
	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Present value of obligation	3,966,579	4,313,609	3,646,107	819,806	605,040	556,479
Fair value of plan assets	-	-	-	-	-	-
Amount recognised in Balance Sheet	3,966,579	4,313,609	3,646,107	819,806	605,040	556,479

### D. Assumptions

The principal actuarial assumptions used for estimating the Company's defined benefit obligations and other long term employee benefits are set out below:

PARTICULARS	Gratuity (Unfunded)			Leave Encashment (Unfunded)		
	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Mortality table	IALM 2006-08 (Mod.) Ult.	IALM 2006-08 (Mod.) Ult.	IALM 2006-08 (Mod.) Ult.	IALM 2006-08 (Mod.) Ult.	IALM 2006-08 (Mod.) Ult.	IALM 2006-08 (Mod.) Ult.
Mortality rate	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Disability rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Withdrawal rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Normal retirement age	58 years	58 years	58 years	58 years	58 years	58 years
Discount rate	7.50%	8.00%	8.00%	7.50%	8.00%	8.00%
Salary escalation rate	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Expected return on plan assets	NA	NA	NA	NA	NA	NA

### E. Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the weighted key assumptions are

PARTICULARS	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Salary escalation rate + 1%	4,141,120	959,629	3,882,731	824,660	3,844,423	603,607
Salary escalation rate - 1%	3,609,905	809,052	3,529,731	754,046	3,450,125	510,317
Withdrawal rate + 1%	4,104,921	826,141	3,833,412	784,475	3,788,249	572,115
Withdrawal rate - 1%	3,807,168	812,577	3,560,082	746,565	3,481,441	540,054
Discount rate + 1%	3,712,576	753,374	3,439,933	736,963	3,415,384	538,257
Discount rate - 1%	4,254,586	898,337	4,021,488	799,072	3,918,576	576,401

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method (Projected Unit Credit Method) used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

Note: Above disclosures with respect to employee benefits have been made to the extent of availability of data, as per actuarial valuation report.

F. Maturity Profile

PARTICULARS	As at 31st March, 2017	
	Gratuity	Leave Encashment
Year 1	1,273,917	68,665
Year 2	833,127	313,790
Year 3	48,885	14,141
Year 4	51,918	14,973
Year 5	55,260	15,867
Year 6	58,934	16,825
Year 7	62,963	17,852
Year 8	67,371	18,952
Year 9	72,185	20,120
Year 10	76,483	21,390
Weighted average duration (in years)	12.83	14.92

G. Best Estimate of Contribution

PARTICULARS	As at 31st March, 2017	
	Gratuity	Leave Encashment
Best Estimate of Contribution for the Company during the next year	1,983,289	409,903

Note: Above disclosures with respect to employee benefits have been made to the extent of availability of data, as per actuarial valuation report.

44. List of Related Parties and Transactions during the year as per Ind AS-24 "Related Party Disclosures"

- a. Controlling Company : Itaca Informatics Pvt Ltd (75%)
- b. Subsidiary : Parmeka Pvt Ltd (Subsidiary w.e.f. 14th September, 2015 upto 30th September, 2015)  
(This subsidiary was amalgamated with the Company w.e.f. 1st October, 2015)
- c. Key Management Personnel : Mr. Chetan R. Shah - Managing Director  
Mr. S. Ramamurthi - Whole Time Director & CFO  
Mr. Mayur R. Shah - Director  
Ms. Shalleja C. Shah - Director  
Mr. Veejaraghavan Ranganathan - Director  
Mr. Anup Shah - Director (w.e.f. 28th August 2015)  
Mr. Pedmanabha Shetty - Director  
Mr. Deepak Shah - Director (w.e.f. 9th February 2017)
- d. Relatives of Key Management Personnel having transactions during the year : Ms. Anshya R. Shah (Mother of Managing Director)  
Mr. Ranniklal Z. Shah (Father of Managing Director)  
Ms. Sonal M. Shah (Wife of Mayur R. Shah-Director)
- e. Joint Ventures (% of holding) : Columbia Chrome (I) Pvt Ltd (40%)  
Swayam Realtors & Traders LLP (40%)
- f. Entities over which Key Management Personnel / their relatives exercise significant influence and having transactions during the year : IXOXI Equip-Hire LLP  
Marathon IT Infrastructure Pvt Ltd  
Marathon Realty Pvt Ltd  
Matrix Enclaves Projects Developments Pvt Ltd  
Matrix Waste Management Pvt Ltd  
Nexzone Fiscal Services Pvt Ltd  
Nexzone Utilities Pvt Ltd  
Parmeka Pvt Ltd (upto 13th September, 2015)  
Ranniklal Z. Shah Trust  
Sanvo Resorts Pvt. Ltd.  
United Enterprises

Transactions with Related Parties (RP):

PARTICULARS	Controlling Company	Joint Venture	Entities Included in (f) above	Key Management Personnel	Relatives of Key Management Personnel	Total
Expenses / liabilities of the Company paid by RP	-	-	14,413,022	-	-	14,413,022
	-	-	(54,556)	-	-	(54,556)
Reimbursement by the Company	-	-	11,141,032	-	-	11,141,032
	-	-	(54,556)	-	-	(54,556)
Expenses / liabilities of RP paid by the Company	-	2,000	346,837	-	-	348,837
	-	(1,000)	(713,312)	-	-	(714,312)
Reimbursement to the Company	-	-	398,762	-	-	398,762
	-	-	(810,247)	-	-	(810,247)
Advance given	-	22,800,000	398,116,423	-	-	420,916,423
	-	(79,200,000)	(105,790,000)	-	-	(184,990,000)
Advance repaid by RP	-	382,765,217	438,528,612	-	-	821,693,830
	-	(93,603,027)	(753,941,304)	-	-	(847,544,331)
Loan repaid	-	-	-	-	-	-
	-	-	1,226,385,510)	-	-	(1,226,385,510)
Interest Income*	-	145,652,174	405,551,012	-	-	551,203,186
	-	(138,530,271)	(367,084,254)	-	-	(505,614,525)
Purchase of Equity Shares of Parmeka Pvt Ltd	-	-	-	-	-	-
	-	-	(20,000,000)	-	-	(20,000,000)
Sale of fixed assets	-	-	-	-	-	-
	-	-	(2,072,722)	-	-	(2,072,722)
Rent	-	-	24,000,000	-	-	24,000,000
Dividend paid on Equity	21,327,000	-	-	450	450	21,327,900
	(85,308,000)	-	-	(1,800)	(1,800)	(85,311,600)
Sale of Premises	-	-	1,931,090,000	-	-	1,931,090,000
	-	-	(1,910,160,000)	-	-	(1,910,160,000)
Sale of Material	-	-	34,120	-	-	34,120
	-	-	-	-	-	-

Notes to Financial Statements for the year ended 31st March 2017

PARTICULARS	Controlling Company	Joint Venture	Entities included in (f) above	Key Management Personnel	Relatives of Key Management Personnel	Total
Purchase of Material	-	-	1,115,633	-	-	1,115,633
Hiring charges	-	-	865,987	-	-	865,987
Purchase of Land	-	-	1,163,700	-	-	1,163,700
Advance against Purchase of Land	-	-	1,680,550	-	-	1,680,550
Remuneration	-	-	-	8,180,000	-	8,180,000
	-	-	-	(6,500,000)	-	(6,500,000)
Commission	-	-	-	6,300,000	-	6,300,000
	-	-	-	(6,000,000)	-	(6,000,000)
Directors' Sitting Fees	-	-	-	560,000	-	560,000
	-	-	-	(400,000)	-	(400,000)
Payment towards deposit for Proposal of Directorship	-	-	-	(100,000)	-	(100,000)
Refund of deposit for Proposal of Directorship	-	-	-	(100,000)	-	(100,000)
CSR Expenditure	-	-	14,400,000	-	-	14,400,000
Guarantee / Security	-	-	Note II	Note iv	-	-
Contingent receivable	-	-	Note III	-	-	-

Notes to Financial Statements for the year ended 31st March 2017

Outstanding Balances:

Loan receivable						
As at 31st March 2017	-	1,255,123,975	2,893,319,749	-	-	4,148,443,724
As at 31st March 2016	-	1,469,436,018	2,579,074,037	-	-	4,048,510,055
As at 1st April 2015	-	1,345,308,774	2,860,141,087	-	-	4,205,449,861
Trade receivable (Note vii)						
As at 31st March 2017	-	-	2,627,409,021	-	-	2,627,409,021
As at 31st March 2016	-	-	683,774,490	-	-	683,774,490
As at 1st April 2015	-	-	-	-	-	-
Other receivable						
As at 31st March 2017	-	-	1,680,550	-	-	1,680,550
As at 31st March 2016	-	-	2,124,647	-	-	2,124,647
As at 1st April 2015	-	-	148,860	-	-	148,860
Trade payable						
As at 31st March 2017	-	-	959,862	-	-	959,862
As at 31st March 2016	-	-	-	-	-	-
As at 1st April 2015	-	-	-	-	-	-
Director's remuneration payable						
As at 31st March 2017	-	-	-	4,061,295	-	4,061,295
As at 31st March 2016	-	-	-	3,923,520	-	3,923,520
As at 1st April 2015	-	-	-	3,498,530	-	3,498,530

Note:

- Amounts in bracket are for previous year ended 31st March 2016.
- The leasehold land (999 years lease) is given as security against loan availed by Marathon Realty Pvt. Ltd. However, as at 31st March 2017, the rights relating to the said land have been relinquished by the Company towards Marathon Realty Pvt. Ltd.
- As per definitive agreements to be executed w.r.t. 35 acres of land to be developed.
- The Managing Director, Mr. Chetan R. Shah and his brother, Mr. Mayur Shah have given unconditional and irrevocable personal guarantee against loan availed by the Company.
- The Company has entered into an agreement with Matrix Waste Management Pvt. Ltd. for revenue or area sharing based on 12.5% of revenue generated from the developed area for which development rights have been acquired by the Company.
- The Company has entered into an agreement with Ithaca Informatics Pvt. Ltd. for revenue or area sharing based on 12.5% of revenue generated from the developed area for which development rights have been acquired by the Company.
- Trade receivables of the Company are secured by way of pledge of shares of the Holding Company, Ithaca Informatics Pvt. Ltd. which are held by Marathon Realty Pvt. Ltd.
- All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.
- For the year ended 31st March, 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (FY 2015-16: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



## Notes to Financial Statements for the year ended 31st March 2017

### 45. Corporate Social Responsibility (CSR) Expenditure

- a. Gross amount required to be spent during the year: Rs. 1,40,03,471 (FY: Rs. 1,01,9,085)  
 b. Amount spent during the year on:

PARTICULARS	In cash	Yet to be paid in cash	Total
I. Construction/ acquisition of any asset	-	-	-
	(-)	(-)	(-)
II. On purposes other than (I) above	14,400,000	-	14,400,000
	(-)	(-)	(-)

Figures in brackets pertain to previous year

### 46. Specified Bank Notes

As per Notification of Ministry of Corporate Affairs dated 30th March 2017 details of specified bank notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016 are as provided in table below:

PARTICULARS	SBNs	Other Denominations Notes	Total
Closing cash in hand as on 8th November 2016	19,500	49,207	49,207
Add: Permitted receipts	-	217,857	217,857
Less: Permitted payments	-	146,626	146,626
Less: Amount deposited in banks	19,500	-	-
Closing cash in hand as on 30th December 2016	-	120,438	120,438

Specified Bank Notes is defined as Bank Notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees. The disclosures with respects to 'Permitted Receipts', 'Permitted Payments', 'Amount Deposited in Banks' and 'Closing Cash in Hand as on 30.12.2016' is understood to be applicable in case of SBNs only.

### 47. Proposed Dividend

Proposed dividend on Equity Shares not recognised:

PARTICULARS	Year ended 31st March 2017	Year ended 31st March 2016
Final dividend for the year ended [ Rs. 1 (FY: Rs. 1) per share ]	28,437,345	28,437,345
Dividend distribution tax on proposed dividend	5,789,155	5,789,155

### 48. Amalgamation of the Company

Name of the Amalgamating Company: Parmeka Pvt Ltd.

Nature of Business:

- a. Parmeka Pvt Ltd was engaged in the business of Real Estate Development of commercial project Marathon Futurex at Lower Parel through its erstwhile holding Company Marathon Realty Pvt Ltd, owning Leasehold Land under Fixed Assets. The Company has bought 100% equity shares of Parmeka Pvt Ltd from Marathon Realty Pvt Ltd and erabing Parmeka Pvt Ltd its wholly owned subsidiary.

The Scheme of Amalgamation of Parmeka Pvt Ltd (transferor company) with the Company, under Sections 391 to 394 of the Companies Act, 1956 was sanctioned by the Hon'ble High Courts of Judicature at Bombay vide Order dated 8th October, 2016. The Scheme became effective on the filing of the said order with Registrar of Companies, Maharashtra on 21st October, 2016 seeking approval on 21st November, 2016. Pursuant to the Scheme of Amalgamation and an agreement between the Company, the wholly owned subsidiary Parmeka Pvt Ltd has been amalgamated with Company with effect from 1st October, 2015 (the "Appointed Date"), hence no shares were exchanged to effect the amalgamation.

## Notes to Financial Statements for the year ended 31st March 2017

### Accounting Treatment:

The amalgamation has been accounted for under the "pooling of interest" method as prescribed by Accounting Standard 14 specified under Section 133 of the Companies Act, 2013. Accordingly, assets, liabilities and reserves of Parmeka Pvt Ltd as at 1st October, 2015 (the "Appointed Date") have been recorded in the books of the Company at their book value. The difference between the amounts recorded as investments of the Company and the amount of share capital and reserves of Parmeka Pvt Ltd has been adjusted with General Reserve.

Accordingly, amalgamation has resulted in transfer of assets, liabilities and reserves in accordance with the terms of the Scheme at the following summarized values:

PARTICULARS	Amount	Amount
<b>A. Assets Taken Over</b>		
Tangible Fixed Assets*	2,476,956,462	
Cash and Bank Balances	83,951	
Other Current Assets	723,658	
		2,477,764,071
<b>B. Liabilities Taken Over</b>		
Trade Payables	8,700	
Other Current Liabilities	1,226,385,510	
		1,226,394,210
<b>Net Assets Taken over [A-B]</b>		<b>1,251,369,861</b>
Less:		
Cancellation of Company's investments in Parmeka Pvt Ltd		1,270,312,000
(Equity Shares Rs. 2,00,50,000/-; Preference Shares Rs.125,02,62,000/-)		
<b>Balance transferred to General Reserve</b>		<b>(18,942,139)</b>

\* Tangible Fixed Assets are pledged against loan taken by Marathon Realty Pvt Ltd.

- b. While approving the merger scheme of Parmeka Pvt Ltd (PPL) with the Company, Hon'ble High Courts of Judicature at Bombay has stated in its order that at the time of giving effect of the merger in the books of the Company, it should follow Accounting Standard (AS) - 14 "Accounting for Amalgamations". The Order further states that any deficit arising on account of elimination should be debited to Goodwill. This second treatment is specified in the court order and not in the merger scheme, which is not in conformity with AS - 14. The Company has followed the accounting treatment which is as specified in the merger scheme and as prescribed in AS - 14. Accordingly, the deficit is debited to general reserve account and no asset in the nature of goodwill has been created. This treatment is in conformity with AS - 14.
- c. The Company has computed income tax on its profits for the year ended 31st March, 2016 as per the provisions of Income Tax Act, 1961. The computation of tax provision has been made on the legal advice obtained by the Company and such computation has been verified by an independent firm of Chartered Accountants.
- d. The effect of merger scheme has been given w.e.f. its appointed date i.e. 1st October 2015. Therefore, comparative figures for FY 2015-16 have been presented after considering the effect of merger.

### 49. Previous Year Figures

The previous year figures are regrouped, recast and reclassified wherever necessary to make them comparable with the figures of the current year.

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

Snehal Shah  
 Partner  
 Membership No. 048539

Place: Mumbai  
 Date: 29th May, 2017

For and on behalf of the Board of Directors

**CHE TAN R. SHAH**  
 Chairman & Mg. Director  
 DIN: 00135296

**S. RAMAMURTHI**  
 Whole-time Director & CFO  
 DIN: 00135602

**K. S. RAGHAVAN**  
 Company Secretary  
 ACS - 8269

# Consolidated Financial Statement

## Independent Auditor's Report

To the Members of Marathon Nextgen Realty Limited

### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of Marathon Nextgen Realty Limited (hereinafter referred to as "the Holding Company") and its joint ventures comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

### Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Holding Company and its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder. The respective Boards of Directors of the Holding Company and its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements are free from material misstatement.

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate Ind AS financial statements and on the other financial information of the joint ventures, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Holding Company and its joint ventures as at March 31, 2017, their consolidated profit, consolidated changes in equity and their consolidated cash flows for the year ended on that date.

### Emphasis of Matter

We draw attention to the following matters:

- (i) Note 8.1 to the Con Auditors' Responsibility
- (ii) Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
- (iii) We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements are free from material misstatement.
- (iv) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

## Independent Auditor's Report

- (v) We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in sub-paragraph (j) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.
- (vi) Consolidated Ind AS Financial Statements regarding the adequacy of provision for income tax, which comprises of long term capital loss, business and other income, which is based on the legal advice and as certified by an Independent firm of Chartered Accountants and which has been relied upon by us.
- (vii) Note 271 to the Consolidated Ind AS Financial Statements regarding the manner of recognition of income from operations amounting to Rs. 1931,090,000, which is subject to the approval of shareholders.

Our report is not modified in respect of these matters.

