



Carol Info Services Limited

**ANNUAL REPORT
2013-14**

Carol Info Services Limited

BOARD OF DIRECTORS

DR. G. B. PARULKAR
Chairman & Managing Director

SHAHNAWAZ KHAN
Director

STEPHEN D'SOUZA
Director

AMRUTA AVASARE
Company Secretary

BANKERS

ICICI Bank Ltd
Bank of Baroda

AUDITORS

M. P. Chitale & Co.

REGISTERED OFFICE

Wockhardt Towers,
Bandra-Kurla Complex,
Bandra (East),
Mumbai - 400 051
Tel. : 022 2653 4444
Fax : 022 2652 3905
Email : investorrelations@carolinfoservices.com
CIN : U74999MH1979PLC021942

REGISTRAR & TRANSFER AGENTS

Link Intime India Private Limited
Unit: Carol Info Services Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai - 400 078
Tel. : 022 2594 6970-78
Fax : 022 2594 6969
Email : carol@linkintime.co.in
Website : www.linkintime.co.in

CONTENTS

Directors' Report.....	2
Auditors' Report on Standalone Financial Statements.....	5
Standalone Financial Statements	8
Auditors' Report on Consolidated Financial Statements.....	21
Consolidated Financial Statements	22

Carol Info Services Limited

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the Thirty Fourth Annual Report of the Company and Audited Accounts for the year ended March 31, 2014.

FINANCIAL PERFORMANCE

The summary of financial results for the year is given below:

	Year ended 31.03.2014	(₹ in Thousand) Year ended 31.03.2013
Operating Income	537,233	499,635
Other Income	88,417	130,993
Expenses	344,251	132,416
Exceptional Items	—	2,957,803
Profit Before Tax	281,399	3,456,015
Provision for Tax (Expense)/Credit	(64,100)	(721,362)
Net Profit from discontinued operations	—	1,387
Net Profit after tax	217,299	2,736,040

DIVIDEND AND RESERVES

In order to conserve the resources, the Board does not recommend any dividend on the Equity Shares of the Company for the year ended March 31, 2014 and no amount has been transferred to General Reserve.

BOARD OF DIRECTORS

Mr. Shahnawaz Khan (DIN: 03053420) retires by rotation as Director at the upcoming Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends his re-appointment at the forthcoming Annual General Meeting.

AUDITORS

M/s. M. P. Chitale & Co. (ICAI Firm Registration No: 101851W) hold office upto conclusion of ensuing Annual General Meeting.

M/s. M. P. Chitale & Co. are Statutory Auditors of the Company from the financial year 2009-10. It is proposed to appoint M/s. M. P. Chitale & Co to hold office for term of five years i.e. from conclusion of Thirty Fourth Annual General Meeting till the conclusion of Thirty Ninth Annual General Meeting of the Company (subject to ratification by members at every Annual General Meeting). M/s M. P. Chitale & Co have expressed their willingness to act as Auditors of the Company if appointed and have further confirmed that the said appointment is in conformity with the provisions of Section 140 of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 217 (2AA) of the Companies Act, 1956, in relation to the financial statements for the year ended on March 31, 2014, the Board of Directors state that:

- (i) the applicable accounting standards have been followed in preparation of the financial statements and there are no material departures from the said standards;
- (ii) in order to provide a true and fair view of the state of affairs of the Company as on March 31, 2014 and the profits for the year ended on that date, reasonable and prudent judgments and estimates have been made and generally accepted accounting policies have been selected and consistently applied;

- (iii) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the financial statements have been prepared on a going concern basis.

AUDIT COMMITTEE

Presently, the Audit Committee consists of Mr. Shahnawaz Khan, Dr. G.B. Parulkar and Mr. Stephen Dsouza. Mr. Shahnawaz Khan is the Chairman of the Audit Committee

DEPOSITS

The Company has not accepted any deposits from the public during the year under review.

SUBSIDIARIES

Banneret Trading Private Limited is a wholly owned subsidiary of the Company. The Consolidated financial statement for the year ended March 31, 2014 have been published in this report and forms part of the Annual Report.

The Ministry of Corporate affairs vide its circular dated February 8, 2011 granted general exemption under section 212(8) of the Companies Act, 1956 to the Companies with regard to attaching of the balance sheet, profit and loss account and other documents of the Subsidiary Company(s). Accordingly, the annual accounts and other documents of Company's subsidiary company i.e. Banneret Trading Private Limited for the year ended March 31, 2014 are not attached to this Annual Report. The annual accounts of Company's subsidiary company will be available for inspection by any member of the Company at the Registered Office of the Company and also at the Registered Office of the subsidiary company. The annual accounts of the Company's subsidiary company and detailed information will be made available to the members of the Company upon receipt of request from them. A statement pursuant to the provisions of Section 212(1)(e) of the Companies Act, 1956 and the summary of the key financials of the Company's subsidiary Company are included in this Annual Report.

PARTICULARS OF EMPLOYEES AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956

The Company does not have any employees to whom provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 apply.

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

The information pursuant to section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is provided in Annexure to this report.

ACKNOWLEDGEMENTS

Your Directors acknowledge the impeccable service rendered by the employees of the Company at all levels. The Directors also take this opportunity to place on record their appreciation to the stakeholders, bankers and all others for their continued support to the Company.

For and on behalf of the
Board of Directors

DR. G. B. PARULKAR
Chairman & Managing Director

Place : Mumbai
Date : August 6, 2014

ANNEXURE TO THE DIRECTORS' REPORT

Information under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2014.

I. CONSERVATION OF ENERGY

(1) **Energy conservation measures taken / Additional Investments and proposals being implemented for reduction of energy consumption:**

The Company does not have manufacturing facility at present and hence no energy conservation measures are applicable to the Company.

(2) **Total energy consumption and energy consumption per unit of production:**

	Year ended 31.03.2014*	Year ended 31.03.2013
(A) Power and Fuel Consumption:		
1. Electricity		
a. Purchased		
Units (in millions)	—	0.77
Total Amount (in millions)	—	5.10
Rate/Unit (₹)	—	6.56
b. Own Generation Through Diesel Generator		
Units (in millions)	—	0.24
Unit per litre of Diesel Oil	—	3.23
Cost/Unit (₹)	—	11.16
2. Coal	N.A.	N.A.
Quantity	—	—
Total Cost	—	—
Average Rate	—	—
3. Furnace Oil & LSHS		
Quantity (Kilo – litres)	—	541.354
Total Amount (in millions)	—	26.611
Average Rate	—	49.16
4. Natural Gas	N.A.	N.A.
Quantity (unit NM ₃)	—	—
Total Amount (in millions)	—	—
Average Rate (₹/100 NM ₃)	—	—

* The Company divested its contract manufacturing business to Danone during the previous financial year and hence there is no production during the current financial year 2013-14.

(B) Consumption per unit of production:

Not applicable.

II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Not applicable.