### Other Matters

- (f) The Consolidated Ind AS Financial Statements include Group's share of net loss (including other comprehensive income) of Rs. 0.80 lakhs for the year ended March 31, 2017, as considered in the Consolidated Ind AS Financial Statements, in respect of one joint venture, whose Ind AS financial statements have not been audited by us. These Ind AS financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture, is based solely on the report of the other auditor.
- (g) The Consolidated Ind AS Financial Statements also include Group's share of net loss (including other comprehensive income) of Rs. Nil (to the extent of carrying value of investments) for the year ended March 31, 2017, as considered in the Consolidated Ind AS Financial Statements, in respect of one joint venture, whose Ind AS financial statements have not been audited by us. These Ind AS financial statements are not audited by their auditor and have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture, is based solely on such unaudited Ind AS financial statements. Accordingly to the information and explanation given to us by the Management, these Ind AS financial statements are not material to the Holding Company including its joint ventures.

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

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows, dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements;
- d. In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;
- e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its joint venture which is a company incorporated in India, none of the directors of the Holding Company and its joint venture which is a company incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the the Holding Company and its joint venture which is a company incorporated in India and the operating effectiveness of such controls, we give our separate Report in the "Annexure".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us.

## Independent Auditor's Report

- i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and its joint ventures – Refer Note no. 35 to the Consolidated Ind AS Financial Statements;
- j. The Holding Company and its joint ventures did not have any material foreseeable losses on long term contracts including derivative contracts;
- k. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. Further, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the joint venture which is a company incorporated in India.
- l. The Holding Company and its joint venture which is a company incorporated in India have provided the requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed by us and based on the report of other auditor, we report that the disclosures are in accordance with the books of account maintained by the Holding Company and one joint ventures which is a company incorporated in India. (Refer Note no. 46 to the Consolidated Ind AS Financial Statements).

For Haribhakti & Co, LLP  
Chartered Accountants  
ICAI Firm Registration No. 103523W/W100048  
Snehal Shah  
Partner  
Membership No. 048539  
Place: Mumbai  
Date: 29th May, 2017

## Independent Auditor's Report

### ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Marathon Nextgen Realty Limited on the Consolidated Ind AS Financial Statements for the year ended March 31, 2017]

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

In conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of the Holding Company and its joint venture which is a company incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The respective Boards of Directors of the of the Holding Company and its joint venture which is a company incorporated in India, are 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. These 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the 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.

## Independent Auditor's Report

### Opinion

In our opinion, the Holding Company and its joint venture which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

### Other Matters

Our aforesaid reports under Section 143(3)(f) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to its joint venture which is a company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India.

### For Haribhakti & Co, LLP

Chartered Accountants  
ICAI Firm Registration No. 103523W/W100048

Snehal Shah  
Partner  
Membership No. 048539

Place: Mumbai  
Date: 29th May 2017

# Consolidated Balance Sheet as at 31st March 2017

(Amt. in ₹)

PARTICULARS	NOTE NO.	AS AT 31st MARCH 2017	AS AT 31st MARCH 2016	AS AT 1st APRIL 2015
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
a. Property, Plant and Equipment	3	2,724,354	3,876,343	8,705,248
b. Investment Property	4	-	-	1,346,852
c. Investments accounted for using Equity Method	5A	441,832	521,986	456,940
d. Financial Assets				
i. Investment	5B	28,000	616,728	1,251,088,215
ii. Loans	6	3,618,099,306	3,576,426,505	3,788,789,199
iii. Other Financial Assets	7	827,565	855,565	791,125
e. Deferred Tax Assets (Net)	8	191,331,517	168,737,660	148,259,047
f. Non-current Tax Assets	9	104,983,124	94,568,704	-
g. Other Non-current Assets	10	-	-	-
<b>Total Non-current assets</b>		<b>3,918,435,698</b>	<b>3,845,603,490</b>	<b>5,199,436,626</b>
<b>Current Assets</b>				
a. Inventories	11	199,179,242	1,319,705,838	100,005,568
b. Financial Assets				
i. Trade Receivables	12	2,627,409,021	690,585,718	6,811,228
ii. Cash and Cash equivalents	13	3,343,600	32,195,093	42,177,177
iii. Bank Balances other than Cash and Cash Equivalents	14	1,565,599	1,601,536	1,317,163
iv. Loans	15	26,771	142,314	70,633
v. Other Financial Assets	16	4,434,787	6,081,159	3,648,198
c. Other Current Assets	17	200,712,607	140,453,257	4,522,603
<b>Total Current Assets</b>		<b>3,036,671,627</b>	<b>2,190,764,915</b>	<b>158,552,570</b>
<b>Total Assets</b>		<b>6,955,107,325</b>	<b>6,036,368,406</b>	<b>5,357,989,196</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a. Equity Share Capital	18	284,373,450	284,373,450	189,582,300
b. Other Equity	19	6,475,411,576	5,667,592,536	5,094,707,137
<b>Total Equity</b>		<b>6,759,785,026</b>	<b>5,951,965,986</b>	<b>5,274,289,437</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
a. Financial Liabilities				
i. Borrowings	20	113,126,441	-	-
ii. Other Financial Liabilities	21	1,954,349	1,751,452	1,550,303
b. Provisions	22	3,443,803	4,336,028	3,698,855
<b>Total Non-current Liabilities</b>		<b>118,524,593</b>	<b>6,087,480</b>	<b>5,249,158</b>
<b>Current Liabilities</b>				
a. Financial Liabilities				
i. Trade Payable	23	-	-	-
Due to Micro and Small Enterprises		1,080,251	1,133,509	690,930
Other than Micro and Small Enterprises		14,696,835	12,330,437	5,209,869
ii. Other Financial Liabilities	24	41,720,317	51,745,023	66,210,926
b. Other Current Liabilities	25	17,957,721	12,523,349	2,881,418
c. Provisions	26	1,342,582	582,621	3,457,458
<b>Total Current Liabilities</b>		<b>76,797,706</b>	<b>78,314,939</b>	<b>78,450,601</b>
<b>Total Liabilities</b>		<b>195,322,299</b>	<b>84,402,420</b>	<b>83,699,759</b>
<b>Total Equity and Liabilities</b>		<b>6,955,107,325</b>	<b>6,036,368,406</b>	<b>5,357,989,196</b>

The accompanying notes are an integral part of financial statements.

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

Snehal Shah  
 Partner  
 Membership No. 048539

Place: Mumbai  
 Date: 29th May, 2017

For and on behalf of the Board of Directors

**CHETAN R. SHAH**                      **S. RAMAMURTHI**  
 Chairman & Mg. Director              Wholetime Director & CFO  
 DIN: 00135296                              DIN: 00135602

**K. S. RAGHAVAN**  
 Company Secretary  
 ACS - 8269

# Consolidated Statement of Profit and Loss for the year ended 31st March 2017

(Amt. in ₹)

PARTICULARS	NOTE NO.	Year Ended 31-3-2017	Year Ended 31-3-2016
Revenue from Operations	27	1,931,394,920	1,972,769,200
<b>Other Income</b>	28	<b>495,993,017</b>	<b>452,424,223</b>
<b>Total Income (A)</b>		<b>2,427,387,937</b>	<b>2,425,193,423</b>
<b>Expenses:</b>			
Property Development Expenses	29	124,649,546	51,369,738
Change in Inventory of Finished goods and Work In progress	30	1,120,526,596	1,258,672,857
Employee benefits expense	31	36,330,340	35,155,828
Depreciation	3	1,474,169	2,907,731
Finance costs	32	2,985,730	103,169
Other expenses	33	81,535,493	24,637,853
<b>Total Expenses (B)</b>		<b>1,367,501,875</b>	<b>1,372,847,176</b>
<b>Profit before Tax (C = A - B)</b>		<b>105,98,86,062</b>	<b>105,23,46,247</b>
<b>Tax Expense:</b>			
Current tax		242,000,000	235,600,000
Deferred tax		(22,911,141)	(20,533,155)
Adjustment of Tax related to earlier period		(657,079)	3,713,328
<b>Total Tax Expense (D)</b>	8	<b>218,431,780</b>	<b>218,780,173</b>
<b>Profit After Tax (E = C - D)</b>		<b>841,454,283</b>	<b>833,566,074</b>
Share of Profit / (Loss) in Joint Ventures (F)		(80,154)	65,046
<b>Profit for the year (G = E + F)</b>		<b>841,374,129</b>	<b>833,631,120</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Net Gain / (Loss) on Fair Value of Equity Instruments		71,902	(209,488)
Remeasurement of Defined Benefit Obligation		916,792	157,598
Income Tax effect on above remeasurement		(317,283)	(54,542)
<b>Total Other Comprehensive Income (Not of tax) (H)</b>		<b>671,411</b>	<b>(106,432)</b>
<b>Total Comprehensive Income for the year (I = G + H)</b>		<b>842,045,539</b>	<b>833,524,688</b>
<b>Profit for the year attributable to:</b>			
Owners of the Company		841,374,129	833,631,120
Non-controlling Interest		-	-
<b>Other Comprehensive Income for the year attributable to:</b>			
Owners of the Company		671,411	(106,432)
Non-controlling Interest		-	-
<b>Total Comprehensive Income for the year attributable to:</b>			
Owners of the Company		842,045,539	833,524,688
Non-controlling Interest		-	-

**Consolidated Statement of Profit and Loss for the year ended  
31<sup>st</sup> March 2017**

(Amt. in ₹)

PARTICULARS	NOTE NO.	Year Ended 31-3-2017	Year Ended 31-3-2016
Earning Per Share (Rs.)	40		
Basic (Face Value of Rs. 10 each)		29.59	29.31
Diluted (Face Value of Rs. 10 each)		29.59	29.31

The accompanying notes are an integral part of financial statements.

As per our report of even date

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

Snehal Shah  
Partner  
Membership No. 048539

Place: Mumbai  
Date: 29th May, 2017

For and on behalf of the Board of Directors

**CHETAN R. SHAH**                      **S. RAMAMURTHI**  
Chairman & Mg. Director              Wholetime Director & CFO  
DIN: 00135296                              DIN: 00135602

**K. S. RAGHAVAN**  
Company Secretary  
ACS - 8269

**Consolidated Statement of Cash Flows for the year ended  
31st March, 2017**

(Amt. in ₹)

PARTICULARS	Year Ended 31st March, 2017	Year Ended 31st March, 2016
<b>A. Cash Flow from Operating Activities</b>		
<b>Profit before tax</b>	1,059,886,062	1,052,346,247
<b>Adjustments for:</b>		
Dividend Income	(14,548)	(19,022)
Interest Income	(493,166,929)	(450,210,732)
Liabilities no longer required written back	(353,450)	(628,619)
Provision for employee benefits	788,997	879,954
Finance costs	2,985,730	103,169
Provision for doubtful debts	9,139,842	-
Loss on sale of PPE	-	360,032
Depreciation and amortisation	1,474,169	2,907,731
<b>Operating profit before working capital changes</b>	<b>580,739,873</b>	<b>605,738,760</b>
(Increase) / Decrease in trade and other receivable	(2,000,529,938)	(821,090,706)
(Increase) / Decrease in inventory	1,120,526,596	1,258,603,044
(Decrease) / Increase in trade & other payable	(5,206,668)	(1,230,595,681)
<b>Cash (used in) operations</b>	<b>(304,470,137)</b>	<b>(187,344,583)</b>
Direct taxes paid (Net of refund)	(251,369,160)	(337,223,940)
<b>Net cash (used in) operating activities (A)</b>	<b>(555,839,297)</b>	<b>(524,568,523)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of PPE	(322,180)	(281,277)
Proceeds from sale of PPE	-	1,842,419
(Investment in) equity shares	-	(20,050,000)
Proceeds from sale of investments	660,630	-
Loans (given) / repaid	(41,557,258)	212,291,013
Investment in bank deposits with original maturity more than 3 months	(4,237,500)	-
Interest received	492,998,064	450,210,732
Dividend received	14,548	19,022
<b>Net cash flow from Investing Activities (B)</b>	<b>447,556,304</b>	<b>644,031,909</b>

## Consolidated Statement of Cash Flows for the year ended 31st March, 2017

(Amt. in ₹)

PARTICULARS	Year Ended 31st March, 2017	Year Ended 31st March, 2016
<b>C. Cash flow from Financing Activities</b>		
Proceeds from borrowing	113,993,123	-
Dividend and dividend distribution tax paid	(34,226,506)	(156,906,000)
Interest paid	(2,985,730)	(103,169)
<b>Net cash flow from / (used in) Financing Activities (C)</b>	<b>76,780,892</b>	<b>(137,009,169)</b>
<b>Net (decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(31,502,101)</b>	<b>(17,545,783)</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>		
Balance with Bank - in Current Account (Note 13)	32,184,753	42,144,922
Cash on hand (Note 13)	10,340	32,255
Bank overdraft (Note 24)	(7,479,748)	-
Adjustment on account of amalgamation (Note 4B)	-	83,951
<b>Total</b>	<b>24,715,345</b>	<b>42,261,128</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>		
Balance with Bank - in Current Account (Note 13)	3,249,375	32,184,753
Cash on hand (Note 13)	94,225	10,340
Bank overdraft (Note 24)	(10,130,355)	(7,479,748)
<b>Total</b>	<b>(6,786,755)</b>	<b>24,715,345</b>

### Explanatory notes to Statements of Cash Flows:

- Statement of Cash Flows is prepared in accordance with Ind AS 7 as notified by Ministry of Corporate Affairs.
- In Part A of the Cash Flow Statement, figures in brackets indicate deduction made from the net profit for deriving the net cash flow from operating activities. In Part B and Part C, figures in brackets indicate cash outflows.

The accompanying notes are an integral part of financial statements.

As per our report of even date

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

Snehal Shah  
Partner  
Membership No. 048539

Place: Mumbai  
Date: 29th May, 2017

For and on behalf of the Board of Directors

**CHETAN R. SHAH**  
Chairman & Mg. Director  
DIN: 00135296

**S. RAMAMURTHI**  
Wholtime Director & CFO  
DIN: 00135602

**K. S. RAGHAVAN**  
Company Secretary  
ACS - 8269

## Consolidated Statement of Changes in Equity for the year ended 31st March 2017

### A. Equity Share Capital (Refer Note 18)

PARTICULARS	As at 31st March 2017	As at 31st March 2016
Balance at the beginning of the year	284,373,450	189,582,300
Issue of bonus shares	-	94,791,150
<b>Balance at the end of the year</b>	<b>284,373,450</b>	<b>284,373,450</b>

### B. Other Equity (Refer Note 19)

PARTICULARS	Reserves & Surplus			Other Comprehensive Income	Total
	Capital Redemption Reserve	General Reserve	Retained Earnings	Equity Instruments through OCI	
<b>Balance as at 1st April 2015</b>	<b>2,500,000</b>	<b>3,500,000,000</b>	<b>1,581,653,694</b>	<b>553,443</b>	<b>5,084,707,137</b>
Profit for the year	-	-	833,631,120	-	833,631,120
Other comprehensive Income-Actuarial gain on defined benefit plans (Net of tax)	-	-	103,056	-	103,056
Other comprehensive Income-Net Gain / (Loss) on fair value of Equity Instrument	-	-	-	(209,488)	(209,488)
Issue of bonus equity shares	(2,500,000)	(92,291,150)	-	-	(94,791,150)
Equity dividend paid	-	-	(113,749,380)	-	(113,749,380)
Dividend distribution tax paid on equity dividend	-	-	(23,156,620)	-	(23,156,620)
Amalgamation adjustment (Refer Note 4B)	-	(18,942,139)	-	-	(18,942,139)
<b>Balance as at 31st March 2016</b>	<b>-</b>	<b>3,388,766,711</b>	<b>2,278,481,870</b>	<b>343,955</b>	<b>5,667,592,536</b>
Profit for the year	-	-	841,374,129	-	841,374,129
Other comprehensive Income-Actuarial gain on defined benefit plans (Net of tax)	-	-	599,509	-	599,509
Other comprehensive Income-Net Gain / (Loss) on fair value of Equity Instrument	-	-	-	71,902	71,902
Dividend paid	-	-	(28,437,345)	-	(28,437,345)
Dividend distribution tax paid	-	-	(5,789,155)	-	(5,789,155)
<b>Balance as at 31st March 2017</b>	<b>-</b>	<b>3,388,766,711</b>	<b>3,086,229,008</b>	<b>415,857</b>	<b>6,475,411,576</b>

The accompanying notes are an integral part of financial statements.

As per our report of even date

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

Snehal Shah  
Partner  
Membership No. 048539

Place: Mumbai  
Date: 29th May, 2017

For and on behalf of the Board of Directors

**CHETAN R. SHAH**  
Chairman & Mg. Director  
DIN: 00135296

**S. RAMAMURTHI**  
Wholtime Director & CFO  
DIN: 00135602

**K. S. RAGHAVAN**  
Company Secretary  
ACS - 8269

## Notes to Consolidated Financial Statements for the year ended 31st March 2017

### 1 Group Overview

Marathon Nextgen Realty Limited ("the Company") including its joint ventures (together known as "the Group") is a public limited company domiciled in India. Its shares are listed on Bombay Stock Exchange ("BSE") and National Stock Exchange ("NSE"). The Company was incorporated on 13th January, 1978 and is primarily engaged in the business of construction, development and sale of commercial and residential real estate projects. The core business activities are carried out under various business model like own development, through joint ventures and joint development and other arrangements with third parties. The registered office of the Company is located at Marathon Futorex, N. M. Joshi Marg, Lower Parel, Mumbai 400 013. The Company is registered with the Ministry of Corporate Affairs under CIN L65990MH1978PLC020080.

### 2 Significant Accounting Policies

#### I. Basis of Preparation of Consolidated Financial Statements

##### a. Compliance with Ind AS

The consolidated financial statements comply with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 to comply with the Section 133 of the Companies Act, 2013 ("the 2013 Act"), and the relevant provisions of the 2013 Act / Companies Act, 1956 ("the 1956 Act"), as applicable.

The consolidated financial statements upto the year ended 31st March, 2016 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the 1956 Act / the 2013 Act.

These consolidated financial statements are the Group's first Ind AS consolidated financial statements and are covered by Ind AS 101-First Time Adoption of Indian Accounting Standards (Ind AS 101). The transition to Ind AS has been carried out from the accounting principles generally accepted in India ("Indian GAAP") which is considered as the "Previous GAAP" for purposes of Ind AS 101.