III. FOREIGN EXCHANGE EARNINGS & OUTGO

Total Foreign Exchange Used and Earned

	Year ended 31.03.2014	Year ended 31.03.2013
(₹ in Thousand)		
(A) Total Foreign Exchange Used		
(i) On input of raw materials, spare parts & capital goods	Nil	Nil
(ii) Expenditure in foreign currency for business travels, books and periodicals membership subscription, commission on sales and R & D expenses	Nil	Nil
(iii) Others	Nil	336
(B) Total Foreign Exchange Earned	Nil	Nil

INDEPENDENT AUDITOR'S REPORT

To The Members of Carol Info Services Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Carol Info Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 which as per a clarification issued by the Ministry of Corporate Affairs continue to apply under section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the 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:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by Section 227(3) of the Companies Act 1956, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement complies with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 which as per a clarification issued by the Ministry of Corporate Affairs continue to apply under section 133 of the Companies Act, 2013;
 - e. on the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
8. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

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

ASHUTOSH PEDNEKAR
Partner
ICAI M. No. 41037

Place : Mumbai
Date : August 6, 2014

ANNEXURE TO AUDITORS' REPORT

Annexure referred to in Paragraph 8 of our Report of even date.

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) The Company has a program for phased physical verification of all its fixed assets over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Accordingly, certain fixed assets have been physically verified by the management during the year. As informed, no material discrepancies were noticed on such verification.
- (c) Based on our examination of the records of the company, we find that no substantial part of the fixed assets affecting the going concern have been disposed off during the year.
- ii. The Company does not hold inventory and hence clauses regarding inventory are not applicable.
- iii. According to the information and explanations given to us, the Company has not granted nor taken any loans from parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for purchase of fixed assets and for sale of goods and services. Further on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weakness in the aforesaid internal control procedures.
- v. In our opinion, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that there are no transactions that need to be entered into the register maintained under Section 301 of the Act. Accordingly, requirements of sub-clause (b) of clause (v) is not applicable.
- vi. According to the information and explanations given to us and as represented to us, the Company has not accepted deposits from public and therefore directives issued by the Reserve Bank of India, and the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 are not applicable to the Company.
- vii. The Company has an internal audit system commensurate with the size and nature of its business.
- viii. The Company did not have any manufacturing activity during the year and hence, as per information and explanations given to us was not required to maintain records under Companies (Cost Accounting Records) Rule, 2011.
- ix. (a) According to the records of the Company and information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Service Tax, Customs Duty, Excise Duty and Cess etc. with the appropriate authorities. Further, no undisputed statutory dues were in arrears, as of March 31, 2014 for a period of more than six months from the date they became payable.
- (b) As at the year-end according to the records of the Company and information and explanations given to us, there are no disputed dues on account of income tax, sales tax, customs duty, excise duty, cess, wealth tax, service tax which have not been deposited with respective authorities except as under:

Name of the statute	Nature of the dues	Amount (₹ in thousands)	Period to which the amount relates	Forum where dispute is pending
Bombay Sales Tax Act, 1959	Sales Tax Dues	1219.43	A.Y. 93-94	Appellate Tribunal
		3794.05	A.Y. 94-95	Appellate Tribunal
		3404.56	A.Y. 95-96	Appellate Tribunal
		2714.41	A.Y. 96-97	Appellate Tribunal
		2773.14	A.Y. 97-98	Appellate Tribunal
Kerala General Sales Tax Act, 1963	Sales Tax Dues	410.00	A.Y. 94-95	Appellate Tribunal

- x. The Company has no accumulated losses at the end of the financial year nor has it incurred cash losses during the year and in the immediately preceding financial year.
- xi. The Company has not defaulted in repayment of dues to banks and debenture holders.
- xii. According to the information and explanations, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- xiii. According to the information and explanations, the Company is not a chit fund/nidhi/mutual benefit fund/society. Hence, the provisions of any special statute as specified under clause (xiii) of Paragraph 4 of the Order are not applicable to the Company.
- xiv. According to the information and explanations, the Company is not a dealer or trader in securities.
- xv. According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- xvi. According to the information and explanations given to us, the term loan taken by the Company from a bank has been used for the purpose for which it was obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, funds raised on short term basis have, prima facie, not been used for long term investment.
- xviii. The Company has not made any preferential allotment of shares to parties/companies covered in the register maintained u/s 301 of the Companies Act, 1956.
- xix. The Company has not issued any debentures. Hence, the requirements of clause (xix) are not applicable.
- xx. The Company has not raised any money by public issue during the year covered under our audit.
- xxi. Based on information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the year.

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

ASHUTOSH PEDNEKAR
Partner
ICAI M. No. 41037

Place : Mumbai
Date : August 6, 2014

Carol Info Services Limited

BALANCE SHEET AS AT MARCH 31, 2014

(All amount in Thousand of Indian ₹)

	Notes	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	2	354,365	354,365
Reserves and surplus	3	8,123,014	7,905,715
		<u>8,477,379</u>	<u>8,260,080</u>
NON-CURRENT LIABILITIES			
Long-term borrowings	4	2,457,749	267,782
Deferred tax liabilities (Net)	5	23,581	23,581
Long-term provisions	6	112	93
		<u>2,481,442</u>	<u>291,456</u>
CURRENT LIABILITIES			
Trade payables	7	2,778	3,428
Other current liabilities	8	624,769	564,658
Short-term provisions	9	—	6
		<u>627,547</u>	<u>568,092</u>
TOTAL		<u>11,586,368</u>	<u>9,119,628</u>
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	10		
Tangible assets		939,646	963,033
Capital work-in-progress		5,511	5,511
Non-current investments	11	1,953,913	193,913
Long-term loans and advances	12	7,493,730	7,493,637
		<u>10,392,800</u>	<u>8,656,094</u>
CURRENT ASSETS			
Trade receivables	13	331,378	395,415
Cash and Bank balances	14	843,574	60,692
Short-term loans and advances	15	6,048	7,267
Other current assets	16	12,568	160
		<u>1,193,568</u>	<u>463,534</u>
TOTAL		<u>11,586,368</u>	<u>9,119,628</u>

Significant accounting policies

1(B)

The notes from 1 to 30 form an integral part of the Financial Statements.

As per our attached report of even date

For **M. P. Chitale & Co.**
Chartered Accountants

Ashutosh Pednekar
Partner

Place : Mumbai
Date : August 6, 2014

Amruta Avasare
Company Secretary

For and on behalf of the Board of Directors

G. B. Parulkar
Chairman and Managing Director

Shahnawaz Khan
Stephen D'souza

} Directors

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

(All amount in Thousand of Indian ₹)

	Notes	For the year ended March 31, 2014	For the year ended March 31, 2013
REVENUE			
Revenue from operations	17	537,233	499,635
Other income	18	88,417	130,993
TOTAL		625,650	630,628
EXPENSES			
Purchase of Stock-in-trade		657	2,565
Employee benefits expense	19	1,544	5,191
Finance costs	20	269,297	32,598
Depreciation	10	31,324	31,631
Other expenses	21	41,429	60,431
TOTAL		344,251	132,416
Profit before exceptional items and tax		281,399	498,212
Exceptional items - Profit on sale of contract manufacturing business	26	—	2,957,803
PROFIT BEFORE TAX		281,399	3,456,015
Tax expense:			
Current tax		(64,100)	(776,862)
Deferred tax		—	55,500
Profit for the year from continuing operations		217,299	2,734,653
Profit from discontinued operations (before tax)		—	2,054
Tax expense of discontinued operations		—	(667)
Profit from discontinued operations (after tax)		—	1,387
PROFIT AFTER TAX		217,299	2,736,040
Earnings per equity share of face value of ₹ 10 each:			
Basic/Diluted in ₹	22	6.13	77.21
Significant accounting policies	1(B)		

The notes from 1 to 30 form an integral part of the Financial Statements.