Refer Note 34 for an explanation of how the transition from the previous GAAP to Ind AS has affected the financial position, financial performance and cash flows of the Group.

##### b. Historical Cost Convention

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value. (Refer Note 2(VII) regarding financial instruments).

##### c. Operating Cycle

The normal operating cycle in respect of operation relating to under construction real estate project depends on signing of agreement, size of the project, phasing of the project, type of development, project complexities, approvals needed & realisation of project into cash & cash equivalents and are in the range of 3 to 7 years. Accordingly, project related assets & liabilities have been classified into current & non-current based on operating cycle of the respective projects. All other assets and liabilities have been classified into current and non-current based on a period of twelve months.

##### d. Functional and Presentation Currency

These consolidated financial statements are presented in Indian rupees, which is also the functional currency of the Group.

#### II. Principles of Consolidation

The Consolidated Financial Statements have been prepared on the following basis:

a. The consolidated financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as of the Group.

b. The consolidated financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits are fully eliminated.

c. The excess of cost to the Company of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary are made, is recognised as "Goodwill" being an asset in the consolidated financial statements. Goodwill arising out of consolidation is not amortised. However, the same is tested for impairment at each Balance Sheet date. Alternatively, where the share of equity in the subsidiary companies as on the date of the investment is in excess of cost of investment of the Company, it is recognised as "Capital Reserve" and shown under the head "Other Equity", in the consolidated financial statements.

d. Non-controlling interests in the net assets of subsidiaries consist of:

(i) The amount of equity attributable to the minorities at the date on which investment in subsidiary is made and

(ii) The minority's share of movements in equity since the date the parent-subsidiary relationship came into existence.

e. The Group's interests in equity accounted investees comprise interests in associates and joint ventures. An associate is an entity in which

## Notes to Consolidated Financial Statements for the year ended 31st March 2017

the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement, rather than rights of its assets and obligation for its liabilities. Interests in associates and joint ventures are accounted for using the Equity Method.

Under the Equity Method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit / loss, and the Group's share of Other Comprehensive Income of the investee in Other Comprehensive Income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment.

#### III. Use of Estimates and Judgements

The preparation of the consolidated financial statements in conformity with recognition and measurement principles of Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Estimates and underlying assumptions are reviewed on an ongoing basis. They are based on the historical experience and other factors, including expectations of future events that may have financial impact on the Group and are believed to be prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise. Following are the key areas of estimation and judgement.

##### a. Evaluation of Percentage Completion

Determination of revenues under the percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the consolidated financial statements for the period in which such changes are determined.

##### b. Impairment of Non Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

##### c. Impairment of Financial Assets

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

##### d. Evaluation of Control

The assessment as to whether the Group exercises control, joint control or significant influence over the entities in which it holds less than 100 percent voting rights.

The Group makes assumptions, when assessing whether it exercises control, joint control or significant influence over entities in which it holds less than 100 percent of the voting rights. These assumptions are made based on the contractual rights with the other shareholders, relevant facts and circumstances which indicate that the Group has power over the potential subsidiary or that joint control exists. Changes to contractual arrangements or facts and circumstances are monitored and are evaluated to determine whether they have a potential impact on the assessment as to whether the Group is exercising control over its investment.

##### e. Useful life and residual value of Property, Plant and Equipment and Intangible Assets

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice. Assumptions also need to be made, when the Group assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

##### f. Recognition and Measurement of Defined Benefit Obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, expected return on plan assets, trends in salary escalation and attrition rate. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post employment benefit obligations.



## Notes to Consolidated Financial Statements for the year ended 31st March 2017

### g. Fair Value Measurement of Financial Instruments

When the fair values of the financial assets and liabilities recorded in the Balance Sheet cannot be measured based on the quoted market prices in active markets, their fair value is measured using valuation technique. The inputs to these models are taken from the observable market wherever possible, but where this is not feasible, a review of judgement is required in establishing fair values. Any changes in assumptions could affect the fair value relating of financial instruments.

### IV. Measurement of Fair Values

The Group has an established control framework with respect to the measurement of fair values. The Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the Management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

**Level 1:** Quoted prices in active markets for identical assets or liabilities.

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

**Level 3:** Inputs for the asset or liability, not based on observable market data.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### V. Property, Plant and Equipment (PPE) & Depreciation

#### a. Recognition and Measurement

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

i. Its purchase price, including import duties and nonrefundable purchase taxes, after deducting trade discounts and rebates.  
ii. Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.

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

#### b. Subsequent Expenditure

Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing PPE, including repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Any gain or loss on disposal of an item of PPE is recognised in the Statement of Profit and Loss in the year of disposal.

Expenses incurred for acquisition of capital assets excluding advances paid towards the acquisition of fixed assets outstanding at each Balance Sheet date are disclosed under Capital Work in Progress. Capital Work in Progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

#### c. Depreciation

Depreciation is provided from the date the assets are ready to be put to use, on straight line method as per the useful life of the tangible assets as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation is calculated on a pro-rata basis from the date of installation / acquisition till the date the assets are sold or disposed.

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

### VI. Investment Property

Investment property is property held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Based on technical evaluation and consequent advice, the Management believes a period of 60 years as representing the best estimate of

## Notes to Consolidated Financial Statements for the year ended 31st March 2017

the period over which investment properties are expected to be used. Accordingly, the Group depreciates investment property over a period of 60 years.

Any gain or loss on disposal of investment property is recognised in the Statement of Profit and Loss.

The fair value of investment property is disclosed in the notes. Fair value is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

### VII. Financial Instruments

#### a. Financial Assets

##### i. Classification

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

##### ii. Initial Recognition and Measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

##### iii. Subsequent Measurement

For purposes of subsequent measurement financial assets are classified into two broad categories:

- Financial asset at fair value
- Financial asset at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in profit or loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

##### iv. Equity Investments

All equity investments other than investment in subsidiaries and joint venture are measured at fair value. Equity instruments which are held for trading are classified as at Fair Value Through Profit & Loss (FVTPL). For all other equity instruments, the Group decides to classify the same either as at Fair Value Through Other Comprehensive Income (FVTOCI) or FVTPL. The Group makes such selection on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

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

##### v. A financial asset mainly debt that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- Business Model Test:** the objective of the Group's model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes)
- Cash Flow Characteristics Test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding. A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.
  - Business Model Test:** the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets
  - Cash Flow Characteristics Test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different basis.

All other financial assets are measured at fair value through profit or loss.

##### vi. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

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

## Notes to Consolidated Financial Statements for the year ended 31st March 2017

- The Group has transferred its rights to receive cash flows from the asset.

### vii. Impairment of Financial Asset

The Group assesses impairment based on expected credit losses (ECL) model to the following:

- Financial asset measured at amortised cost
- Financial asset measured at fair value through other comprehensive income

Expected credit losses are measured through a loss allowance at an amount equal to:

- 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For financial assets other than trade receivables, as per Ind AS 109, the Group recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables, considering historical trend, industry practices and the business environment in which the Group operates or any other appropriate basis.

The Group's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

### b. Financial Liabilities

#### i. Classification

The Group classifies all financial liabilities as subsequently measured at amortised cost or at fair value through profit or loss.

#### ii. Initial Recognition and Measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

#### iii. Subsequent Measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Any difference between proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of borrowing using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction cost of the loan to the extent that it is probable that some or all of the facility will be drawn down.

#### iv. Derecognition

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

#### Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### c. Equity Instruments

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recognised at the proceeds received net of direct issue cost.

### VIII. Inventories

- Inventories comprise of: (i) Finished Realty Stock representing unsold premises in completed projects; (ii) Realty Work in Progress representing properties under construction / development and (iii) Raw Material representing inventory yet to be consumed.
- Inventories other than Raw Material above are valued at lower of cost and net realisable value. Raw Materials are valued at weighted average method.

## Notes to Consolidated Financial Statements for the year ended 31st March 2017

c. Cost of Realty construction / development is charged to the Statement of Profit and Loss in proportion to the revenue recognised during the period and the balance cost is carried over under Inventory as part of either Realty Work in Progress or Finished Realty Stock. Cost of Realty construction / development includes all costs directly related to the Project (including finance cost attributable to the project) and other expenditure as identified by the Management which are incurred for the purpose of executing and securing the completion of the Project (net off incidental recoveries / receipts) up to the date of receipt of Occupation Certificate of Project from the relevant authorities.

Construction Work in Progress includes cost of land, premium for development rights, construction costs, allocated interest and expenses incidental to the projects undertaken by the Group.

### IX. Revenue Recognition

a. The Group is following the "Percentage of Completion Method" of accounting. As per this method, revenue from sale of properties is recognised in the Statement of Profit & Loss in proportion to the actual cost incurred as against the total estimated cost of projects under execution with the Group on transfer of significant risk and rewards to the buyer.

In accordance with the "Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable), construction revenue on such projects, measured at the fair value (i.e. adjusted for discounts, incentives, time value of money adjustments etc.), have been recognised on percentage of completion method provided the following thresholds have been met:

- All critical approvals necessary for the commencement have been obtained
- The expenditure incurred on construction and development costs is not less than 25 per cent of the total estimated construction and development costs
- At least 25 percent of the saleable project area is secured by contracts or agreements with buyers and
- At least 10 percent of the contract consideration is realized at the reporting date in respect of such contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

Revenue from sale of completed properties (Finished Realty Stock) is recognised upon transfer of significant risks and rewards to the buyer

- Income from roll-out/transfer of rights over property is recognised on the basis of terms agreed with the party, which is based on the transfer of risks and rewards related to the asset.
- Interest income is accounted on an accrual basis at effective interest rate.
- Dividend income is recognised when the right to receive the payment is established.
- Rent income is accounted on accrual basis over tenure of the lease / service agreement.

### X. Income Tax

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

#### a. Current Tax

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

Current tax assets and liabilities can be offset only if the Group

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously

#### b. Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (including those arising from consolidation adjustments such as unrealised profit on inventory etc.).

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

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

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

## Notes to Consolidated Financial Statements for the year ended 31st March 2017

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

Deferred tax assets and liabilities are offset only if:

- (i) The Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

### XI. Employee Benefits

#### a. Short-term Employee Benefits

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

#### b. Post Employment Benefits

##### (i) Defined Contribution Plans

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

##### (ii) Defined Benefit Plans

Provision for Gratuity is recorded on the basis of actuarial valuation certificate provided by the actuary using Projected Unit Credit Method.

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

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

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

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

#### c. Other Long Term Employee Benefits

The Group's liability towards compensated absences is determined by an independent actuary using Projected Unit Credit Method. Past services are recognised on a straight line basis over the average period until the benefits become vested. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of the estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

### XII. Leases

#### a. Where Company is the Lessee

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating lease. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on straight line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the lease.

#### b. Where Company is the Lessor

Assets representing lease arrangements given under operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on straight line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the lease. Initial direct costs are recognised immediately in the Statement of Profit and Loss.

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

d. Payments made under operating leases are recognised in the Statement of Profit and Loss. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

## Notes to Consolidated Financial Statements for the year ended 31st March 2017

### XIII. Borrowing Cost

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing.

Borrowing costs, allocated to qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the time all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

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

### XIV. Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### XV. Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

### XVI. Cash Flow Statement

Cash Flow Statement is prepared under the "Indirect Method" as prescribed under the Indian Accounting Standard (Ind AS) 7 – Statement of Cash Flows.

Cash and Cash equivalents for the purpose of cash flow statement comprise of cash at bank and in hand and short term investments with original maturity of three months or less.

### XVII. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in the Notes. Contingent liabilities are disclosed for:

- (i) possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognised though are disclosed, where an inflow of economic benefits is probable.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

### XVIII. Segment Reporting

The Chief Operational Decision Maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. The operating segments are identified on the basis of nature of products/services.

The Board of Directors of the Group has appointed the Managing Director as the CODM who assesses the financial performance and position of the Group, and makes strategic decisions.

### XIX. Recent Accounting Developments:

#### Standards issued but not yet effective:

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment'. The amendments are applicable to the Group from 1st April, 2017.

## Notes to Consolidated Financial Statements for the year ended 31st March 2017

### Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of consolidated financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The effect on the consolidated financial statements is being evaluated by the Group.

### Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that includes a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. As there is no such transaction of above nature at this stage, there will not be any effect due to above amendments.

### 3. Property, Plant & Equipment

PARTICULARS	Freehold Land	Plant and Machinery	Furniture and Fixtures	Air Conditioning and Office Equipments	Motor Vehicles	Computers	Leasehold Land	Total
<b>Gross Block at Deemed Cost</b>								
At 1st April 2015	257,648	3,369,613	250,753	31,300	4,763,521	32,413	-	8,705,248
Acquisition	-	258,487	-	9,200	-	13,590	2,476,956,462	2,477,237,309
Disposal / Reclassification	-	(3,369,613)	(250,753)	(31,300)	-	(27,248)	2,476,956,462	(2,480,635,376)
<b>At 31st March 2016</b>	<b>257,648</b>	<b>258,487</b>	<b>-</b>	<b>9,200</b>	<b>4,763,521</b>	<b>18,755</b>	<b>-</b>	<b>5,307,611</b>
<b>Accumulated depreciation</b>								
At 1st April 2015	-	-	-	-	-	-	-	-
Depreciation for the year	-	1,380,127	95,279	3,930	1,427,600	795	-	2,907,731
Disposal / Reclassification	-	(1,377,450)	(95,279)	(3,734)	-	-	-	(1,476,463)
<b>At 31st March 2016</b>	<b>-</b>	<b>2,677</b>	<b>-</b>	<b>196</b>	<b>1,427,600</b>	<b>795</b>	<b>-</b>	<b>1,431,268</b>
<b>Net Block</b>								
<b>As at 31st March 2016</b>	<b>257,648</b>	<b>255,810</b>	<b>-</b>	<b>9,004</b>	<b>3,335,921</b>	<b>17,960</b>	<b>-</b>	<b>3,876,343</b>
<b>As at 1st April 2015</b>	<b>257,648</b>	<b>3,369,613</b>	<b>250,753</b>	<b>31,300</b>	<b>4,763,521</b>	<b>32,413</b>	<b>-</b>	<b>8,705,248</b>

Note I: The Company has elected to use the exemption available under Ind AS 101 to continue the carrying value of all of its PPE as recognised in the financial statements as at the date of transition to Ind AS, measured as per Previous GAAP and treat the same as its deemed cost as at the date of transition to Ind AS.

Note II: Leasehold land was acquired on amalgamation with Parmeka Private Limited. The disposal done is for transfer of the same to Stock in trade, based on the nature and business of the entity and intention to sell such property in the normal course of business.

## Notes to Consolidated Financial Statements for the year ended 31st March 2017

### 3. Property, Plant & Equipment

PARTICULARS	Freehold Land	Plant and Machinery	Furniture and Fixtures	Air Conditioning and Office Equipments	Motor Vehicles	Computers	Leasehold Land	Total
<b>Gross Block at Deemed Cost</b>								
At 1st April 2015	257,648	258,487	-	9,200	4,763,521	18,755	-	5,307,611
Acquisition	-	63,137	-	200,343	-	58,790	-	322,169
<b>At 31st March 2017</b>	<b>257,648</b>	<b>321,624</b>	<b>-</b>	<b>209,543</b>	<b>4,763,521</b>	<b>77,455</b>	<b>-</b>	<b>5,629,791</b>
<b>Accumulated depreciation</b>								
At 1st April 2015	-	2,677	-	196	1,427,600	795	-	1,431,268
Depreciation for the year	-	21,133	-	16,000	1,427,602	9,434	-	1,474,169
Disposal / Reclassification	-	-	-	-	-	-	-	-
<b>At 31st March 2017</b>	<b>-</b>	<b>23,810</b>	<b>-</b>	<b>16,196</b>	<b>2,855,202</b>	<b>10,229</b>	<b>-</b>	<b>2,905,437</b>
<b>Net Block</b>								
<b>As at 31st March 2017</b>	<b>257,648</b>	<b>297,814</b>	<b>-</b>	<b>193,347</b>	<b>1,908,319</b>	<b>67,226</b>	<b>-</b>	<b>2,724,354</b>
<b>As at 1st April 2015</b>	<b>257,648</b>	<b>255,810</b>	<b>-</b>	<b>9,004</b>	<b>3,335,921</b>	<b>17,960</b>	<b>-</b>	<b>3,876,343</b>

### 4. Investment Property

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Gross carrying amount</b>			
Opening balance	-	1,346,852	1,346,852
Addition during the year	-	-	-
Transfer to stock-in-trade	-	(1,346,852)	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>1,346,852</b>
<b>Net carrying amount</b>	<b>-</b>	<b>-</b>	<b>1,346,852</b>

Investment properties mainly comprise car park area in opening Balance Sheet which has been reclassified to stock in trade based on the intention of the Management to sell those car park areas / to further develop the said area, in the normal course of business. Further, fair value of those car parks in opening Balance Sheet approximates carrying amount.

There are no rental income and depreciation in respect of above investment properties for FY 2016-17 and FY 2015-16 due to reclassification.

## Notes to Consolidated Financial Statements for the year ended 31st March 2017

### 5A. Investment in Joint Ventures (Trade Investments)

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Investment in equity instruments at cost- Unquoted</b>			
5,208 (5,208 as at 31st March 2016 and 5,208 as at 1st April 2015) Equity Shares of Columbia Chrome (I) Private Limited	441,832	521,986	456,940
<b>Investment in Limited Liability Partnership at cost- Unquoted</b>			
Swayam Realtors & Traders LLP	-	-	-
<b>Total</b>	<b>441,832</b>	<b>521,986</b>	<b>456,940</b>
Aggregate amount of quoted investment & market value thereof	-	-	-
Aggregate amount of unquoted investment	441,832	521,986	456,940
Aggregate amount of impairment in value of investment	-	-	-

Refer Note 50 for disclosures as required by 'Ind AS 112 - Disclosure of Interests in Other Entities'.