As per our attached report of even date

For **M. P. Chitale & Co.**
Chartered Accountants

Ashutosh Pednekar
Partner

Place : Mumbai
Date : August 6, 2014

Amruta Avasare
Company Secretary

For and on behalf of the Board of Directors

G. B. Parulkar
Chairman and Managing Director

Shahnawaz Khan
Stephen D'souza

} Directors

Carol Info Services Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(All amount in Thousand of Indian ₹)

	For the year ended March 31, 2014	For the year ended March 31, 2013
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:		
Net profit before taxation (including profits from discontinued operations during previous year)	281,399	3,458,069
Adjustments for:		
Depreciation	31,324	38,461
Liabilities no more payable	(39)	(119)
Provision no longer required reversed	—	(101,600)
Exceptional items-Profit on divestment	—	(2,957,803)
Advances no more recoverable	2,314	2,501
Finance costs	269,297	32,598
Interest Income	(88,308)	(29,029)
Loss on sale of assets	217	—
Provision for permanent diminution in investment	—	15,680
Operating profit before Working Capital changes	496,204	458,758
Movement in working capital:		
(Increase)/Decrease in Inventories	—	329
(Increase)/Decrease in Trade Receivables	64,037	(352,740)
(Increase)/Decrease in Loans and Advances and Other assets	954	95,064
Increase/(Decrease) in Liabilities and Provisions	(40,326)	54,153
Cash Generated from Operations	520,869	255,564
Income taxes paid	(68,232)	(792,297)
Net cash from/(used in) Operating Activities	452,637	(536,733)
CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:		
Purchase of Fixed Assets and Additions to Capital work-in-progress	(6,192)	(12,725)
Proceeds from divestment (Net)	—	3,195,000
Proceeds from sale of Fixed Assets	199	—
Purchase of Investments	(1,760,000)	(100)
Repayment by/(Loans to) companies/subsidiaries	(2)	(2,411,824)
Margin money and Fixed deposits with original maturity of more than 3 months	(804,216)	—
Interest Received	75,900	28,869
Net cash from/(used in) Investing Activities	(2,494,311)	799,220
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES:		
Proceeds from borrowings	2,299,147	104,698
Repayment of borrowings	(9,496)	(335,655)
Finance costs paid	(269,297)	(24,830)
Dividend paid	(14)	(16)
Net cash from/(used in) Financing Activities	2,020,340	(255,803)
Net increase in cash and cash equivalents	(21,334)	6,684
Cash and cash equivalents at beginning of year	60,592	53,908
Cash and cash equivalents at end of year	39,258	60,592
Component of cash and cash equivalents:		
Cash	181	577
Balance with banks:		
— on current account (excluding unclaimed dividend accounts)	36,126	56,527
— deposit with original maturity of less than 3 months	2	525
— on unpaid dividend account (refer note 4 below)	2,949	2,963
	39,258	60,592

Notes:

- All figures in bracket are outflow.
- Income taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- Cash flow in respect of ordinary activities attributable to discontinued operations:
 - Cash generated from Operating activities - ₹ Nil (Previous Year - ₹ 1,049 thousand)
 - Cash flow provided by Investing activities - ₹ Nil (Previous Year - ₹ 32,416 thousand)
 - Cash flow from Financing activities - ₹ Nil (Previous Year - ₹ Nil)
- These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

As per our attached report of even date

For **M. P. Chitale & Co.**
Chartered Accountants

Ashutosh Pednekar
Partner

Place : Mumbai
Date : August 6, 2014

Amruta Avasare
Company Secretary

For and on behalf of the Board of Directors

G. B. Parulkar
Chairman and Managing Director

Shahnawaz Khan
Stephen D'souza

} Directors

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014

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

1. A. BACKGROUND

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

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles in India (GAAP) to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

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

The significant accounting policies are as follows:

(a) Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. The Company capitalizes all costs relating to the acquisition and installation of fixed assets.

Depreciation is provided, using the straight line method, pro-rata to the period of use of assets, at the rates specified in Schedule XIV of the Companies Act, 1956 or based on the useful life of the assets whichever is higher. The rates used by the Company are as follows:

Assets	Percentage
Leasehold land	over the period of lease
Buildings	1.63 – 3.34
Plant and Machinery	4.75 – 5.88
Furniture and Fixtures	6.33
Office Equipments	4.75 – 25
Information Technology Equipments	33.33
Vehicles	20

Fixed assets whose aggregate cost is ₹ 5,000 or less are depreciated fully in the year of acquisition.

(b) Foreign currency transactions

Foreign currency transactions during the year are recorded at rates of exchange prevailing on the date of the transaction. Foreign currency denominated assets and liabilities are translated into rupees at the rates of exchange prevailing on the date of the balance sheet. All exchange differences are dealt with in the statement of profit and loss.

In respect of transactions covered by forward exchange contracts, the difference between the contract rate and the spot rate on the date of the transaction is charged to the statement of profit and loss over the period of the contract.

(c) Investments

Long-term investments are stated at cost. Provision is made to recognise a diminution, other than temporary, in the value of investments. Current investments are stated at lower of cost and fair value.

(d) Inventories

Inventories of stores and spare parts are valued at cost.

(e) Employee benefits

The liabilities on account of gratuity and leave encashment are provided based on valuation by an independent actuary. Contributions to provident fund and family pension fund are charged to the statement of profit and loss as incurred.

(f) Revenue recognition

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

Revenue from services are recognized on completion of such services.

(g) Income-tax

Provision for current income-taxes is made on the assessable income at the tax rate applicable to the relevant assessment year.

Deferred income taxes are recognised for the future tax consequences attributable to timing differences between the financial statement determination of income and their recognition for tax purposes. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the statement of profit and loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(h) Leases

Operating leases

Lease payments for operating leases are recognised as expense over the lease term. Lease income from operating leases is recognised as income over the lease term. Initial direct costs are recognised immediately as an expense.

(i) Financing/Borrowing cost

Financing/Borrowing costs attributable to acquisition and/or construction of qualifying assets are capitalised as a part of the cost of such assets, up to the date such assets are ready for their intended use. Other financing / borrowing costs are charged to statement of profit and loss. Initial direct costs are recognised immediately as an expense.

Expenses incurred in connection with raising of funds are amortised over the tenure of the borrowing.

(j) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events of bonus issue to existing shareholders and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares from the exercise of options on unissued share capital. The number of equity shares is the aggregate of the weighted average number of equity shares and the weighted average number of equity shares, which would be issued on the conversion of all the dilutive potential equity shares into equity shares. Options on unissued equity share capital are deemed to have been converted into equity shares.