### 5B. Investments (Financial) - (Non-Trade Investments)

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Investment in equity instruments at fair value through OCI- Quoted</b>			
Nil (16,740 as at 31st March 2016 and 16,740 as at 1st April 2015) Equity Shares of Peninsula Land Limited of Rs. 2 each	-	267,928	464,535
Nil (8,000 as at 31st March 2016 and 8,000 as at 1st April 2015) Equity Shares of Integra Garments and Textile Ltd. of Rs. 3 each	-	20,800	15,280
Nil (8,000 as at 31st March 2016 and 8,000 as at 1st April 2015) Equity Shares of Morajee Textiles Limited of Rs. 7 each	-	280,000	318,400
<b>Total Investments at FVTOCI</b>	<b>-</b>	<b>588,728</b>	<b>798,215</b>
<b>Investment in equity instruments at fair value through profit or loss- Unquoted</b>			
Nil (2,10,000 as at 31st March 2016 and 2,10,000 as at 1st April 2015) Equity Shares of Electric Control Gear (India) Limited	-	-	-
<b>Investment in preference shares at fair value through profit or loss- Unquoted</b>			
Nil (Nil as at 31st March 2016 and 92,612 as at 1st April 2015) 0% Redeemable Cumulative Preference Shares of Palmteka Pvt. Ltd. of Rs. 100 each	-	-	1,250,262,000
<b>Investment in Government Securities at amortised cost - Unquoted</b>			
6 years National Savings Certificate	28,000	28,000	28,000
<b>Total</b>	<b>28,000</b>	<b>616,728</b>	<b>1,251,088,215</b>

## Notes to Consolidated Financial Statements for the year ended 31st March 2017

Aggregate amount of quoted investment & market value thereof	-	588,728	798,215
Aggregate amount of unquoted investment	28,000	28,000	1,250,290,000
Aggregate amount of impairment in value of investment	-	2,100	2,100

### 6. Loans (Non-current) - Unsecured, considered good and valued at amortised cost

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Loans to Related Parties (Refer Note 44)</b>			
Marathon Realty Pvt. Ltd. *	2,893,319,749	2,579,074,037	2,860,141,067
Columbia Chrome (I) P. Ltd	648,890,966	588,089,464	537,124,393
Swayam Realtors & Traders LLP	75,888,591	409,263,004	391,523,720
<b>Total</b>	<b>3,618,099,306</b>	<b>3,576,426,505</b>	<b>3,788,789,199</b>

\* Pursuant to an agreement, the Company has given advances to Marathon Realty Pvt. Ltd. to explore for the opportunities in a project, with which it is going to jointly execute the said project. At periodic intervals surplus amounts are returned as they are not immediately required for the project. The Company is of the opinion that, project advance of this nature would not attract the provisions of Section 185 of the Act.

### 7. Other Financial Assets (Non-current)

Unsecured, considered good and valued at amortised cost

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Security deposits	827,565	855,565	791,125
<b>Total</b>	<b>827,565</b>	<b>855,565</b>	<b>791,125</b>

### 8. Deferred Tax Assets

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>The balance comprises of temporary differences attributable to:</b>			
Difference in WDV of PPE as per Books and as per Tax Laws	2,845,522	3,494,797	2,475,635
Employee benefits allowed on payment basis	1,781,282	1,864,188	1,585,450
Provision for doubtful debts	3,163,117	-	-
Adjustment on account of consolidation	183,541,596	163,378,675	144,197,922
<b>Total</b>	<b>191,331,517</b>	<b>168,737,660</b>	<b>148,259,047</b>

81 The Company has computed income tax on its profits for the year ended 31st March, 2017 as per the provisions of Income Tax Act, 1961. The computation of tax provision has been made on the legal advice obtained by the Company and such computation has been verified by an independent firm of Chartered Accountants. Auditors have relied upon the same.

## Notes to Consolidated Financial Statements for the year ended 31st March 2017

### 8.2 Movement in Deferred Tax Assets

For the year ended 31st March 2016

PARTICULARS	As at 1st April 2015	Recognised in		As at 31st March 2016
		Profit or Loss	OCI	
Property, plant and equipment	2,475,635	1,019,162	-	3,494,797
Employee benefits	1,585,490	333,240	(54,542)	1,864,188
Provision for doubtful debts	-	-	-	-
Adjustment on account of consolidation	144,197,922	19,180,753	-	163,378,675
<b>Total</b>	<b>148,259,047</b>	<b>20,533,155</b>	<b>(54,542)</b>	<b>168,737,660</b>

For the year ended 31st March 2017

PARTICULARS	As at 1st April 2016	Recognised in		As at 31st March 2017
		Profit or Loss	OCI	
Property, plant and equipment	3,494,797	(649,275)	-	2,845,522
Employee benefits	1,864,188	234,377	(317,283)	1,781,282
Provision for doubtful debts	-	3,163,117	-	3,163,117
Adjustment on account of consolidation	163,378,675	20,162,922	-	183,541,596
<b>Total</b>	<b>168,737,660</b>	<b>22,911,141</b>	<b>(317,283)</b>	<b>191,331,517</b>

### 8.3 A reconciliation of the Income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

PARTICULARS	Year ended 31st March 2017	Year ended 31st March 2016
Enacted Income Tax rate	34.61%	34.61%
Profit before tax	1,059,886,062	1,052,346,247
Current Tax on Profit before Tax at enacted rates	366,805,369	364,195,990
<b>Tax effect of the amounts not deductible/(taxable) in calculating taxable income</b>		
Additional tax expense on account of MAT (MAT Credit Entitlement not recognised)	83,673,000	92,574,414
Permanent disallowances	5,041,390	34,598
Income exempt from Income Tax	(31,771)	(6,583)
Income considered for capital gains / adjusted against brought forward capital losses	(237,381,068)	(239,435,021)
Tax in respect of earlier years	(657,079)	3,713,328
Others	981,940	(2,296,553)
<b>Total Income Tax Expense</b>	<b>218,431,780</b>	<b>218,780,173</b>
<b>Effective Tax Rate</b>	<b>20.61%</b>	<b>20.79%</b>

8.4 The current tax expense for the year ended 31st March 2017 is provided in accordance with the Section 115JB of Income Tax Act 1961 is Rs. 24,20,00,000 (FY. Rs. 23,56,00,000). The Company is eligible to carry forward MAT Credit aggregating to Rs. 20,73,75,843 (FY. Rs. 12,37,02,844) as per Section 115JAA of the Income Tax Act 1961. However, the Company has not recognised the same as an asset in the books of account on prudence basis.

8.5 The Company has not created deferred tax assets on long term capital loss of Rs. 1,08,06,16,464 (FY. Rs. 53,25,69,761) based on the non-availability of virtual certainty of future taxable long term capital gains. Further, the Company has also not created deferred tax assets on provision for doubtful debts / advances of Rs. 6,70,70,982 (FY. Rs. 6,70,70,982) based on conservative approach for allowability of expense by tax authority in future.

## Notes to Consolidated Financial Statements for the year ended 31st March 2017

### 9. Non-current Tax Assets

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Income taxes paid	104,983,124	94,568,704	-
[Net of provision Rs. 60,07,00,000 (Rs. 35,87,00,000 as at 31st March 2016) ]			
<b>Total</b>	<b>104,983,124</b>	<b>94,568,704</b>	<b>-</b>

### 10. Other Non-current Assets

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Advance for land	50,325,000	50,325,000	50,325,000
Less: Provision for doubtful advance	(50,325,000)	(50,325,000)	(50,325,000)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Company has entered into an agreement on 20th February, 2007 for development of property in Bangalore with the owner of the land. Development work would commence once the regulatory compliances are met with. The company has paid an advance towards the joint venture on the basis of the agreement signed. The advance paid by the company is adequately secured by a collateral in the form of unencumbered land based on an agreement between the company and the Power of Attorney Holders in the form of a registered document. However, by way of abundant caution, the Company has made a provision in the financials for the previous year.

### 11. Inventories

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Finished Goods (At lower of cost and net realisable value)</b>			
Era - Car Park	450,000	450,000	450,000
Innova - Car Park	30,599,958	29,253,106	30,033,293
Innova - Phase II	-	-	69,522,275
Investment property converted to stock in trade	-	1,346,852	-
<b>Total Finished Goods</b>	<b>31,049,958</b>	<b>31,049,958</b>	<b>100,005,568</b>
<b>Work in Progress</b>			
WIP CTS 93	5,461,080	5,380,900	-
WIP Kings Project	117,650,191	38,098,838	-
Project WIP CTS Conwood 2/142	175,650	-	-
Land Cost - CTS 87/pt	6,415,200	-	-
Project WIP CTS 88A/pt, 97/pt, 97/1 (Refer note I below)	38,227,163	-	-
<b>Total Work in Progress</b>	<b>168,129,284</b>	<b>43,479,738</b>	<b>-</b>
<b>Leasehold Land (Refer note ii below)</b>			
	-	1,245,176,147	-
<b>Total</b>	<b>199,179,242</b>	<b>1,319,705,838</b>	<b>100,005,568</b>

#### Notes:

- The plot of land has been charged by way of mortgage against the loan availed by the Company.
- The leasehold land is pledged against loan taken by Marathon Realty Pvt Ltd.

Notes to Consolidated Financial Statements for the year ended  
31st March 2017

12. Trade Receivable

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Related Parties (Refer Note 44)	2,627,409,021	683,774,490	-
Others	16,745,982	23,557,210	23,557,210
Provision for doubtful debts	(16,745,982)	(16,745,982)	(16,745,982)
<b>Total</b>	<b>2,627,409,021</b>	<b>690,585,718</b>	<b>6,811,228</b>

Break up of Security Details

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Secured, considered good	2,627,409,021	-	-
Unsecured, considered good	-	690,585,718	6,811,228
Unsecured, considered doubtful	16,745,982	16,745,982	16,745,982
	2,644,155,003	707,331,700	23,557,210
Provision for doubtful debts	(16,745,982)	(16,745,982)	(16,745,982)
<b>Total</b>	<b>2,627,409,021</b>	<b>690,585,718</b>	<b>6,811,228</b>

13. Cash and Cash Equivalents

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Balance with Bank - in Current Account	3,249,375	32,184,753	42,144,922
Cash on hand	94,225	10,340	32,255
<b>Total</b>	<b>3,343,600</b>	<b>32,195,093</b>	<b>42,177,177</b>

14. Bank Balances other than Cash and Cash Equivalents

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Unpaid dividend account	1,483,628	1,517,605	1,243,032
Fractional entitlement	81,971	83,931	74,131
<b>Total</b>	<b>1,565,599</b>	<b>1,601,536</b>	<b>1,317,163</b>

15. Loans (Current)

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Unsecured, considered good:</b>			
Loans to staff	26,771	142,314	70,633
<b>Total</b>	<b>26,771</b>	<b>142,314</b>	<b>70,633</b>

Notes to Consolidated Financial Statements for the year ended  
31st March 2017

16. Other Financial Assets

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Bank deposit with original maturity of more than 12 months	4,237,500	-	-
Interest accrued on investment (Includes interest on fixed deposit)	197,287	28,420	28,420
Other receivable			
-from Related Party (Refer Note 44)	-	51,925	148,860
-from others	9,139,842	6,000,814	3,470,918
Less: Provision for doubtful debts	(9,139,842)	-	-
<b>Total</b>	<b>4,434,787</b>	<b>6,081,159</b>	<b>3,648,198</b>

17. Other Current Assets

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Advance for land / project			
- to Related Party	1,680,550	-	-
- to others	185,304,213	135,695,558	-
Income tax refund receivable	-	388,181	-
Advance to suppliers	3,686,015	1,295,043	1,860,812
Prepaid expenses	106,319	122,444	156,112
Dues from Government Authorities	9,935,510	879,309	2,505,679
Other Receivable (from Related Party- Refer Note 44)	-	2,072,722	-
<b>Total</b>	<b>200,712,607</b>	<b>140,453,257</b>	<b>4,522,603</b>

## Notes to Consolidated Financial Statements for the year ended 31st March 2017

### 18. Equity Share Capital

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Authorised Share Capital</b>			
4,97,50,000 (4,97,50,000 as at 31st March 2016 and 4,97,50,000 as at 1st April 2015) Equity Shares of Rs. 10 each	497,500,000	497,500,000	497,500,000
25,000 (25,000 as at 31st March 2016 and 25,000 as at 1st April 2015) Preference Shares of Rs. 100 each	2,500,000	2,500,000	2,500,000
<b>Total</b>	<b>500,000,000</b>	<b>500,000,000</b>	<b>500,000,000</b>
<b>Issued, Subscribed and Paid-up</b>			
2,84,37,345 (2,84,37,345 as at 31st March 2016 and 1,89,58,230 as at 1st April 2015)	284,373,450	284,373,450	189,582,300
<b>Total</b>	<b>284,373,450</b>	<b>284,373,450</b>	<b>189,582,300</b>

#### a. Terms / Rights attached to Equity Shares

- The Company has only one class of equity shares having face value of Rs. 10 each.
- Each holder of equity shares are entitled to one vote per share.
- All shares rank *pari passu* with regard to dividend.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preference amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### b. Terms / Right attached to Preference Shares

- The Company has only one class of preference shares having face value of Rs. 100 each.
- The preference shares carry a dividend at 6% and dividend is cumulative.
- The type of preference share is non convertible, redeemable.
- The preference shares rank ahead of equity shares. In the event of liquidation.
- The presentation of liability and equity portions of these shares is explained in the Summary of Significant Accounting Policy.

#### c. Reconciliation of number and value of shares outstanding at the beginning and end of the year :

PARTICULARS	Number of Shares	Amount
Outstanding as at 1st April 2015	18,958,230	189,582,300
Equity Shares issued during the year	9,479,315	94,793,150
<b>Outstanding as at 31st March 2016</b>	<b>28,437,345</b>	<b>284,373,450</b>
Equity Shares issued during the year	-	-
<b>Outstanding as at 31st March 2017</b>	<b>28,437,345</b>	<b>284,373,450</b>

#### d. Shares held by the Holding / Ultimate Holding Company and /or their Subsidiaries

Name: Itihaka Informatics Pvt. Ltd.  
Nature of Relationship: Holding Company

PARTICULARS	Number of Shares	Amount
Equity holding as at 31st March 2017	21,327,000	213,270,000
Equity holding as at 31st March 2016	21,327,000	213,270,000
Equity holding as at 1st March 2015	14,218,000	142,180,000

#### e. Details of Shareholders holding more than 5% Shares in the Company

Name of the Shareholder: Itihaka Informatics Pvt. Ltd.

PARTICULARS	Number of Shares	Holding
Equity holding as at 31st March 2017	21,327,000	75%
Equity holding as at 31st March 2016	21,327,000	75%
Equity holding as at 1st March 2015	14,218,000	75%

## Notes to Consolidated Financial Statements for the year ended 31st March 2017

### f. Aggregate number of equity shares issued for consideration other than Cash and shares brought back during the period of five years preceding the reporting date:

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Equity Shares allotted as fully paid by way of bonus shares by capitalizing General Reserve and Capital Redemption Reserve	-	9,479,115	-

### 19. Other Equity (Refer Statement of Changes in Equity for detailed movement)

#### a. Movement in Other Equity

PARTICULARS	Year ended 31st March 2017	Year ended 31st March 2016
<b>Capital Redemption Reserve</b>		
Opening balance	-	2,500,000
Less: Utilised for issue of bonus shares	-	(2,500,000)
Closing balance	-	-
<b>General Reserves</b>		
Opening balance	3,388,766,711	3,500,000,000
Less: Utilised for issue of bonus shares	-	(92,291,150)
Less: Adjustment on account of amalgamation (Refer Note 48)	-	(18,942,139)
Closing balance	3,388,766,711	3,388,766,711
<b>Retained Earnings</b>		
Opening balance	2,278,481,870	1,581,653,694
Profit for the year	841,374,129	833,631,120
Actuarial gain on defined benefit plans (Net of tax)	599,509	103,056
Equity dividend paid	(28,437,345)	(113,749,380)
Dividend distribution tax paid on equity dividend	(5,789,155)	(23,156,620)
Closing balance	3,086,229,008	2,278,481,870
<b>Equity Instruments through OCI</b>		
Opening balance	343,955	553,443
Additions / (Deletions) during the year	71,902	(209,488)
Closing balance	415,857	343,955
<b>Total</b>	<b>6,475,411,575</b>	<b>5,667,592,536</b>



## Notes to Consolidated Financial Statements for the year ended 31st March 2017

### b. Nature and Purpose of Reserves

#### i. Capital Redemption Reserve

Capital redemption reserves are created for buy back of shares. The Company may issue fully paid-up bonus shares to its members out of the Capital Redemption Reserve.

#### ii. General Reserve

General Reserve represents the statutory reserve, this is in accordance with Indian Corporate law wherein a portion of profit is appropriated to general reserve. Under Companies Act, 1956 it was mandatory to transfer amount before a company can declare dividend, however under Companies Act, 2013 transfer of any amount to General reserve is at the discretion of the Company.

#### iii. Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders.

#### iv. Other Comprehensive Income

The Company has elected to recognise changes in the fair value of certain investments in equity shares in other comprehensive income. These changes are accumulated within the FVTOCI equity investment reserve within equity.

### 20. Borrowings (Non-current)

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Term loan from financial institution (Secured)	113,126,441	-	-
<b>Total</b>	<b>113,126,441</b>	<b>-</b>	<b>-</b>

#### Notes:

- The loan together with interest and other charges is secured by following:
  - First charge by way of mortgage of:
    - Development rights of the free sale component of the Project Phase I 'Marathon Embrace' (the Project)
    - Plot of land of the Project
  - First charge on:
    - All moveable of the Borrower / Project, both present and future
    - Transferable Development Right ("TDR") generating out of the Project (including TDR purchased by borrower)
    - Entire Receivables of the Project
    - All rights, title, interest, claims, benefits, demand and privileges under the Project, both present and future
    - Escrow account Debt Service Reserve Account ("DSRA") and monies deposited therein including any investments made from Escrow Account
  - Unconditional and Irrevocable Personal Guarantee of Mr. Chetan Shah and Mr. Mayur Shah
  - Demand Promissory Note
- The loans is repayable in 84 months with moratorium period on principal payment for a period of 60 months. After the expiry of moratorium period, the loan is repayable in 8 equal quarterly instalments.
- The applicable rate of interest is 14.5%. The lender have right to reset the spread on expiry of 12 months from first disbursement and every year thereafter.

### 21. Other Financial Liabilities (Non-current)

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Rent rates & taxes	1,954,349	1,751,452	1,550,303
<b>Total</b>	<b>1,954,349</b>	<b>1,751,452</b>	<b>1,550,303</b>

#### Notes:

Provision is created for payment of rent and municipal taxes payable to Bombay Port Trust. The party has not demanded the said liabilities and same are not expected to be paid in next one year.

## Notes to Consolidated Financial Statements for the year ended 31st March 2017

### 22. Provisions (Non-current)

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Provision for Employee Benefits (Refer Note 43)			
Gratuity	2,692,662	3,882,248	3,281,496
Leave Encashment	751,141	453,780	417,359
<b>Total</b>	<b>3,443,803</b>	<b>4,336,028</b>	<b>3,698,855</b>

### 23. Trade Payable

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Micro and Small Enterprises*	1,080,251	1,133,509	690,930
Others**	14,696,835	12,330,437	5,209,869
<b>Total</b>	<b>15,777,086</b>	<b>13,463,946</b>	<b>5,900,799</b>

\* The Company has sent letters to suppliers to confirm whether they are covered under Micro, Small and Medium Enterprises Development Act 2006 as well as they have filed required memorandum with the prescribed authorities. Out of the letters sent to the parties, few confirmations have been received till the date of finalisation of the Balance Sheet. Based on the confirmations received, the outstanding amount payable to supplier's covered under Micro, Small and Medium Enterprises Development Act, 2006 are given below:

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
The principal amount remaining unpaid at the end of the year	1,080,251	1,133,509	690,930
The interest amount remaining unpaid at the end of the year	-	-	-
The interest amount paid in terms of Section 16 of MSMED Act, 2006	-	-	-
The Balance of MSME parties as at the end of the year	<b>1,080,251</b>	<b>1,133,509</b>	<b>690,930</b>

### 24. Other Financial Liabilities (Current)

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Interest accrued but not due on long-term borrowing	866,882	-	-
Unpaid dividend	1,483,628	1,517,605	1,243,032
Director's remuneration payable (Refer Note 44)	4,061,295	3,523,520	3,498,530
Society dues payable*	17,714,432	36,795,394	57,215,661
Bank overdraft	10,130,355	7,479,748	-
Employee dues payable*	2,157,003	1,251,487	2,633,073
Other payable	5,306,922	777,269	1,620,630
<b>Total</b>	<b>41,720,317</b>	<b>51,745,023</b>	<b>66,210,926</b>

\* Society Dues payable are after netting off of Fixed Deposit and interest accrued thereon of Rs. 8,29,39,841 (Rs. 5,37,64,468 as at 31st March 2016 and Rs. 2,02,13,640 as at 1st April 2015) and receivable related to society of Rs. 7,19,94,925 (Rs. 8,44,53,365 as at 31st March 2016 and Rs. 2,17,60,130 as at 1st April 2015).

Notes to Consolidated Financial Statements for the year ended  
31st March 2017

25. Other Current Liabilities

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Statutory dues	9,675,372	5,230,740	2,881,418
Advance from customers	8,282,349	7,297,609	-
<b>Total</b>	<b>17,957,721</b>	<b>12,528,349</b>	<b>2,881,418</b>

26. Provisions (Current)

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Provision for Employee Benefits (Refer Note 43)			
Gratuity	1,273,917	431,361	364,611
Leave Encashment	68,665	151,260	139,120
Provision for Income Tax	-	-	2,914,294
(Net of advance tax Rs. 31,49,85,706 as at 1st April 2015)			
Provision for Wealth Tax	-	-	39,433
<b>Total</b>	<b>1,342,582</b>	<b>582,621</b>	<b>3,457,458</b>

Notes to Consolidated Financial Statements for the year ended  
31st March 2017

27. Revenue from Operations

PARTICULARS	Year ended 31st March 2017	Year ended 31st March 2016
<b>Sale of Products / Services</b>		
Sale of property / Relinquishment of rights	1,931,090,000	1,972,360,000
<b>Other Operating Revenue</b>		
Car parking rental	304,920	409,203
<b>Total</b>	<b>1,931,394,920</b>	<b>1,972,769,200</b>

27.1 The Company has recognized revenue from operations of Rs. 193,10,90,000 (FY ended March 2016 Rs. 191,01,60,000/-, March 2015 "NIL") on account of relinquishment of its rights in terms of the shareholder agreement dated 10th September, 2015 and addendum thereto dated 20th September, 2015 and 17th September, 2016, entered between the Company, Marathon Realty Pvt. Ltd. and Pamirika Pvt. Ltd. (erstwhile wholly owned subsidiary of the Company) relating to property specified therein. The Company is not aware if such underlying property so relinquished is registered or not by the concerned party. Approval of shareholders will be taken in due course of time.

28. Other Income

PARTICULARS	Year ended 31st March 2017	Year ended 31st March 2016
Dividend received	11,548	19,077
(On non-current investments measured at FVTOCI)		
Interest on loans / project advances	442,457,550	450,210,732
Other Interest	50,709,379	-
Liabilities no longer required written back	353,450	628,619
Miscellaneous income	2,458,090	1,565,849
<b>Total</b>	<b>495,993,017</b>	<b>452,424,223</b>

29. Project Development Expenses

PARTICULARS	Year ended 31st March 2017	Year ended 31st March 2016
Cost of material consumed	17,276,119	6,724,046
Construction expenses	103,885,987	40,046,783
Payment to Municipal Authorities	3,537,440	4,598,909
<b>Total</b>	<b>124,649,546</b>	<b>51,369,738</b>

Notes to Consolidated Financial Statements for the year ended  
31st March 2017

30. Change in Inventory of Finished Goods and Work in Progress

PARTICULARS	Year ended 31st March 2017	Year ended 31st March 2016
Opening Balance		
Work In progress	43,479,738	-
Finished stock	31,049,958	100,005,568
Leasehold land	1,245,176,142	-
	<b>1,319,705,838</b>	<b>100,005,568</b>
Less:		
Closing Balance		
Work In progress	168,129,284	43,479,738
Finished stock	31,049,958	31,049,958
Leasehold land	-	1,245,176,142
	<b>199,179,242</b>	<b>1,319,705,838</b>
(Increase) / Decrease in value	1,120,526,596	(1,219,700,270)
Investment property converted to stock in trade	-	1,416,665
Transfer of leasehold land from PPE to inventory	-	2,476,956,462
<b>Total</b>	<b>1,120,526,596</b>	<b>1,258,672,857</b>

31 Employee Benefits Expense

PARTICULARS	Year ended 31st March 2017	Year ended 31st March 2016
Salary, wages and commission	33,841,067	32,870,641
Contribution to Provident and other funds	1,640,622	1,351,028
Gratuity	569,763	825,100
Leave encashment	219,234	54,854
Staff welfare expenses	59,654	54,205
<b>Total</b>	<b>36,330,340</b>	<b>35,155,828</b>

Refer Note 43 on disclosure on employee benefits

Notes to Consolidated Financial Statements for the year ended  
31st March 2017

32. Finance Costs

PARTICULARS	Year ended 31st March 2017	Year ended 31st March 2016
Interest on loan	866,682	-
Less: Transferred to work in progress	(866,682)	-
Interest on delayed payment of taxes	2,985,730	103,169
<b>Total</b>	<b>2,985,730</b>	<b>103,169</b>

33 Other Expenses

PARTICULARS	Year ended 31st March 2017	Year ended 31st March 2016
Rent	24,092,342	107,572
Power	267,144	548,834
Repairs and maintenance	118,906	104,444
Rates and taxes	8,088,987	165,583
Professional fees	10,576,827	5,912,647
Insurance	238,535	348,660
Brokerage	292,960	1,764,452
Auditors' remuneration (Refer Note 42)	1,575,594	1,248,626
Loss on sale / discarding of assets	-	360,032
Provision for doubtful debts	9,139,842	-
Advertisement and publicity	1,753,663	-
Stamp duty	-	3,140,000
Directors' Sitting Fees	566,000	408,000
Corporate Social Responsibility expenditure (Refer Note 45)	14,400,000	-
Miscellaneous expenses	10,430,293	10,531,003
<b>Total</b>	<b>81,535,493</b>	<b>24,627,853</b>

## Notes to Consolidated Financial Statements for the year ended 31st March 2017

### 34. First Time Adoption of Ind AS

The Company's financial statements for the year ended 31st March, 2017 are the first annual financial statements prepared in compliance with Ind AS.

The adoption of Ind AS was carried out in accordance with Ind AS 101, using 1st April, 2015 as the transition date. Ind AS 101 requires that all Ind AS that are effective for the first Ind AS Financial Statements for the year ended 31st March, 2017, be applied consistently and retrospectively for all fiscal years presented.

All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under both Ind AS and Previous GAAP as of the Transition Date have been recognised directly in equity at the Transition Date.

For the purposes of reporting we have transitioned our basis of accounting from generally accepted accounting principles in India ("IGAAP") to Ind AS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31st March 2017, the comparative information presented in these financial statements for the year ended 31st March 2016 and in the preparation of an opening Ind AS balance sheet at 1st April 2015 (the "transition date"). In preparing our opening Ind AS balance sheet, we have adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected our financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, we did not revise estimates previously made under IGAAP except where required by Ind AS.

#### a. Optional Exemptions Availed

Ind AS - 101 allows certain exemptions to first time adopters from retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

##### i. Designation of Previously Recognised Financial Instruments

Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognized financial assets as fair value through other comprehensive income on the basis of facts and circumstances existed at the date of transition to Ind AS. Accordingly, the Company has designated investment in Listed Equity Instruments at fair value through other comprehensive income on the basis of facts and circumstances existing on the date of transition.

##### ii. Deemed Cost

Company has availed the exemption of recognising and valuing the PPE at the carrying value of previous GAAP as its Deemed cost on the date of transition.

#### b. Mandatory Exceptions Applied

Ind AS 101 specifies mandatory exceptions from retrospective application of some aspects of either Ind ASs for first-time adopters. Following exception are applicable to the Company:

##### i. Estimates

An Group's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies). Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for investment in equity instruments carried at FVTOCI in accordance with Ind AS at the date of transition as these were not required under Previous GAAP.

##### ii. Classification and Measurement of Financial Assets

As required under Ind AS 101 the company has assessed the classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

## Notes to Consolidated Financial Statements for the year ended 31st March 2017

### c. Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101. Financial year 2015-16 was the year for which the Group prepared its first Consolidated Financial Statements. Accordingly, IGAAP figures as at 1st April 2015 are not available and consequently, no reconciliation is presented.

#### i. Reconciliation of Balance Sheet as at 31st March, 2016

PARTICULARS	Footnotes	As at 31st March 2016		
		IGAAP*	Ind AS adjustments / reclassifications	Ind AS
<b>ASSETS</b>				
<b>Non-current Assets</b>				
a. Property, Plant and Equipment		3,876,343	-	3,876,343
b. Investment Property		-	-	-
c. Investments accounted for using Equity Method	vi (n)	4,761,610	(4,239,624)	521,986
d. Financial Assets				
i. Investment	vi (b)	272,772	343,956	616,728
ii. Loans	vi (c)	4,048,510,055	(472,083,550)	3,576,426,505
iii. Other Financial Assets		855,565	-	855,565
e. Deferred tax assets (Net)	vi (n)	5,358,985	163,378,675	168,737,660
f. Non-current Tax Assets	vi (c)	100,861,572	(6,292,868)	94,568,704
g. Other Non-current Assets	vi (d)	135,695,558	(135,695,558)	-
<b>Total Non-current assets</b>		<b>4,300,192,460</b>	<b>(454,588,969)</b>	<b>3,845,603,491</b>
<b>Current Assets</b>				
a. Inventories		1,319,705,838	-	1,319,705,838
b. Financial Assets				
i. Trade Receivables		690,585,718	-	690,585,718
ii. Cash and Cash equivalents		32,195,093	-	32,195,093
iii. Bank Balances other than Cash and Cash Equivalents		1,601,536	-	1,601,536
iv. Loans		142,314	-	142,314
v. Other Financial Assets		6,081,159	-	6,081,159
c. Other Current Assets	vi (c), (d)	5,093,176	135,360,081	140,453,257
<b>Total Current Assets</b>		<b>2,055,404,834</b>	<b>135,360,081</b>	<b>2,190,764,915</b>
<b>Total Assets</b>		<b>6,355,597,294</b>	<b>(319,228,888)</b>	<b>6,036,368,406</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a. Equity Share Capital		284,373,450	-	284,373,450
b. Other Equity	v	5,941,726,579	(274,134,043)	5,667,592,536
<b>Total Equity</b>		<b>6,226,100,029</b>	<b>(274,134,043)</b>	<b>5,951,965,986</b>

Notes to Consolidated Financial Statements for the year ended  
31st March 2017

PARTICULARS	Footnotes	As at 31st March 2016		
		IGAAP*	Ind AS adjustments / reclassifications	Ind AS
<b>Non-current liabilities</b>				
a. Financial Liabilities				
i. Borrowings		-	-	-
ii. Other financial liabilities		1,751,452	-	1,751,452
b. Provisions		4,336,028	-	4,336,028
<b>Total non-current liabilities</b>		<b>6,087,480</b>	<b>-</b>	<b>6,087,480</b>
<b>Current liabilities</b>				
a. Financial Liabilities				
i. Trade Payable		13,463,946	-	13,463,946
ii. Other financial liabilities		51,749,023	-	51,749,023
b. Other Current Liabilities	vi (e)	16,763,349	(4,240,000)	12,523,349
c. Provisions	vi (c), (f)	41,437,467	(40,854,845)	582,621
<b>Total Current Liabilities</b>		<b>123,409,785</b>	<b>(46,094,845)</b>	<b>78,314,939</b>
<b>Total Liabilities</b>		<b>129,497,265</b>	<b>(46,094,845)</b>	<b>84,402,420</b>
<b>Total Equity and Liabilities</b>		<b>6,355,597,294</b>	<b>(319,228,888)</b>	<b>6,036,368,406</b>

\* IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note and are after considering the effect of amalgamation as explained in Note 48. Further, joint ventures were not consolidated under IGAAP.

ii. Reconciliation of the Statement of Profit and Loss

PARTICULARS	Footnotes	Year ended 31st March 2016		
		IGAAP*	Ind AS adjustments / reclassifications	Ind AS
Revenue from Operations	*	1,972,769,200	-	1,972,769,200
Other Income	vi (c), (w)	503,607,110	(51,182,887)	452,424,223
<b>Total Income (A)</b>		<b>2,476,376,310</b>	<b>(51,182,887)</b>	<b>2,425,193,423</b>
<b>Expenses</b>				
Project Development Expenses		51,369,738	-	51,369,738
Change in Inventory of Finished goods and Work in Progress		1,258,672,857	-	1,258,672,857
Employee Benefits Expense	vi (g)	34,998,230	157,598	35,155,828
Depreciation		2,907,731	-	2,907,731
Finance Costs		103,169	-	103,169
Other Expenses		24,637,852	-	24,637,852
<b>Total Expenses (B)</b>		<b>1,372,689,577</b>	<b>157,598</b>	<b>1,372,847,175</b>
<b>Profit before Tax (C = A - B)</b>		<b>1,103,686,733</b>	<b>(513,40,485)</b>	<b>1,05,23,46,247</b>

Notes to Consolidated Financial Statements for the year ended  
31st March 2017

PARTICULARS	Footnotes	Year ended 31st March 2016		
		IGAAP*	Ind AS adjustments / reclassifications	Ind AS
<b>Tax expense:</b>				
Current Tax		235,600,000	-	235,600,000
Deferred Tax	vi (a), (j)	(1,297,860)	(19,235,295)	(20,533,155)
Adjustment of Tax Related to earlier period		3,713,328	-	3,713,328
<b>Total Tax Expense (D)</b>		<b>238,015,468</b>	<b>(19,235,295)</b>	<b>218,780,173</b>
<b>Profit for the year (E = C - D)</b>		<b>865,671,265</b>	<b>(32,105,190)</b>	<b>833,566,074</b>
Share of Profit / (Loss) in Joint Ventures (F)		-	65,046	65,046
<b>Profit for the year (G = E + F)</b>		<b>865,671,265</b>	<b>(32,040,144)</b>	<b>833,631,120</b>
<b>Other Comprehensive Income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Net Gain / (Loss) on fair value of Equity Instruments	vi (b)	-	(209,488)	(209,488)
Remeasurement of Defined Benefit Obligation	vi (g)	-	157,598	157,598
Income Tax effect on above remeasurement	vi (g)	-	(54,542)	(54,542)
<b>Total Other Comprehensive Income (Net of tax) (F)</b>		<b>-</b>	<b>(106,432)</b>	<b>(106,432)</b>
<b>Total Comprehensive Income for the year (G + E + F)</b>		<b>865,671,265</b>	<b>(32,146,576)</b>	<b>833,524,688</b>

\* IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note and are after considering the effect of amalgamation as explained in Note 48. Further, joint ventures were not consolidated under IGAAP.

iii. Impact of adoption of Ind AS on Statement of Cash Flows

PARTICULARS	Year ended 31st March 2016		
	Amount as per IGAAP*	Impact of Transition to Ind AS	Amount as per Ind AS
Net cash flow (used in) Operating Activities	(524,568,523)	-	(524,568,523)
Net cash flow from Investing Activities	644,031,909	-	644,031,909
Net cash flow (used in) Financing Activities	(137,009,169)	-	(137,009,169)
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(17,545,783)</b>	<b>-</b>	<b>(17,545,783)</b>
Cash and Cash Equivalents at the beginning of the year	42,261,128	-	42,261,128
Cash and Cash Equivalents at the end of the year	24,715,345	-	24,715,345

\* IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note and are after considering the effect of amalgamation as explained in Note 48.