	As at March 31, 2014		As at March 31, 2013	
	Number of shares	Amount	Number of shares	Amount
2. SHARE CAPITAL				
AUTHORISED				
Unclassified Shares of ₹ 10/- each	100,000,000	1,000,000	100,000,000	1,000,000
ISSUED				
Equity Shares of ₹ 10/- each	35,519,797	355,198	35,519,797	355,198
SUBSCRIBED AND PAID UP				
Equity Shares of ₹ 10/- each fully paid up				
Shares outstanding as at the beginning of the year	35,436,472	354,365	35,436,472	354,365
Add: Shares issued during the year	—	—	—	—
Shares outstanding as at the end of the year	35,436,472	354,365	35,436,472	354,365

Notes:

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

(b) Shares held by holding company

32,620,390 (Previous Year- 32,003,221) fully paid up equity shares are held by Khorakiwala Holdings and Investments Private Limited, the holding company.

(c) Details of equity shares held by each shareholders holding more than 5% of total equity shares.

	As at March 31, 2014		As at March 31, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Khorakiwala Holdings and Investments Private Limited	32,620,390	92.05	32,003,221	90.31

(₹ in Thousand)

	As at March 31, 2014	As at March 31, 2013
3. RESERVES AND SURPLUS		
Capital Redemption Reserve		
Opening Balance	297,500	297,500
Add: Current Year Transfer	—	—
Closing Balance	<u>297,500</u>	<u>297,500</u>
Securities Premium Account		
Opening Balance	2,716,000	2,716,000
Add: Current Year Transfer	—	—
Closing Balance	<u>2,716,000</u>	<u>2,716,000</u>
General Reserve		
Opening Balance	1,216,889	1,216,889
Add: Current Year Transfer	—	—
Closing Balance	<u>1,216,889</u>	<u>1,216,889</u>
Surplus		
Opening Balance	3,675,326	939,286
Add: Net Profit for the Current Year	217,299	2,736,040
Closing Balance	<u>3,892,625</u>	<u>3,675,326</u>
TOTAL	<u><u>8,123,014</u></u>	<u><u>7,905,715</u></u>
4. LONG-TERM BORROWINGS		
SECURED		
Term loan from bank (Refer Note (a) below)	2,180,800	—
UNSECURED		
Deferred payment liabilities		
Sales tax deferral loan (Refer Note (b) below)	152	2,591
Loans from Others (Refer Note (c) below)	276,797	265,191
	<u>276,949</u>	<u>267,782</u>
TOTAL	<u><u>2,457,749</u></u>	<u><u>267,782</u></u>
Notes:		
(a) Term loan from bank was secured by first charge by way of mortgage on land and premises including building situated at Bandra Kurla Complex, Mumbai and by way of hypothecation and charge on all lease and rental receivables from the said property.		
(b) Interest free sales tax deferral loan is repayable in the month of May every year. This loan is repayable by May 2015.		
(c) Loans from others amounting ₹ 222,107 thousand (Previous Year - ₹ 210,501 thousand) with interest rate of 9% p.a. (Previous Year- 8.75% p.a.) and interest free loan ₹ 54,690 thousand (Previous Year - ₹ 54,690 thousand) are repayable by 2016 in 2 equal annual instalment subject to any further amendment with mutual understanding.		
5. DEFERRED TAX LIABILITIES (NET)	As at March 31, 2014	As at March 31, 2013
Deferred tax liabilities		
Difference between depreciation on block of assets	23,613	23,613
Gross deferred tax liabilities	<u>23,613</u>	<u>23,613</u>
Deferred tax assets		
Provision for Gratuity	11	11
Provision for Leave Encashment	21	21
Gross deferred tax assets	<u>32</u>	<u>32</u>
TOTAL	<u><u>23,581</u></u>	<u><u>23,581</u></u>
6. LONG-TERM PROVISIONS		
Provision for employee benefits (Refer Note 28)		
Gratuity (unfunded)	41	34
Leave Encashment (unfunded)	71	59
TOTAL	<u><u>112</u></u>	<u><u>93</u></u>
7. TRADE PAYABLES		
Trade payables (Refer Note below)	2,778	3,428
TOTAL	<u><u>2,778</u></u>	<u><u>3,428</u></u>

Note:

Principal amount including interest, if any payable to micro and small enterprises as per Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2014 ₹ NIL (Previous Year- ₹ NIL). The above information is given to the extent information available with the Company and relied upon by the auditors.

Carol Info Services Limited

(₹ in Thousand)

	As at March 31, 2014	As at March 31, 2013
8. OTHER CURRENT LIABILITIES		
Current maturities of long-term debt (Refer Note 4)	103,959	4,275
Unpaid dividends	2,949	2,963
Other payables		
Deposits payable	488,193	488,213
Employee liabilities	152	117
Other payables	29,516	69,090
TOTAL	624,769	564,658
9. SHORT-TERM PROVISIONS		
Provision for employee benefits (Refer Note 28)		
Gratuity (unfunded)	—	1
Leave Encashment (unfunded)	—	5
TOTAL	—	6

10. FIXED ASSETS (AT COST)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK		
	As at 01.04.2013	Additions	Deductions/ Other Adjustments	As at 31.03.2014	As at 01.04.2013	For the year*	Deductions/ Other Adjustments	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	
Tangible Assets											
Freehold Land	274	—	—	274	—	—	—	—	274	274	
Leasehold Land	195,141	—	—	195,141	34,874	2,634	—	37,508	157,633	160,267	
Buildings	940,946	3,796	—	944,742	190,152	15,753	—	205,905	738,837	750,794	
Plant and Equipment	172,638	2,304	1,193	173,749	139,187	6,961	828	145,320	28,429	33,451	
Furniture and Fixtures	101,967	—	437	101,530	85,111	5,082	384	89,809	11,721	16,856	
Vehicles	9,061	—	—	9,061	7,960	495	—	8,455	606	1,101	
Office equipments	42,142	2,255	480	43,917	42,028	316	480	41,864	2,053	114	
Information Technology Equipments	87,084	—	1,405	85,679	86,908	83	1,405	85,586	93	176	
TOTAL	1,549,253	8,355	3,515	1,554,093	586,220	31,324	3,097	614,447	939,646	963,033	
Previous year	2,031,881	35,580	518,208	1,549,253	831,687	38,461	283,928	586,220	963,033		
Capital work-in-progress	—	—	—	—	—	—	—	—	5,511	5,511	
TOTAL	—	—	—	—	—	—	—	—	5,511	5,511	

* includes ₹ Nil (Previous Year – ₹ 6,830 thousand) attributed to discontinued operations.