## Notes to Consolidated Financial Statements for the year ended 31st March 2017

### iv. Reconciliation of Equity

PARTICULARS	As at 31st March 2016
Equity as per IGAAP	6,226,100,029
Reversal of proposed dividend and tax thereon	34,226,500
Reversal of share of loss from Associate	4,240,000
Fair value of equity instrument through OCI	343,956
Effect of consolidation of Joint Ventures under Equity Method (net of tax)	(312,944,499)
<b>Equity as per Ind AS</b>	<b>5,951,965,986</b>

### v. Reconciliation of Total Comprehensive Income

PARTICULARS	Year Ended 31st March 2016
Profit after Tax under IGAAP	865,671,265
Reversal of share of loss from Associate	4,240,000
Fair Value of equity instrument through OCI	(209,488)
Effect of consolidation of Joint Ventures under Equity Method (net of tax)	(36,177,083)
<b>Total Comprehensive Income as per IND AS</b>	<b>833,524,688</b>

### vi. Explanatory Notes

#### a. Effect of Consolidation of Joint Ventures under Equity Method

As per Ind AS 28, investments in Joint Ventures need to be accounted for in consolidated financial statements using Equity Method, including elimination of unrealised profit. Further, both joint ventures were not consolidated under IGAAP.

#### b. Fair Valuation of Investment in Equity Instruments

The Company has designated its investment in Listed Equity Instruments at fair value through other comprehensive income (FVTOCI) on the basis of facts and circumstances existing on the date of transition. Resultant loss on fair valuation of investments has been recognised in OCI.

#### c. Reclassification of Income Tax Assets / Liabilities

Income tax assets (advance tax) and liabilities (provision for tax) have been netted off to show only one balance at the Balance Sheet date.

#### d. Reclassification of Project Advance

Project advance amounting to Rs. 13,56,95,558 has been reclassified as current as on 31st March 2016.

#### e. Share of Loss from Joint Venture

Share of loss from joint venture has been reversed in FY 2015-16 and effect has been taken in opening balance sheet to the extent of investment in such joint venture.

#### f. Proposed Dividend and Distribution Tax thereon

Under Ind AS, dividend to the holders of equity instruments is recognised as a liability in the period in which the obligation to pay is established. Hence, the dividend proposed after the date of Balance Sheet is not recognised in the books of account. The proposed dividend and distribution tax thereon recognised under Previous GAAP have been reversed under Ind AS.

#### g. Remeasurement of Defined Benefit Obligation

Actuarial gain on remeasurement of defined benefit obligation (Gratuity) has been reclassified from profit or loss to OCI after deducting tax effect thereon.

## Notes to Consolidated Financial Statements for the year ended 31st March 2017

### 35. Financial Risk Management

The Company's principal financial liabilities comprise of borrowings, trade and other payable. The main purpose of financial liabilities is to manage finance for the Company's operations. The Company has loan and other receivables, trade and other receivable and cash and short term deposits that arise directly from its operations. The Company's activities exposes it to variety of financial risk as follows:

- I Market Risk
- II Credit Risk
- III Liquidity Risk

#### I Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risks: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as at March 31, 2017 and March 31, 2016.

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations, provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including interest rates.

#### a. Interest rate risk and sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. The risk is planned to be managed by having a portfolio mix of floating and fixed rate debt. As at 31st March 2017, entire borrowings are at floating rate. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. With all other variables held constant, the following table demonstrates the impact of borrowing cost on floating rate portion of loans and borrowings and loans on which interest rate swaps are taken.

Interest Rate Sensitivity	Increase / decrease in Basis Points	Effect on profit before tax
For the year ended 31st March 2017 INR Borrowing	+50	(1,806,235)
For the year ended 31st March 2016 INR Borrowing	-50	1,806,235
		NIL

#### b. Commodity price risk and sensitivity

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Company enter into contracts for procurement of material, most of the transactions are short term fixed price contract and a few transactions are long term fixed price contracts.

#### c. Financial Instruments and cash deposits

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations.

#### d. Competition and price risk

The Company faces competition from local competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

#### ii Credit Risk

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

The Company's maximum exposure to credit risk as at 31st March, 2017, 2016 and 1st April, 2015 is the carrying value of each class of financial assets.

#### a. Trade and Other Receivables

Customer credit risk for realty sales is managed by entering into sale agreements in the case of sale of under-construction flats/premises which stipulate construction milestone based payments and interest clauses in case of delays and also by requiring customers to pay the total agreed sale value before handover of possession of the premises/flats, thereby substantially eliminating the Company's credit risk in this respect. In the case of sale of finished units, sale agreements are executed only upon/against full payment. Further, trade receivables from Marathon Realty Pvt. Ltd. are secured by way of pledge of shares of the Ultimate Holding Company, Itasca Informatics Pvt. Ltd., held by Marathon Realty Pvt. Ltd.

## Notes to Consolidated Financial Statements for the year ended 31st March 2017

### Impairment

#### Expected credit loss assessment for customers as at 1st April 2015, 31st March 2016 and 31st March 2017:

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macroeconomic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. In view of the above, the Company believes that no provision is required as per expected credit loss method.

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

Particulars	Amount (Rs.)
Balance as at 1st April 2015	16,745,982
Impairment loss recognised	-
Amounts written off	-
<b>Balance as at 31st March 2016</b>	<b>16,745,982</b>
Impairment loss recognised	9,139,842
Amounts written off	-
<b>Balance as at 31st March 2017</b>	<b>25,885,824</b>

### b Loans

The loans and advances are in the nature of advances for project in SPVs where the Company is a stakeholder and hence the risk is minimal. Based on the above factors and historical data, loss on collection of receivables is not material and hence no additional provision was made.

### Impairment

#### Expected credit loss assessment of loans as at 1 April 2015, 31 March 2016 and 31 March 2017:

Considering the nature of the business, the Company has a policy to provide loans in the nature of project advance to its group entities / related parties for undertaking projects, based on its primary business real estate development through project partners. The loans given to these entities are repayable on demand and there is no past history for any default/delay/irregularity in repayments based on demands made. Moreover, all the group entities to whom loans have been advanced, have substantial potential in the projects to repay the loan based on the valuation of such entities and their activities are controlled and managed by the Company. Accordingly, on view of such control over operations and underlying security of the project assets, these loans are considered adequately secured for repayments. In view of the above, the Company believes that no provision is required to be made using the expected credit loss method.

### iii Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The Company is required to maintain ratios (including total debt to EBITDA / net worth, EBITDA to gross interest, debt service coverage ratio and secured coverage ratio) as mentioned in the loan agreements at specified levels. In the event of failure to meet any of these ratios these loans become callable at the option of lenders.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the treasury department under policies approved by the Board of Directors. The treasury team identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board lays down principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk and investment of excess liquidity.

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

## Notes to Consolidated Financial Statements for the year ended 31st March 2017

### As at 31st March 2017

PARTICULARS	Less than 1 year	1 to 5 years	More than 5 years	Total	Carrying Amount*
Borrowings, **	20,214,985	\$3,903,679	145,047,217	145,047,217	113,126,441
Rent, rates and taxes	-	1,954,349	-	1,954,349	1,954,349
Trade payable	15,777,086	-	-	-	15,777,086
Unpaid dividend	1,483,628	-	-	-	1,483,628
Director's remuneration payable	4,061,295	-	-	-	4,061,295
Society dues payable	17,714,432	-	-	-	17,714,432
Bank overdraft	10,130,355	-	-	-	10,130,355
Employee dues payable	2,157,003	-	-	-	2,157,003
Other payable	5,306,922	-	-	-	5,306,922

\* Difference in total outstanding liability and carrying amount is on account reduction of un-amortized borrowing costs from loan balance in view of recognition of Interest Cost on "Effective Interest Rate Method" basis as provided in Ind AS.

\*\* Cash outflow within 1 year and thereafter upto 5 years denotes only interest payments.

### As at 31st March 2016

PARTICULARS	Less than 1 year	1 to 5 years	More than 5 years	Total	Carrying Amount*
Rent, rates and taxes	-	1,751,452	-	1,751,452	1,751,452
Trade payable	13,463,946	-	-	-	13,463,946
Unpaid dividend	1,517,605	-	-	-	1,517,605
Director's remuneration payable	3,923,520	-	-	-	3,923,520
Society dues payable	36,795,394	-	-	-	36,795,394
Bank overdraft	7,479,748	-	-	-	7,479,748
Employee dues payable	1,251,487	-	-	-	1,251,487
Other payable	777,269	-	-	-	777,269

### As at 1st April 2015

PARTICULARS	Less than 1 year	1 to 5 years	More than 5 years	Total	Carrying Amount*
Rent, rates and taxes	-	1,550,303	-	1,550,303	1,550,303
Trade payable	5,900,799	-	-	-	5,900,799
Unpaid dividend	1,243,032	-	-	-	1,243,032
Director's remuneration payable	3,498,530	-	-	-	3,498,530
Society dues payable	57,215,661	-	-	-	57,215,661
Employee dues payable	2,633,073	-	-	-	2,633,073
Other payable	1,620,630	-	-	-	1,620,630

## Notes to Consolidated Financial Statements for the year ended 31st March 2017

### 36. Capital Risk Management

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies, or processes during the year ended 31st March, 2017 and 31st March, 2016.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest bearing loans and borrowing for reported periods.

For the purpose of the Company's capital management, capital includes issued capital, compulsorily convertible debentures, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, trade and other payables less cash and short term deposits.

### 37. Fair Value of Financial Instruments

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements.

## Notes to Consolidated Financial Statements for the year ended 31st March 2017

PARTICULARS	As at 31st March 2017		As at 31st March 2016		As at 1st April, 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>						
Financial Asset designated at fair value through Other Comprehensive Income						
Investment						
In equity instruments	-	-	588,728	588,728	798,215	798,215
<b>Financial Asset designated at amortized cost</b>						
Investment	28,000	28,000	28,000	28,000	1,250,290,000	1,250,290,000
Loans	3,618,126,077	3,618,126,077	3,576,568,519	3,576,568,519	3,78,88,59,832	3,78,88,59,832
Security deposit	827,565	827,565	855,565	855,565	791,125	791,125
Trade receivable	2,627,409,021	2,627,409,021	690,585,718	690,585,718	6,811,228	6,811,228
Cash and bank balances	4,909,200	4,909,200	33,796,630	33,796,630	43,494,340	43,494,340
Bank deposit with original maturity of more than 12 months	4,237,500	4,237,500	-	-	-	-
Interest accrued on investment	197,287	197,287	28,420	28,420	28,420	28,420
Other receivable			6,052,739	6,052,739	3,619,778	3,619,778
	<b>6,25,57,34,649</b>	<b>6,25,57,34,649</b>	<b>4,30,85,04,619</b>	<b>4,30,85,04,619</b>	<b>5,09,46,92,938</b>	<b>5,09,46,92,938</b>
<b>Financial Liabilities</b>						
<b>Financial liabilities at amortised cost</b>						
Borrowings	113,126,441	113,126,441	-	-	-	-
Rent Rates and Taxes	1,954,349	1,954,349	1,751,452	1,751,452	1,550,303	1,550,303
Trade payable	15,777,086	15,777,086	13,463,946	13,463,946	5,900,799	5,900,799
Interest accrued but not due	866,682	866,682	-	-	-	-
Unpaid dividend	1,483,628	1,483,628	1,517,605	1,517,605	1,243,032	1,243,032
Directors' remuneration payable	4,061,295	4,061,295	3,923,520	3,923,520	3,498,530	3,498,530
Society dues payable	17,714,432	17,714,432	36,795,394	36,795,394	57,215,661	57,215,661
Bank overdraft	10,130,355	10,130,355	7,479,748	7,479,748	-	-
Employee dues payable	2,157,003	2,157,003	1,251,487	1,251,487	2,633,073	2,633,073
Other payable	5,306,922	5,306,922	777,269	777,269	1,620,630	1,620,630
	<b>172,578,193</b>	<b>172,578,193</b>	<b>66,960,422</b>	<b>66,960,422</b>	<b>73,662,028</b>	<b>73,662,028</b>



## Notes to Consolidated Financial Statements for the year ended 31st March 2017

### Fair value hierarchy

The fair value of financial instruments as disclosed above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (L). The categories used are as under:

- Level 1: Quoted prices for identical instruments in an active market;  
Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and  
Level 3: Inputs which are not based on observable market data.

Fair value hierarchy for financial assets and liabilities measured at fair value and those measured at amortised cost but fair value is required to be disclosed:

PARTICULARS	As at 31st March 2017		As at 31st March 2016		As at 1st April, 2015	
	Level 1	Level 3	Level 1	Level 3	Level 1	Level 3
Investment in equity instruments			588,728		798,215	
Other Investments		28,000		28,000		1,250,290,000
Loans		3,618,126,077		3,576,568,819		3,788,859,832
Borrowings		113,126,441				

Note 1: Carrying amount of financial assets and liabilities other than disclosed above approximate the fair value.

Note 2: Fair value of loans and borrowings approximates the carrying value considering the discount rate which is based on the market rate. The discount rate is equivalent to the Effective Interest Rate of such loan and borrowings. There is no significant change in the market rate for discounting of such loans and borrowings.

Note 3: Fair value of investments in equity instruments (Quoted) is based on market value of such instruments on reporting date.

Note 4: Fair value of investment in unquoted instruments is based on independent valuer's report.

### 38. Contingent Liabilities

PARTICULARS	As at 31st March 2017	As at 31st March 2016	As at 1st April, 2015
Claim against company not acknowledged as debts:			
Disputed liabilities appealed *			
- Central Excise duty	10,541,456	10,541,456	10,546,456
- PF and ESIC dues (Refer note a and b below)	4,750,560	4,750,560	4,750,560
- Income Tax Demand	341,120	25,321,050	
- Sales Tax Demand (Refer note c below)	43,046,633	43,046,633	43,046,633
<b>Total</b>	<b>58,679,769</b>	<b>83,659,699</b>	<b>58,343,649</b>

\* As certified by Management and consultants

- a. The Employees Provident Fund Authorities have issued a show cause notice against the Company raising a claim of Rs. 38,83,486/- purportedly being arrears pertaining to damages and delayed payment of interest. The Company appealed against the order in the Provident Fund Appellate Tribunal and pending hearing the recovery of principal interest and damages has been stayed.
- b. The Employees' State Insurance Corporation has raised a claim of Rs. 8,67,074/- purportedly being arrears of contribution, damages and delayed payment interest. The company had made a representation to the Board for Industrial and Financial Reconstruction in this regard, besides filing an appeal in the ESIC court.
- c. The Sales tax department has issued notice of demand u/s 32 of The Maharashtra Value Added Tax Act, 2002 dated 26th February, 2015 for Rs. 4,30,46,633/- for the period 01.04.2008 to 31.03.2009. The said demand is under appeal and the Company expects that there will not be any liability on the same in future.

## Notes to Consolidated Financial Statements for the year ended 31st March 2017

### 39. Segment Reporting

The 'management approach' as defined in 'Ind AS 108 - Operating Segments' requires disclosure of segment-wise information based on the manner in which the Chief Operating Decision Maker (CODM) evaluates the performance and allocates resources in cases where a reporting entity operates in more than one business segment. Since the Company is primarily engaged in the business of real estate development which the Management and CODM recognise as the sole business segment, the disclosure of such segment-wise information is not required and accordingly, not provided.

### 40. Earning Per Share

PARTICULARS	Year ended 31st March 2017	Year ended 31st March 2016
Profit after tax as per the Statement of Profit and Loss	841,374,129	833,631,120
Profit for the year attributable to equity shareholders	841,374,129	833,631,120
Weighted average number of equity shares	28,437,345	28,437,345
Basic and diluted earnings per share *	29.59	29.31
Nominal value per equity share	10	10

\* During the year ended 31st March, 2016, the Company had made allotment of 54,79,115 equity shares of Rs. 10/- each as bonus shares in proportion of one equity share for every two equity shares held. The earnings per share has been adjusted for both the period presented above.

### 41. Lease

#### Operating Lease Arrangement

The Company has been operating from the premises owned by group Company Marathon Realty Private Limited. During the year, Company had entered into formal agreement for payment of rent on the premises occupied by it. The rental payable per month has been Rs. 20,00,000 per month. The lease does not have any non-cancellable portion. Tenure of the lease agreement is valid till 31st March 2017. Total rent charged to the Statement of Profit and loss is Rs. 2,40,92,342 (Previous year Rs. 1,07,572)

### 42. Auditors' Remuneration

PARTICULARS	Year ended 31st March 2017	Year ended 31st March 2016
Statutory audit fees (including limited review and consolidation)	1,025,000	1,025,000
Tax audit fees	175,000	175,000
Fees for certification and other services	3,50,000	25,000
Reimbursement of expenses	25,994	23,626
<b>Total</b>	<b>1,575,994</b>	<b>1,248,626</b>

### 43. Employee Benefits

#### A. Defined Contribution Plans

Amounts recognised in the Statement of Profit and Loss:

PARTICULARS	Year ended 31st March 2017	Year ended 31st March 2016
Contribution to Provident and other funds	1,640,622	1,351,028

## Notes to Consolidated Financial Statements for the year ended 31st March 2017

### B. Defined Benefit Plan (Gratuity) and other Long-term Employee Benefits (Leave Encashment)

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is not funded and payout is done by company on resignation / retirement of employees.