Note:

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

Assets given on lease	2014			2013		
	Gross Block	Accumulated Depreciation	Net Block	Gross Block	Accumulated Depreciation	Net Block
Buildings	830,734	182,035	648,699	830,734	168,080	662,654
Furniture and fixtures	66,307	59,393	6,914	66,740	55,705	11,035
Office equipments	30,356	28,372	1,984	28,301	28,301	—
Plant and machinery	157,744	136,229	21,515	156,177	130,663	25,514
TOTAL	1,085,141	406,029	679,112	1,081,952	382,749	699,203

11. NON-CURRENT INVESTMENTS

As at
March 31, 2014 As at
March 31, 2013

TRADE (UNQUOTED):

Others:

6,750,000 (Previous Year – 6,750,000) Equity shares of ₹ 10 each fully paid up in Wockhardt Hospitals Limited	50,000	50,000
4,270,000 (Previous Year – 4,270,000) Equity shares of CHF 1 each fully paid up in Swiss Biosciences AG (under liquidation)	141,910	141,910
1,760 (Previous Year– Nil) 0% Optionally Convertible Redeemable Debentures of ₹ 1,000,000 each fully paid up of the following series in Wockhardt Hospitals Limited:	1,760,000	—
– 665 (Previous Year– Nil) Series A debentures		
– 530 (Previous Year– Nil) Series B debentures		
– 565 (Previous Year– Nil) Series C debentures		

NON-TRADE (UNQUOTED):

Others:

780,000 (Previous Year – 780,000) Equity shares of ₹ 10 each fully paid up in AI Barr Finance House Limited	17,583	17,583
Less: Provision for permanent diminution	(15,680)	(15,680)
	1,903	1,903

Subsidiary:

10,000 (Previous Year – 10,000) Equity shares of ₹ 10 each fully paid up in Banneret Trading Private Limited	100	100
TOTAL	1,953,913	193,913

(₹ in Thousand)

	As at March 31, 2014	As at March 31, 2013
12. LONG-TERM LOANS AND ADVANCES		
Capital Advances		
Unsecured, considered good	—	1,994
	<u>—</u>	<u>1,994</u>
Security Deposits		
Unsecured, considered good	4,013	6,066
	<u>4,013</u>	<u>6,066</u>
Loans and advances to related parties (Refer Note 27)		
Unsecured, considered good	7,363,479	7,363,471
Unsecured, considered doubtful	16,064	16,064
Less: Provision for doubtful advances	(16,064)	(16,064)
	<u>7,363,479</u>	<u>7,363,471</u>
Advance tax, net of provision for tax	126,238	122,106
TOTAL	<u>7,493,730</u>	<u>7,493,637</u>
13. TRADE RECEIVABLES (Refer Note 27 for related party balances)		
Trade receivables outstanding for a period less than six months		
Unsecured, considered good	273,197	393,484
	<u>273,197</u>	<u>393,484</u>
Trade receivables outstanding for a period exceeding six months		
Unsecured, considered good	58,181	1,931
Unsecured, considered doubtful	100	100
	<u>58,281</u>	<u>2,031</u>
Less: Provision for doubtful debts	(100)	(100)
	<u>58,181</u>	<u>1,931</u>
TOTAL	<u>331,378</u>	<u>395,415</u>
14. CASH AND BANK BALANCES		
Cash and cash equivalents:		
Balances with banks		
On current account	36,126	56,527
Deposit with original maturity of less than 3 months	2	525
Unpaid dividend accounts	2,949	2,963
Cash on hand	181	577
	<u>39,258</u>	<u>60,592</u>
Other bank balances:		
Deposits with original maturity more than 3 months but less than 12 months (includes deposit under lien ₹ 103,016 thousand)	633,216	—
Deposits with original maturity more than 12 months	50,000	—
Deposits with original maturity equal to 12 months	121,000	—
Margin money under lien	100	100
	<u>804,316</u>	<u>100</u>
TOTAL	<u>843,574</u>	<u>60,692</u>
15. SHORT-TERM LOANS AND ADVANCES		
Advances recoverable in cash or in kind or for value to be received		
Unsecured, considered good	3,478	6,610
Balance with customs, excise and sales tax authorities	2,570	657
TOTAL	<u>6,048</u>	<u>7,267</u>
16. OTHER CURRENT ASSETS		
Interest Accrued	12,568	160
	<u>12,568</u>	<u>160</u>

Carol Info Services Limited

(₹ in Thousand)

	For the year ended March 31, 2014	For the year ended March 31, 2013
17. REVENUE FROM OPERATIONS		
Sale of products	1,079	3,548
Sale of services		
Rent income (Refer Note 25)	534,309	490,439
Other services	1,845	5,648
TOTAL	537,233	499,635
18. OTHER INCOME		
Interest income	88,308	29,029
Miscellaneous income (Refer Note below)	109	101,964
TOTAL	88,417	130,993

Note:

Miscellaneous income to the extent of ₹ 39 thousand (Previous Year - ₹ 119 thousand) is on account of liabilities no more payable; and write back of provision no longer required ₹ Nil (Previous Year - ₹ 101,600 thousand).

	For the year ended March 31, 2014	For the year ended March 31, 2013
19. EMPLOYEE BENEFITS EXPENSE		
Salaries and wages (Refer Note 28)*	1,212	2,802
Contribution to provident and other funds (Refer Note 28)	19	247
Staff welfare expenses	313	2,142
TOTAL	1,544	5,191

[* including remuneration to Chairman and Managing Director ₹ 200 thousand (Previous Year - ₹ 200 thousand) - Refer note 27]

20. FINANCE COSTS		
Interest expense		
on term loans	219,932	5,348
others	20,488	27,250
Other borrowing costs	28,877	—
TOTAL	269,297	32,598

21. OTHER EXPENSES		
Travelling and conveyance	260	989
Power and fuel	6,466	5,675
Rent	100	115
Rates and taxes	8,229	16,537
Repairs and maintenance		
– to Building	4,440	112
– to Plant and machinery	1,051	—
– to Others	6,274	10,579
Stores and spare parts consumed	55	333
Insurance	1,231	652
Legal and professional charges	3,878	3,591
Security services	3,270	2,490
Secretarial expenses	622	894
Exchange fluctuation loss-net	—	7
Provision for permanent diminution in investment	—	15,680
Loss on sale of asset	217	—
Miscellaneous expenses	5,336	2,777
TOTAL	41,429	60,431

Notes:

(a) Auditor's remuneration (including service tax)

Audit fees	494	459
Tax audit fees	112	112
Out of pocket expenses	40	38
	646	609

(b) Value of Imports on C.I.F. basis

Nil Nil

(c) Expenditure on Foreign currency

Nil 336

(d) Earnings in Foreign exchange

Nil Nil

22. EARNINGS PER SHARE

	For the year ended March 31, 2014 ₹ in Thousand	For the year ended March 31, 2013 ₹ in Thousand
The calculations of earnings per share (EPS) (Basic and Diluted) are based on the earnings and number of shares as computed below:		
Reconciliation of earnings		
Profit after tax	217,299	2,736,040
Net profit for calculation of Basic/Diluted EPS	<u>217,299</u>	<u>2,736,040</u>
	No. of Shares	No. of Shares
Reconciliation of number of shares		
Weighted average number of shares in calculating Basic/Diluted EPS	35,436,472	35,436,472
	<u>35,436,472</u>	<u>35,436,472</u>
Earnings per share (nominal value ₹ 10/- each)		
Earnings per share – Basic/Diluted in ₹	6.13	77.21

23. BREAK-UP OF STORES AND SPARE PARTS CONSUMED (INCLUDING EXPENSES ATTRIBUTED TO DISCONTINUED OPERATIONS)

	For the year ended 31.03.2014		For the year ended 31.03.2013	
	Value ₹ in Thousand	%	Value ₹ in Thousand	%
Stores and Spare Parts				
Imported	—	—	—	—
Indigenously Procured	55	100	4,704	100
	<u>55</u>	<u>100</u>	<u>4,704</u>	<u>100</u>

24. SEGMENT INFORMATION

Primary Segments

The Company is presently only into one segment 'renting of immovable property segment'. Hence disclosures required under Accounting Standard 17 on 'Segment Reporting' are not applicable.

25. LEASES INCOME

The Company has given on operating lease various office and residential premises. These lease and license agreements are for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms. The company has taken refundable interest free security deposits in accordance with the agreed terms. The aggregate of rentals receivable are recognised as revenue under Note 17 - Sale of services. Future lease rentals receivable are as follows:

				(₹ in Thousand)
	Year	For the year	Not later than one year	Later than one year and not later than five years
Lease Rent Receivable	2014	533,141	520,757	187,290
	2013	460,303	453,953	488,994
				Later than five years
				—
				—

Carol Info Services Limited

26. DISCONTINUED OPERATIONS

Pursuant to Business Transfer Agreement (BTA) dated August 2, 2011, the divestment of Contract manufacturing business on a slump sale basis to Danone was completed on July 26, 2012. The Company had received the entire consideration of ₹ 3,200,000 thousand (gross) on the aforesaid divestment. The profit on account of the aforesaid transaction amounting to ₹ 2,957,803 thousand had been shown as 'exceptional item'.

(₹ in Thousand)

Details of profit/(loss) from continuing and discontinued operations:

	Continuing operations		Discontinued operations		Total	
	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2014	For the year ended March 31, 2013
Turnover	537,233	499,635	—	76,391	537,233	576,026
Operating and other Expenses (excluding finance cost)	(74,954)	(99,811)	—	(74,746)	(74,954)	(174,557)
Profit before interest and tax	462,279	399,824	—	1,645	462,279	401,469
Finance cost	(269,297)	(32,598)	—	—	(269,297)	(32,598)
Other Income	88,417	130,993	—	409	88,417	131,402
Exchange fluctuation gain/(loss)	—	(7)	—	—	—	(7)
Profit before tax	281,399	498,212	—	2,054	281,399	500,266
Exceptional items (expense)/income	—	2,957,803	—	—	—	2,957,803
Income Tax Expense	(64,100)	(721,362)	—	(667)	(64,100)	(722,029)
Profit after tax	217,299	2,734,653	—	1,387	217,299	2,736,040

The carrying amount of assets and liabilities pertaining to the discontinued business are as follows:

Particulars	As at July 25, 2012
Total Assets	256,781
Total Liabilities	17,984

27. RELATED PARTY DISCLOSURES

(a) Parties where control exists

Holding company:

Khorakiwala Holdings and Investments Private Limited

Subsidiary Company:

Banneret Trading Private Limited

Fellow Subsidiary:

Wockhardt Limited

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

Vinton Healthcare Limited

Individuals having direct or indirect control over the Company:

H. F. Khorakiwala

Enterprises over which Individuals having direct or indirect control over the Company, have significant influence:

Palampur Holdings and Investments Private Limited

Wockhardt Hospitals Limited

Merind Limited

Sharanya Chemicals and Pharmaceuticals Private Limited

Holmdene Constructions

Key Managerial Personnel:

G. B. Parulkar

(b) Transactions with related parties during the year

	(₹ in Thousand)	
	Apr. 13- Mar. 14	Apr. 12- Mar. 13
<i>Holding company</i>		
Rent paid	100	100
Advance paid against rent	—	50
Repayments made	—	1,945,789
<i>Subsidiary Company</i>		
Loan given	—	7,382,541
Loan repaid	—	19,716
<i>Fellow Subsidiary Company</i>		
Rent received	504,898	463,331
Processing charges received	—	76,391
<i>Transactions with enterprises over which Individuals having direct or indirect control over the Company, having significant influence</i>		
Rent received from Wockhardt Hospitals Limited	49	197
Application money paid towards Optionally Convertible Redeemable Debentures to Wockhardt Hospitals Limited	1,760,000	—
Allotment of Optionally Convertible Redeemable Debentures by Wockhardt Hospitals Limited.	1,760,000	—
Loans/Advances Given	90,009	10
[Wockhardt Hospitals Limited ₹ 90,000 thousand (Previous Year - ₹ Nil); Holmdene Constructions ₹ 9 thousand (Previous Year - ₹ 10 thousand)]		
Repayments made	90,000	1,338,484
[Palanpur Holdings and Investments Private Limited ₹ Nil (Previous Year - ₹ 1,338,484); Wockhardt Hospitals Limited ₹ 90,000 (Previous Year - ₹ Nil)]		
Loans taken	—	88,940
[Wockhardt Hospitals Limited ₹ Nil (Previous Year - ₹ 940 thousand), Merind Limited ₹ Nil (Previous Year - ₹ 88,000 thousand)]		
Loans repaid	—	224,982
[Wockhardt Hospitals Limited ₹ Nil (Previous Year - ₹ 34,982 thousand), Merind Limited ₹ Nil (Previous Year - ₹ 190,000 thousand)]		
Interest expenses paid to Wockhardt Hospitals Limited	—	1,044
<i>Enterprise that directly or indirectly through one or more intermediaries control or are controlled by the company</i>		
Loan taken from Vinton Healthcare Limited	16,826	15,758
Loan repaid to Vinton Healthcare Limited	5,220	5,675
Interest expenses paid to Vinton Healthcare Limited	18,696	17,509
(c) <i>Managerial remuneration payable/paid to Key managerial personnel</i>	200	200
(d) <i>Related party balances outstanding</i>		
Receivable from/(payable to) holding company	(50)	50
Receivable from subsidiary	7,362,825	7,362,825
Receivable from fellow subsidiary	326,747	390,836
Payable to enterprise that directly or indirectly through one or more intermediaries control or are controlled by the company	222,107	210,502
Security deposit payable to fellow subsidiary company	465,000	465,000
Receivable from Enterprises where significant influence exists (Net of provision)	655	646
[Holmdene Constructions ₹ 655 thousand (Previous Year - ₹ 646 thousand)]		
Payable to Enterprises where significant influence exists	55,127	54,690
[Merind Limited ₹ 54,690 thousand (Previous Year - ₹ 54,690 thousand); Wockhardt Hospitals Limited ₹ 437 thousand (Previous Year - Nil)]		

Carol Info Services Limited

28. EMPLOYEE BENEFITS

	(₹ in Thousand)	
(A) Defined benefit plans –	31.03.2014 Gratuity (Non-funded)	31.03.2013 Gratuity (Non-funded)
I. Expenses recognised during the year		
1. Current Service Cost	6	44
2. Interest Cost	3	279
3. Actuarial Losses/(Gains)	(3)	(27)
Total Expenses	<u>6</u>	<u>296</u>
II. Net Asset/(Liability) recognised in the Balance Sheet		
1. Present value of defined benefit obligation	41	35
2. Net Asset/(Liability)	(41)	(35)
III. Reconciliation of Net Asset/(Liability) recognised in the Balance Sheet		
1. Net Asset/(Liability) at the beginning of year	(35)	(3,193)
2. Expense as per I above	(6)	(296)
3. Employer contributions	—	—
4. Other Adjustments	—	3,454
Net asset/(liability) at the end of the year	<u>(41)</u>	<u>(35)</u>
IV. Actuarial Assumptions:	31.03.2014	31.03.2013
1. Discount rate	9.33%	8.25%
2. Expected rate of salary increase	8.00%	8.00%
3. Attrition rate	2.00%	2.00%
4. Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

Notes:

- Amounts recognized as an expense and included in the Note 19 – “Salaries and wages” and Note 26 under “Operating and other Expenses (excluding finance cost)” of Discontinued operations: Gratuity ₹ 6 thousand (Previous Year - ₹ 296 thousand) and leave encashment ₹ 19 thousand (Previous Year - ₹ 331 thousand).
- Actuarial valuation is worked out considering attrition rate and estimates of future salary increase taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- The Company has provided for gratuity and leave encashment based on actuarial valuation done as per Projected Unit Credit Method.