#### Disclosure as per Valuation Reports of Independent Actuary

##### A. Movement in Obligation

PARTICULARS	Gratuity		Leave Encashment	
	Year ended 31st March 2017	Year ended 31st March 2016	Year ended 31st March 2017	Year ended 31st March 2016
Change in present value of obligations				
Defined Benefit Obligation at the beginning of the year	4,313,609	3,646,107	605,040	556,479
Current service cost	224,674	533,411	73,333	357,272
Interest cost	345,089	291,689	48,224	44,518
Remeasurements - Due to financial assumptions	131,980	-	34,577	-
Remeasurements - Due to experience adjustments	(1,048,773)	(157,598)	63,101	(346,936)
Benefits paid			(1,469)	(6,293)
Defined Benefit Obligation at the end of the year	3,966,579	4,313,609	819,806	605,040

##### B. Amounts recognised in the Statement of Profit and Loss

PARTICULARS	Gratuity		Leave Encashment	
	Year ended 31st March 2017	Year ended 31st March 2016	Year ended 31st March 2017	Year ended 31st March 2016
Current service cost	224,674	533,411	73,333	357,272
Interest cost	345,089	291,689	48,224	44,518
Remeasurements - Due to financial assumptions	-	-	34,577	-
Remeasurements - Due to experience adjustments	-	-	63,101	(346,936)
Amount recognised in profit or loss	569,763	825,100	219,235	54,854
Remeasurements - Due to financial assumptions	131,980	-	-	-
Remeasurements - Due to experience adjustments	(1,048,773)	(157,598)	-	-
Amount recognised in OCI	(916,793)	(157,598)	-	-
Total amount recognised in the Statement of Profit and Loss	(347,030)	667,502	219,235	54,854

## Notes to Consolidated Financial Statements for the year ended 31st March 2017

### C. Amount recognised in Balance Sheet

PARTICULARS	Gratuity			Leave Encashment		
	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Present value of obligation	3,966,579	4,313,609	3,646,107	819,806	605,040	556,479
Fair value of plan assets	-	-	-	-	-	-
Amount recognised in Balance Sheet	3,966,579	4,313,609	3,646,107	819,806	605,040	556,479

### D. Assumptions

The principal actuarial assumptions used for estimating the company's defined benefit obligations and other long term employee benefits are set out below:

PARTICULARS	Gratuity (Unfunded)			Leave Encashment		
	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Mortality table	IALM 2006-08 (Mod.) Ult.	IALM 2006-08 (Mod.) Ult.	IALM 2006-08 (Mod.) Ult.	IALM 2006-08 (Mod.) Ult.	IALM 2006-08 (Mod.) Ult.	IALM 2006-08 (Mod.) Ult.
Mortality rate	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Disability rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Withdrawal rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Normal retirement age	58 years	58 years	58 years	58 years	58 years	58 years
Discount rate	7.50%	8.00%	8.00%	7.50%	8.00%	8.00%
Salary escalation rate	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Expected return on plan assets	NA	NA	NA	NA	NA	NA

### E. Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the weighted key assumptions are:

PARTICULARS	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Salary escalation rate + 1%	4,141,120	959,629	3,882,731	824,660	3,844,423	603,607
Salary escalation rate - 1%	3,808,905	809,052	3,529,731	754,046	3,450,125	510,317
Withdrawal rate + 1%	4,104,921	826,141	3,833,412	784,475	3,788,249	572,145
Withdrawal rate - 1%	3,807,168	812,577	3,560,082	746,585	3,481,441	540,054
Discount rate + 1%	3,712,576	753,374	3,439,933	736,963	3,415,384	538,257
Discount rate - 1%	4,264,586	898,237	4,021,488	790,072	3,918,576	576,401

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method (Projected Unit Credit Method) used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

Notes to Consolidated Financial Statements for the year ended  
31st March 2017

F. Maturity Profile

PARTICULARS	As at 31st March, 2017	
	Gratuity	Leave Encashment
Year 1	1,273,917	68,865
Year 2	833,127	313,790
Year 3	48,885	14,141
Year 4	51,918	14,973
Year 5	55,260	15,867
Year 6	58,934	16,825
Year 7	62,963	17,852
Year 8	67,371	18,952
Year 9	72,185	20,130
Year 10	76,483	21,390
Weighted average duration (in years)	12.83	14.92

G. Best Estimate of Contribution

PARTICULARS	As at 31st March, 2017	
	Gratuity	Leave Encashment
Best Estimate of Contribution for the Company during the next year	1,983,269	409,903

Note: Above disclosures with respect to employee benefits have been made to the extent of availability of data, as per actuarial valuation report.

Notes to Consolidated Financial Statements for the year ended  
31st March 2017

44. List of Related Parties and Transactions during the year as per Ind AS-24 "Related Party Disclosures"

- |  |   |
|--|---|
| a. Controlling Company   | : Ithica Informatics Pvt Ltd (75%)  |
| b. Key Management Personnel  | : Mr. Chetan K. Shah – Managing Director<br>Mr. S. Rameshwarthi – Whole Time Director & CFO<br>Mr. Mayur R. Shah - Director<br>Ms. Shalju C. Shah - Director<br>Mr. Veerasinghavan Ranganathan - Director<br>Mr. Anup Shah - Director (w.e.f. 28th August 2015)<br>Mr. Padmalatha Shetty - Director<br>Mr. Deepak Shah - Director (w.e.f. 9th February 2017)          |
| c. Relatives of Key Management Personnel having transactions during the year   | : Ms. Anusya R. Shah (Mother of Managing Director)<br>Mr. Raminiklal Z. Shah (Father of Managing Director)<br>Ms. Sonal M. Shah (Wife of Mayur R Shah-Director)   |
| d. Joint Ventures (% of holding)   | : Columbia Chrome (I) Pvt Ltd (40%)<br>Swayam Realtors & Traders LLP (40%)  |
| e. Entities over which Key Management Personnel / their relatives exercise significant influence and having transactions during the year | : IXOXI Equip-Hire LLP<br>Marathon IT Infrastructure Pvt Ltd<br>Marathon Realty Pvt Ltd<br>Matrix Enclaves Projects Developments Pvt Ltd<br>Matrix Waste Management Pvt Ltd<br>Nexzone Fiscal Services Pvt Ltd<br>Nexzone Utilities Pvt Ltd<br>Parmeko Pvt Ltd (upto 13th September, 2015)<br>Raminiklal Z. Shah Trust<br>Servo Resorts Pvt Ltd<br>United Enterprises |

Notes to Consolidated Financial Statements for the year ended  
31st March 2017

Transactions with Related Parties (RP):

PARTICULARS	Controlling Company	Joint Venture	Entities included in (e) above	Key Management Personnel	Relatives of Key Management Personnel	Total
Expenses / liabilities of the Company paid by RP	-	-	14,413,022	-	-	14,413,022
	-	-	(54,556)	-	-	(54,556)
Reimbursement by the Company	-	-	11,141,032	-	-	11,141,032
	-	-	(54,556)	-	-	(54,556)
Expenses / liabilities of RP paid by the Company	-	2,000	346,837	-	-	348,837
	-	(1,000)	(713,312)	-	-	(714,312)
Reimbursement to the Company	-	-	398,762	-	-	398,762
	-	-	(810,747)	-	-	(810,747)
Advance given	-	22,800,000	398,116,423	-	-	420,916,423
	-	(79,200,000)	(105,790,000)	-	-	(184,990,000)
Advance repaid by RP	-	382,765,217	438,928,613	-	-	821,593,830
	-	(93,603,027)	(753,941,304)	-	-	(847,544,331)
Loan repaid	-	-	-	-	-	-
	-	-	(1,226,385,510)	-	-	(1,226,385,510)
Interest Income*	-	145,652,174	405,551,012	-	-	551,203,186
	-	(138,530,271)	(367,084,254)	-	-	(505,614,525)
Purchase of Equity Shares of Parmaka Pvt Ltd	-	-	-	-	-	-
	-	-	(20,000,000)	-	-	(20,000,000)
Sale of fixed assets	-	-	-	-	-	-
	-	-	(2,072,722)	-	-	(2,072,722)
Rent	-	-	24,000,000	-	-	24,000,000
	-	-	-	-	-	-
Dividend paid on Equity	21,327,000	-	-	450	450	21,327,900
	(85,308,000)	-	-	(1,800)	(1,800)	(85,311,600)
Sale of Premises	-	-	1,931,090,000	-	-	1,931,090,000
	-	-	(1,910,160,000)	-	-	(1,910,160,000)
Sale of Material	-	-	34,120	-	-	34,120
	-	-	-	-	-	-

Notes to Consolidated Financial Statements for the year ended  
31st March 2017

PARTICULARS	Controlling Company	Joint Venture	Entities included in (e) above	Key Management Personnel	Relatives of Key Management Personnel	Total
Purchase of Material	-	-	1,115,633	-	-	1,115,633
	-	-	-	-	-	-
Hiring charges	-	-	865,987	-	-	865,987
	-	-	-	-	-	-
Purchase of Land	-	-	1,163,700	-	-	1,163,700
	-	-	-	-	-	-
Advance against Purchase of Land	-	-	1,680,550	-	-	1,680,550
	-	-	-	-	-	-
Remuneration	-	-	-	8,180,000	-	8,180,000
	-	-	-	(6,500,000)	-	(6,500,000)
Commission	-	-	-	6,300,000	-	6,300,000
	-	-	-	(6,000,000)	-	(6,000,000)
Directors' Sitting Fees	-	-	-	560,000	-	560,000
	-	-	-	(408,000)	-	(408,000)
Payment towards deposit for Proposal of Directorship	-	-	-	-	(100,000)	(100,000)
	-	-	-	-	-	-
Refund of deposit for Proposal of Directorship	-	-	-	-	(100,000)	(100,000)
	-	-	-	-	-	-
CSR Expenditure	-	-	14,400,000	-	-	14,400,000
	-	-	-	-	-	-
Guarantee / Security	-	-	-	-	-	-
	-	-	-	-	-	-
Consideration receivable	-	-	-	-	-	-
	-	-	-	-	-	-

## Notes to Consolidated Financial Statements for the year ended 31st March 2017

### Outstanding Balances:

Loan receivable						
As at 31st March 2017	-	724,779,557	2,893,319,749	-	-	3,618,099,306
As at 31st March 2016	-	997,352,468	2,579,074,037	-	-	3,576,426,505
As at 1st April 2015	-	928,648,113	2,860,141,087	-	-	3,788,789,199
<b>Trade receivable (Note vii)</b>						
As at 31st March 2017	-	-	2,627,409,021	-	-	2,627,409,021
As at 31st March 2016	-	-	683,774,490	-	-	683,774,490
As at 1st April 2015	-	-	-	-	-	-
<b>Other receivable</b>						
As at 31st March 2017	-	-	1,680,550	-	-	1,680,550
As at 31st March 2016	-	-	2,124,647	-	-	2,124,647
As at 1st April 2015	-	-	148,860	-	-	148,860
<b>Trade payable</b>						
As at 31st March 2017	-	-	959,862	-	-	959,862
As at 31st March 2016	-	-	-	-	-	-
As at 1st April 2015	-	-	-	-	-	-
<b>Director's remuneration payable</b>						
As at 31st March 2017	-	-	4,061,295	-	-	4,061,295
As at 31st March 2016	-	-	3,923,520	-	-	3,923,520
As at 1st April 2015	-	-	3,498,530	-	-	3,498,530

### Notes:

- Amounts in bracket are for previous year ended 31st March 2016.
- The leasehold land (99.9 years lease) is given as security against loan availed by Marathon Realty Pvt. Ltd. However, as at 31st March 2017, the rights relating to the said land have been relinquished by the Company towards Marathon Realty Pvt. Ltd.
- As per definitive agreements to be executed w.r.t. 35 acres of land to be developed.
- The Managing Director, Mr. Chetan R. Shah and his brother, Mr. Mayur Shah have given unconditional and irrevocable personal guarantee against loan availed by the Company.
- The Company has entered into an agreement with Matrix Waste Management Pvt. Ltd. for revenue or area sharing based on 12.5% of revenue generated from the developed area for which development rights have been acquired by the Company.
- The Company has entered into an agreement with Ithaca Informatics Pvt. Ltd. for revenue or area sharing based on 12.5% of revenue generated from the developed area for which development rights have been acquired by the Company.
- Trade receivables of the Company are secured by way of pledge of shares of the Holding Company, Ithaca Informatics Pvt. Ltd., which are held by Marathon Realty Pvt. Ltd.
- All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.
- For the year ended 31st March, 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (FY 2015-16: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

## Notes to Consolidated Financial Statements for the year ended 31st March 2017

### 45. Corporate Social Responsibility (CSR) Expenditure

- Gross amount required to be spent during the year: Rs. 1,40,03,471 (P.Y. Rs. 1,01,19,085)
- Amount spent during the year on:

PARTICULARS	In cash	Yet to be paid in cash	Total
i. Construction/ acquisition of any asset	-	-	-
	(-)	(-)	(-)
ii. On purposes other than (i) above	14,400,000	-	14,400,000
	(-)	(-)	(-)

Figures in brackets pertain to previous year

### 46. Specified Bank Notes

As per Notification of Ministry of Corporate Affairs dated 30th March 2017 details of specified bank notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016 are as provided in table below:

PARTICULARS	SBNs	Other Denominations Notes	Total
Closing cash in hand as on 8th November 2016	19,500	49,207	68,707
Add: Permitted receipts	-	217,857	217,857
Less: Permitted payments	-	145,526	145,526
Less: Amount deposited in banks	19,500	-	19,500
Closing cash in hand as on 30th December 2016	-	120,438	120,438

Specified Bank Notes is defined as Bank Notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees. The disclosures with respects to 'Permitted Receipts', 'Permitted Payments', 'Amount Deposited in Banks' and 'Closing Cash in Hand as on 30.12.2016' is understood to be applicable in case of SBNs only.

### 47. Proposed Dividend

Proposed dividend on Equity Shares not recognised.

PARTICULARS	Year ended 31st March 2017	Year ended 31st March 2016
Final dividend for the year ended [ Rs. 1 (P.Y. Rs. 1) per share ]	28,437,345	28,437,345
Dividend distribution tax on proposed dividend	5,789,155	5,789,155

### 48. Amalgamation of the Company

Name of the Amalgamating Company: Parmeka Pvt Ltd.

#### Nature of Business:

- Parmeka Pvt Ltd was engaged in the business of Real Estate Development of commercial project Marathon Futurex at Lower Parel through its erstwhile holding Company Marathon Realty Pvt Ltd, owning Leasehold Land under Fixed Assets. The Company has bought 100% equity shares of Parmeka Pvt Ltd from Marathon Realty Pvt Ltd and enabling Parmeka Pvt Ltd its wholly owned subsidiary.

The Scheme of Amalgamation of Parmeka Pvt Ltd (transferor company) with the Company, under Sections 391 to 394 of the Companies Act, 1956 was sanctioned by the Hon'ble High Courts of Judicature at Bombay vide Order dated 6th October, 2016. The Scheme became effective on the filing of the said order with Registrar of Companies, Maharashtra on 21st October, 2016 seeking approval on 21st November, 2016. Pursuant to the Scheme of Amalgamation and arrangement between the Company, the wholly owned subsidiary Parmeka Pvt Ltd has been amalgamated with Company with effect from 1st October, 2016 (the "Appointed Date"), hence no shares were exchanged to effect the amalgamation.

Notes to Consolidated Financial Statements for the year ended  
31st March 2017

**Accounting Treatment:**

The amalgamation has been accounted for under the "pooling of interest" method as prescribed by Accounting Standard 14 specified under Section 123 of the Companies Act, 2013. Accordingly, assets, liabilities and reserves of Parmeka Pvt Ltd as at 1st October, 2015 (the "Appointed Date") have been recorded in the books of the Company at their book value. The difference between the amounts recorded as investments of the Company and the amount of share capital and reserves of Parmeka Pvt Ltd has been adjusted with General Reserve.

Accordingly, amalgamation has resulted in transfer of assets, liabilities and reserves in accordance with the terms of the Scheme at the following summarized values:

PARTICULARS	Amount	Amount
<b>A. Assets Taken Over</b>		
Tangible Fixed Assets*	2,476,956,462	
Cash and Bank Balances	83,951	
Other Current Assets	723,658	
		2,477,764,071
<b>B. Liabilities Taken Over</b>		
Trade Payables	8,700	
Other Current Liabilities	1,276,385,510	
		1,276,394,210
<b>Net Assets Taken over [A-B]</b>		<b>1,251,369,861</b>
Less:		
Cancellation of Company's Investments in Parmeka Pvt Ltd (Equity Shares Rs. 2,00,50,000/- ; Preference Shares Rs.125,02,62,000/-)		1,270,312,000
<b>Balance transferred to General Reserve</b>		<b>(18,942,139)</b>

\* Tangible Fixed Assets are pledged against loan taken by Marathon Realty Pvt Ltd.

- While approving the merger scheme of Parmeka Pvt Ltd (PPL) with the Company, Hon'ble High Courts of Judicature at Bombay has stated in its order that at the time of giving effect of the merger in the books of the Company, it should follow Accounting Standard (AS) – 14 "Accounting for Amalgamations". The Order further states that any deficit arising on account of elimination should be debited to Goodwill. This second treatment is specified in the court order and not in the merger scheme, which is not in conformity with AS – 14. The Company has followed the accounting treatment which is as specified in the merger scheme and as prescribed in AS – 14. Accordingly, the deficit is debited to general reserve account and no asset in the nature of goodwill has been created. This treatment is in conformity with AS – 14.
- The Company has computed income tax on its profits for the year ended 31st March, 2016 as per the provisions of Income Tax Act, 1961. The computation of tax provision has been made on the legal advice obtained by the Company and such computation has been verified by an independent firm of Chartered Accountants.
- The effect of merger scheme has been given w.e.f. its appointed date i.e. 1st October 2015. Therefore, comparative figures for FY 2015-16 have been presented after considering the effect of merger.