(B) Defined contribution plan –

Amount recognised as an expense and included in the Note 19 - “Contribution to provident and other funds” and Note 26 under “Operating and other Expenses (excluding finance cost)” of Discontinued operations ₹ 19 thousand (Previous Year - ₹ 903 thousand).

(C) Details of gratuity for the current and previous four years are as follows:

	Defined benefit obligation	Surplus/ (deficit)	Experience adjustment on plan liabilities (gain)/loss
April 2013 - March 2014	(41)	(41)	3
April 2012 - March 2013	(35)	(35)	(29)
April 2011 - March 2012	(3,193)	(3,193)	72
April 2010 - March 2011	(2,848)	(2,848)	130
April 2009 - March 2010	(2,187)	(2,187)	49

29. CONTINGENT LIABILITY

Demands for ₹ 14,316 thousand (Previous Year - ₹ 35,587 thousand) have been raised by Sales Tax Authorities. The Company has filed appeals against the said demands.

30. Previous year figures have been regrouped where necessary to conform to current year’s presentation.

For and on behalf of the Board of Directors

G. B. Parulkar
Chairman and Managing Director

Place : Mumbai
Date : August 6, 2014

Amruta Avasare
Company Secretary

Shahnawaz Khan
Stephen D’souza

} Directors

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors of Carol Info Services Limited

Report on the Consolidated Financial Statements

1. We have examined the attached Consolidated Balance Sheet of Carol Info Services Limited and its subsidiary (collectively referred to as 'the Group') as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended from April 1, 2013 to March 31, 2014 and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the group in accordance with the requirements of Accounting Standard 21 – 'Consolidated Financial Statements' as notified under the Company's (Accounting Standards) Rules, 2006. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, based on our audit, and on consideration of separate audit reports on the individual financial statements of the Company and its subsidiary and to the best of our information and according to the explanations given to us, the attached Consolidated Financial Statements, read with the Notes thereon give a true and fair view in conformity with accounting principles generally accepted in India:-
 - (a) in case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014.
 - (b) in case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date.
 - (c) in case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

7. We did not audit the financial statement of subsidiary of the Company, whose financial statement reflects assets of ₹ 7,552,841 thousands and revenue of Nil and net cash outflows amounting to ₹ 34 thousand. The financial statement of this subsidiary have been audited by other auditor, whose reports have been furnished to us, and our opinion, in so far as it relates to amounts included in respect of such subsidiary, is based solely on the report of such other auditor.

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

ASHUTOSH PEDNEKAR
Partner
ICAI M. No. 41037

Place : Mumbai
Date : August 6, 2014

Carol Info Services Limited

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

(All amount in Thousand of Indian ₹)

	Notes	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	2	354,365	354,365
Reserves and surplus	3	8,122,960	7,905,696
		<u>8,477,325</u>	<u>8,260,061</u>
NON-CURRENT LIABILITIES			
Long-term borrowings	4	2,457,749	267,782
Deferred tax liabilities (Net)	5	23,581	23,581
Long-term provisions	6	112	93
		<u>2,481,442</u>	<u>291,456</u>
CURRENT LIABILITIES			
Trade payables	7	2,778	3,428
Other current liabilities	8	814,799	754,685
Short-term provisions	9	—	6
		<u>817,577</u>	<u>758,119</u>
TOTAL		<u><u>11,776,344</u></u>	<u><u>9,309,636</u></u>
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	10		
Tangible assets		939,646	963,033
Intangible assets		57	57
Capital work-in-progress		5,511	5,511
Non-current investments	11	1,953,813	193,813
Long-term loans and advances	12	7,683,721	7,683,626
		<u>10,582,748</u>	<u>8,846,040</u>
CURRENT ASSETS			
Trade receivables	13	331,378	395,415
Cash and Bank balances	14	843,602	60,754
Short-term loans and advances	15	6,048	7,267
Other current assets	16	12,568	160
		<u>1,193,596</u>	<u>463,596</u>
TOTAL		<u><u>11,776,344</u></u>	<u><u>9,309,636</u></u>
Significant accounting policies	1(B)		

The notes from 1 to 29 form an integral part of the Financial Statements

As per our attached report of even date

For **M. P. Chitale & Co.**
Chartered Accountants

Ashutosh Pednekar
Partner

Place : Mumbai
Date : August 6, 2014

Amruta Avasare
Company Secretary

For and on behalf of the Board of Directors

G. B. Parulkar
Chairman and Managing Director

Shahnawaz Khan
Stephen D'souza

} Directors

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

(All amount in Thousand of Indian ₹)

	Notes	For the year ended March 31, 2014	For the year ended March 31, 2013
REVENUE			
Revenue from operations	17	537,233	499,635
Other income	18	88,417	130,993
TOTAL		625,650	630,628
EXPENSES			
Purchase of Stock-in-trade		657	2,565
Employee benefits expense	19	1,544	5,191
Finance costs	20	269,297	32,598
Depreciation	10	31,324	31,631
Other expenses	21	41,464	60,450
TOTAL		344,286	132,435
Profit before exceptional items and tax		281,364	498,193
Exceptional items - Profit on sale of contract manufacturing business	25	—	2,957,803
PROFIT BEFORE TAX		281,364	3,455,996
Tax expense:			
Current tax		(64,100)	(776,862)
Deferred tax		—	55,500
Profit for the year from continuing operations		217,264	2,734,634
Profit from discontinued operations (before tax)	25	—	2,054
Tax expense of discontinued operations	25	—	(667)
Profit from discontinued operations (after tax)	25	—	1,387
PROFIT AFTER TAX		217,264	2,736,021
Earnings per equity share of face value of ₹ 10 each:			
Basic/Diluted in ₹	22	6.13	77.21
Significant accounting policies	1(B)		

The notes from 1 to 29 form an integral part of the Financial Statements

As per our attached report of even date

For **M. P. Chitale & Co.**
Chartered Accountants

Ashutosh Pednekar
Partner

Place : Mumbai
Date : August 6, 2014

Amruta Avasare
Company Secretary

For and on behalf of the Board of Directors

G. B. Parulkar
Chairman and Managing Director

Shahnawaz Khan
Stephen D'souza

} Directors

Carol Info Services Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(All amount in Thousand of Indian ₹)