Notes to Consolidated Financial Statements for the year ended  
31st March 2017

49. Additional Information, as required under Schedule III to the Companies Act, 2013, of Consolidated Entities

a. Statement of Net Assets and Profit/Loss and Other Comprehensive Income considered in Consolidated Financial Statements

Name of the Entity in the Group	Net Asset, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	As at 31st March 2017	As % of consolidated profit or loss	Year ended 31st March 2017	As % of consolidated OCI	Year ended 31st March 2017	As % of total comprehensive income	Year ended 31st March 2017
<b>Parent</b>								
Marathon Nexigen Realty Limited	105.19%	7,110,507,626	104.54%	879,552,231	100.00%	671,411	104.53%	880,223,541
<b>Indian Joint Ventures</b>								
Investment as per the equity method								
1. Cokmbia Chroma (P) Private Limited	0.01%	441,832	-0.01%	(60,154)	0.00%	-	-0.01%	(60,154)
2. Swayam Realtors & Traders LLP	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Adjustment on account of consolidation	-5.20%	(351,654,433)	-4.33%	(38,097,948)	0.00%	-	-4.32%	(38,097,948)
<b>Total</b>	<b>100.00%</b>	<b>6,759,785,025</b>	<b>100.00%</b>	<b>841,374,129</b>	<b>100.00%</b>	<b>671,411</b>	<b>100.00%</b>	<b>842,045,539</b>



Notes to Consolidated Financial Statements for the year ended  
31st March 2017

Name of the Entity in the Group	Net Asset i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As at 31st March 2016	As % of consolidated net assets	As % of consolidated profit or loss	Year ended 31st March 2016	As % of consolidated OCI	Year ended 31st March 2016	As % of total comprehensive income	Year ended 31st March 2016
Parent								
Marathon Nextgen Realty Limited	6,264,910,485	105.26%	104.34%	868,608,209	100.00%	(106,432)	104.34%	868,701,777
Indian Joint Ventures								
(Investment as per the equity method)								
1. Columbia Chrome (I) Private Limited	521,986	0.01%	0.01%	65,046	0.00%	-	0.01%	65,046
2. Swayam Realtors & Traders LLP	-	0.00%	0.00%	-	0.00%	-	0.00%	-
Adjustment on account of consolidation	(313,466,485)	-5.27%	-4.35%	(36,242,135)	0.00%	-	-4.35%	(36,242,135)
<b>Total</b>	<b>5,951,965,986</b>	<b>100.00%</b>	<b>100.00%</b>	<b>833,631,120</b>	<b>100.00%</b>	<b>(106,432)</b>	<b>100.00%</b>	<b>833,524,688</b>

Notes to Consolidated Financial Statements for the year ended  
31st March 2017

Name of the entity in the Group	Net Asset i.e. total assets minus total liabilities	
	As % of consolidated net assets	As at 1st April 2015
Parent		
Marathon Nextgen Realty Limited	105.25%	5,551,056,847
Indian Joint Ventures		
(Investment as per the equity method)		
1. Columbia Chrome (I) Private Limited	0.01%	456,940
2. Swayam Realtors & Traders LLP	0.00%	-
Adjustment on account of consolidation	-5.26%	(27,224,350)
<b>Total</b>	<b>100.00%</b>	<b>5,274,289,437</b>

b. The Company had one subsidiary in previous year 2015-16 for 17 days. There were no transactions during the said period which may have impact on the Consolidated Financial Statements.

50. Interest in Other Entities

a. The Consolidated Financial Statements present the Consolidated Accounts of the Company with its following Joint Ventures:

PARTICULARS	Country of Incorporation	Principle Activity	Proportion of Ownership Interest as at		
			31st March 2017	31st March 2016	1st April 2015
1. Columbia Chrome (I) Private Limited	India	Construction	40%	40%	40%
2. Swayam Realtors & Traders LLP	India	Construction	40%	40%	40%

b. Summarised Financial Position

PARTICULARS	Columbia Chrome (I) Private Limited			Swayam Realtors & Traders LLP		
	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Non-current assets	59,262,712	59,262,712	58,967,651	3,511,183,603	2,928,666,802	2,613,423,282
Current assets	1,817,178,278	1,623,117,528	1,466,752,250	3,494,979,237	2,349,641,518	1,682,579,498
<b>Total Assets (A)</b>	<b>1,876,440,990</b>	<b>1,682,380,640</b>	<b>1,525,719,901</b>	<b>7,006,162,841</b>	<b>5,278,308,320</b>	<b>4,296,002,779</b>
Non-current liabilities	-	-	-	4,442,920	2,862,169,633	1,807,199,960
Current liabilities	1,875,336,408	1,681,075,672	1,524,577,549	7,148,373,972	2,700,254,791	2,565,867,527
<b>Total Liabilities (B)</b>	<b>1,875,336,408</b>	<b>1,681,075,672</b>	<b>1,524,577,549</b>	<b>7,148,373,972</b>	<b>5,371,423,824</b>	<b>4,373,067,488</b>
<b>Net Assets (A-B)</b>	<b>1,104,582</b>	<b>1,304,968</b>	<b>1,142,352</b>	<b>(142,211,131)</b>	<b>(93,115,503)</b>	<b>(77,054,708)</b>
"Group's share of net assets" (Carrying amount of interest in Joint Venture)*	441,832	521,986	456,940	-	-	-
Contingent Liabilities **	-	-	-	35,068,365	-	-
Commitments	-	-	-	-	-	-

## Notes to Consolidated Financial Statements for the year ended 31st March 2017

\* Group's share of loss from Swayam Realtors & Traders LLP had been considered only to the extent of Group's investment in such Joint Venture. Accordingly, carrying amount of investment is zero and there is no further share of loss / OCI recognised by the Group from such Joint Venture.

\*\* In addition to contingent liability of Rs. 3,50,68,365 above, the LLP has takeover and discharged liability of erstwhile Khatrau Mankaji Spinning and Weaving LLP Limited (Khatrau) pertaining to the properties and liabilities taken over in terms of the sanctioned scheme as formulated in an order dated February 22, 2007, passed by the Board for Industrial and Financial Reconstruction. However if any statutory liability or Government dues of Khatrau on before the date of sanctioned scheme pertaining to the properties and liabilities taken over in terms of the sanctioned scheme, does fructify then the same will be a liability of the LLP. The LLP is not aware of any such liability as accordingly will not be in a position to quantify the same.

### c. Summarised Financial Performance

PARTICULARS	Columbie Chrome (I) Private Limited		Swayam Realtors & Traders LLP	
	Year ended 31st March 2017	Year ended 31st March 2016	Year ended 31st March 2017	Year ended 31st March 2016
Total Revenue	-	-	10,554,776	8,089,354
Total Expenses	200,386	132,445	58,937,327	23,446,743
Loss before tax	(200,386)	(132,445)	(48,378,051)	(15,357,389)
Tax Expense	-	(295,061)	-	-
Loss for the year	(200,386)	162,616	(48,378,051)	(15,357,389)
Other Comprehensive Income (OCI)	-	-	(717,577)	(107,308)
<b>Total Comprehensive Income for the year</b>	<b>(200,386)</b>	<b>162,616</b>	<b>(49,095,628)</b>	<b>(15,464,697)</b>
Group's share of Profit / (Loss)	(80,154)	65,046	NA ^	NA ^
Group's share of OCI	-	-	NA ^	NA ^
Group's share of Total Comprehensive Income	(80,154)	65,046	NA ^	NA ^

^ Group's share of loss from Swayam Realtors & Traders LLP had been considered only to the extent of Group's investment in such Joint Venture. Accordingly, carrying amount of investment is zero and there is no further share of loss / OCI recognised by the Group from such Joint Venture.

### d. Movement of Investment accounted for using Equity Method

PARTICULARS	Columbie Chrome (I) Private Limited		Swayam Realtors & Traders LLP	
	Year ended 31st March 2017	Year ended 31st March 2016	Year ended 31st March 2017	Year ended 31st March 2016
Opening balance	521,986	456,940	-	-
Share of Profit / (Loss) #	(80,154)	65,046	-	-
Closing balance	441,832	521,986	-	-

# Group's share of loss from Swayam Realtors & Traders LLP had been considered only to the extent of Group's investment in such Joint Venture. Accordingly, carrying amount of investment is zero and there is no further share of loss / OCI recognised by the Group from such Joint Venture.

## Notes to Consolidated Financial Statements for the year ended 31st March 2017

### 51. Previous Year Figures

The previous year figures are regrouped, recast and reclassified wherever necessary to make them comparable with the figures of the current year.

The accompanying notes are an integral part of financial statements.

As per our report of even date

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

Snehal Shah  
Partner  
Membership No. 048539

Place: Mumbai  
Date: 29th May, 2017

For and on behalf of the Board of Directors

**CHEYAN R. SHAH**  
Chairman & Ma. Director  
DIN: 00135296

**S. RAMAMURTHI**  
Wholtime Director & CFO  
DIN: 00135602

**K. S. RAGHAVAN**  
Company Secretary  
ACS - 8269



# MARATHON NEXTGEN REALTY LTD.

Regd. Off.: Marathon Futurex, N. M. Joshi Marg, Lower Parel (West), Mumbai 400 013. Tel: 022 6158 8484, Fax: 022 6158 8410.  
CIN: L65990MH1978PLC020080  
E-mail: shares@marathonnextgen.com Website: www.marathonnextgen.com

Form No. MGT - 11

## PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and  
Rules 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member(s): .....

Registered Address: .....

E-mail ID: .....

Folio No. / Client ID: ..... DPID: .....

I/We, being the member(s) holding ..... shares of the above named Company, hereby appoint:

1. Name: ..... Address: .....

E-mail ID: ..... Signature: .....

of falling him

2. Name: ..... Address: .....

E-mail ID: ..... Signature: .....

proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 40th Annual General Meeting of the Company to be held on Wednesday, September 20, 2017 at 3.30 p.m. at M. C. Ghisla Hall, Bhogilal Hargovindas Building, 18/20, Dubhash Marg, Kala Ghoda, Mumbai 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Description of Resolution
<b>ORDINARY BUSINESS:</b>	
1.	To receive, consider and adopt the Financial Statements for the year ended on 31st March, 2017 and the Reports of the Directors and Auditors thereon.
2.	To declare a Dividend, if any, on the Equity Shares for the year 2016-17.
3.	To appoint a Director in place Mr. Mayur R. Shah, who retires by rotation and being eligible offers himself for re-appointment.
4.	To appoint M/s. Rajendra & Co., Chartered Accountants, as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 50th Annual General Meeting of the Company.
<b>SPECIAL BUSINESS:</b>	
5.	Appointment of Mr. Deepak R. Shih as a Director of the Company.
6.	Re-appointment of Mr. S. Ramanurthi as Whole-Time Director & CFO of the Company.
7.	To sell, lease or otherwise dispose of the whole or substantially the whole of undertaking (Charge) of the Company under section 180(1)(a) of the Companies Act 2013.
8.	To borrow money in excess of aggregate of paid up capital and free reserves of the Company under section 180(1)(c) of the Companies Act 2013.
9.	To ratify the addendum matters in connection with the Related Party Transactions entered by the Company.

Signed this ..... day of ....., 2017.

Signature of Shareholder:

Signature of Proxy Holder(s)

Affix Re.1  
Revenue  
Stamp

Note: This form duly filled up, stamped and signed by the appointer or his attorney duly authorised in writing or if the appointer is a Body Corporate, under the seal or signed by an attorney duly authorised by it shall be deposited at the Registered Office of the Company, not less than 48 hours before the time for holding meeting.

**MARATHON NEXTGEN REALTY LTD.**

Regd. Off.: Marathon Futurex, N. M. Joshi Marg, Lower Parel (West), Mumbai 400 013. Tel.: 022 6158 8484, Fax: 022 6158 8410.  
CIN: L65990MH1978PLC020080  
E-mail: shares@marathonnextgen.com Website: www.marathonnextgen.com

**ATTENDANCE SLIP**

**40TH ANNUAL GENERAL MEETING**

Reg. Fello / DP & Client ID no.....

No. of Shares held: .....

I certify that I am a registered shareholder / Proxy for the registered shareholder of the Company. I hereby accord my presence at the 40th Annual General Meeting of the Company at M. C. Ghia Hall, Bhogilal Harasvindas Building, 18/20, Dabhiwsh Marg, Kala Ghoda, Mumbai 400 001 at 3.30 p.m. on Wednesday, September 20, 2017.

Member's Name: .....

Member's / Proxy's signature

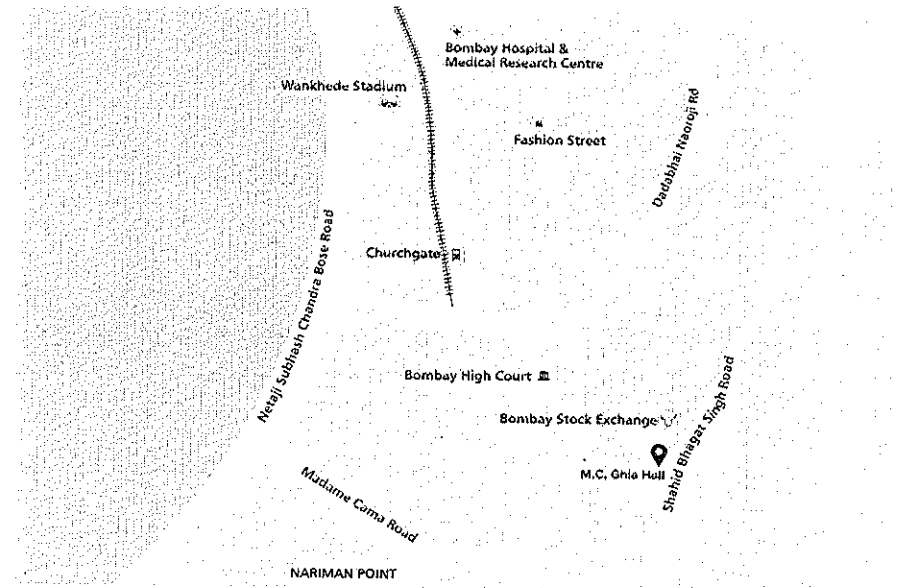
Proxy's Name: .....

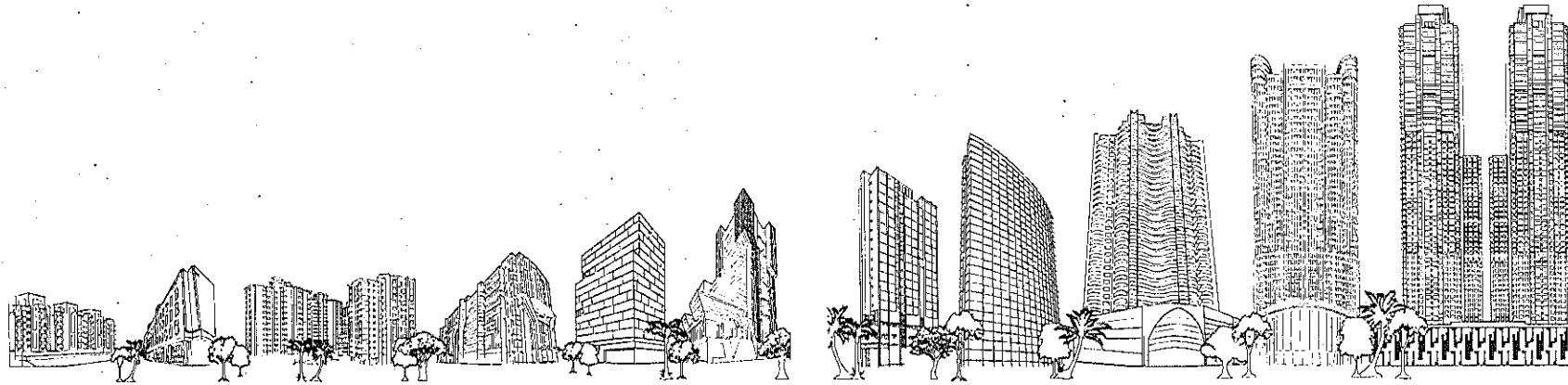
**Note:**

1. Please fill this attendance slip and hand it over at the entrance of the Hall.
2. Members / Proxy Holders / authorised Representatives are requested to show their Photo ID Proof for attending the Meeting.
3. Authorised Representatives of Corporate Members shall produce authorization issued in their favour.

## AGM Venue Location Map

M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Dubhash Marg, Kala Ghoda, Mumbai 400 001.





FROM  
GOOD  
TO BETTER  
TO BEST.

Company Secretary	Mr. K. S. Raghavan
Registered Office:	Marathon Nextgen Realty Ltd., Marathon Futurex, Mafatal Mills Compound, N. M. Joshi Marg, Lower Parel (W), Mumbai - 400 013. Tel.: 022 6158 8484.
Corporate Office:	702, Marathon Max, Mulund-Goregaon Link Road, Mulund (W), Mumbai - 400 080.
Auditors:	Rajendra & Co., Chartered Accounts. (New Auditors) Haribhakti & Co. LLP, Chartered Accounts. (Retiring Auditors)
Bankers:	AXIS Bank Ltd., HDFC Bank Ltd.
Share Transfer Agents:	Adroit Corporate Services Pvt. Ltd., 19/20, Jafferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai - 400 059. Tel.: 022 2859 6060 / 4060.
A.G.M.:	Wednesday, September 20, 2017 at 3.30pm
Venue:	M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Dnyanesh Marg, Kala Ghoda, Mumbai - 400001.

Marathon Nextgen Realty Ltd.  
Regd. Office: Marathon Futurex, Mafatal Mills Compound, N. M. Joshi Marg,  
Lower Parel (W), Mumbai - 400 013.

Corporate Office: Marathon Realty Pvt. Ltd., 702, Marathon Max, Mulund  
Goregaon Link Road, Mulund (W), Mumbai - 400 080.

marathon@marathonrealty.com | www.marathonnextgen.com

40<sup>th</sup> Annual Report 2016-17  
MARATHON NEXTGEN REALTY LIMITED