	For the year ended March 31, 2014	For the year ended March 31, 2013
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:		
Net profit before taxation (including profit from discontinued operations during previous year)	281,364	3,458,050
Adjustments for:		
Depreciation	31,324	38,461
Liabilities no more payable	(39)	(119)
Provision no longer required reversed	—	(101,600)
Exceptional items – Profit on divestment	—	(2,957,803)
Advances no more recoverable	2,314	2,501
Finance costs	269,297	32,598
Interest Income	(88,308)	(29,029)
Loss on sale of assets	217	—
Provision for permanent diminution in investment	—	15,680
Operating profit before Working Capital changes	496,169	458,739
Movement in working capital:		
(Increase)/Decrease in Inventories	—	329
(Increase)/Decrease in Trade Receivables	64,037	(352,740)
(Increase)/Decrease in Loans and Advances and other assets	961	95,064
Increase/(Decrease) in Liabilities and Provisions	(40,326)	54,165
Cash Generated from Operations	520,841	255,557
Income taxes paid	(68,232)	(792,297)
Net cash from/(used in) Operating Activities	452,609	(536,740)
CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:		
Purchase of Fixed Assets and Additions to Capital work-in-progress	(6,192)	(12,725)
Proceeds from divestment (net)	—	3,195,000
Proceeds from sale of Fixed Assets	199	—
Purchase of Investments	(1,760,000)	(42)
Repayment by/(Loans to) companies	(8)	(2,601,813)
Margin money and Fixed deposits with original maturity of more 3 months	(804,216)	—
Interest Received	75,900	28,869
Net cash from/(used in) Investing Activities	(2,494,317)	609,289
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES:		
Proceeds from Share application money	—	190,000
Proceeds from borrowings	2,299,147	104,698
Repayment of borrowings	(9,496)	(335,655)
Finance costs paid	(269,297)	(24,830)
Dividend paid	(14)	(16)
Net cash from/(used in) Financing Activities	2,020,340	(65,803)
Net increase in cash and cash equivalents	(21,368)	6,746
Cash and cash equivalents at beginning of year	60,654	53,908
Cash and cash equivalents at end of year	39,286	60,654
Component of cash and cash equivalents:		
Cash	205	629
Balance with banks:		
– on current account (excluding unclaimed dividend accounts)	36,130	56,537
– on unpaid dividend account (Refer note 4 below)	2,949	2,963
– deposit with original maturity of less than 3 months	2	525
	39,286	60,654

Notes:

- All figures in bracket are outflow.
- Income taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- Cash flow in respect of ordinary activities attributable to discontinued operations:
 - Cash generated from Operating activities – ₹ Nil (Previous Year – ₹ 1,049 thousand)
 - Cash flow provided by Investing activities – ₹ Nil (Previous Year – ₹ 32,416 thousand)
 - Cash flow from Financing activities – ₹ Nil (Previous Year – ₹ Nil)
- These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

As per our attached report of even date

For **M. P. Chitale & Co.**
Chartered Accountants

Ashutosh Pednekar
Partner

Place : Mumbai
Date : August 6, 2014

Amruta Avasare
Company Secretary

For and on behalf of the Board of Directors

G. B. Parulkar
Chairman and Managing Director

Shahnawaz Khan
Stephen D'souza

} Directors

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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

1. A. (i) BACKGROUND

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

During the previous year, the Company acquired all the shares of Banneret Trading Private Limited ("the subsidiary").

(ii) BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Principles in India (GAAP) to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The consolidated financial statements comprise the financial statements of the Company and its wholly owned subsidiary 'Banneret Trading Private Limited' (together constituting "the Group"). The financial statement of the Subsidiary have been drawn upto the same reporting date as of the Company. The consolidated financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

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

(iii) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements of the Company have been prepared on the following basis:

- (a) The consolidated financial statements of the Group have been prepared based on a line-by-line consolidation of the financial statements of the Company and its subsidiary using uniform accounting policies for like transactions and other events in similar circumstances.
- (b) All material inter-company balances and transactions are eliminated on consolidation.
- (c) The excess of cost to the Group of its investments in subsidiary company over its share of the equity of the subsidiary company at the dates, on which the investments in the subsidiary company is made, is recognised as 'Goodwill on Consolidation' in the consolidated financial statements.
- (d) The operations of the Company's subsidiaries are considered as non-integral operations for the purpose of consolidation.
- (e) The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are as follows:

(a) Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. The Company capitalizes all costs relating to the acquisition and installation of fixed assets.

Depreciation is provided, using the straight line method, pro-rata to the period of use of assets, at the rates specified in Schedule XIV of the Companies Act, 1956 or based on the useful life of the assets whichever is higher. The rates used by the Company are as follows:

<u>Assets</u>	<u>Percentage</u>
Leasehold land	over the period of lease
Buildings	1.63 – 3.34
Plant and Machinery	4.75 – 5.88
Furniture and Fixtures	6.33
Office Equipments	4.75 – 25
Information Technology Equipments	33.33
Vehicles	20

Fixed assets whose aggregate cost is ₹ 5,000 or less are depreciated fully in the year of acquisition.

(b) Foreign currency transactions

Foreign currency transactions during the year are recorded at rates of exchange prevailing on the date of the transaction. Foreign currency denominated assets and liabilities are translated into rupees at the rates of exchange prevailing on the date of the balance sheet. All exchange differences are dealt with in the statement of profit and loss.

In respect of transactions covered by forward exchange contracts, the difference between the contract rate and the spot rate on the date of the transaction is charged to the statement of profit and loss over the period of the contract.

(c) Investments

Long-term investments are stated at cost. Provision is made to recognise a diminution, other than temporary, in the value of investments. Current investments are stated at lower of cost and fair value.

(d) Inventories

Inventories of stores and spare parts are valued at cost.

(e) Employee benefits

The liability on account of gratuity and leave encashment are provided based on valuation by an independent actuary. Contributions to provident fund and family pension fund are charged to the statement of profit and loss as incurred.

(f) Revenue recognition

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

Revenue from services are recognized on completion of such services.

(g) Income-tax

Provision for current income-taxes is made on the assessable income at the tax rate applicable to the relevant assessment year.

Deferred income taxes are recognised for the future tax consequences attributable to timing differences between the financial statement determination of income and their recognition for tax purposes. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the statement of profit and loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(h) Leases

Operating leases

Lease payments for operating leases are recognised as expense over the lease term. Lease income from operating leases is recognised as income over the lease term. Initial direct costs are recognised immediately as an expense.

(i) Financing/Borrowing cost

Financing/Borrowing costs attributable to acquisition and/or construction of qualifying assets are capitalised as a part of the cost of such assets, up to the date such assets are ready for their intended use. Other financing/borrowing costs are charged to statement of profit and loss. Initial direct costs are recognised immediately as an expense.

Expenses incurred in connection with raising of funds are amortised over the tenure of the borrowing.

(j) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events of bonus issue to existing shareholders and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares from the exercise of options on unissued share capital. The number of equity shares is the aggregate of the weighted average number of equity shares and the weighted average number of equity shares, which would be issued on the conversion of all the dilutive potential equity shares into equity shares. Options on unissued equity share capital are deemed to have been converted into equity shares.

	As at March 31, 2014		As at March 31, 2013	
	Number of shares	Amount	Number of shares	Amount
2. SHARE CAPITAL				
AUTHORISED				
Unclassified shares of ₹ 10/- each	100,000,000	1,000,000	100,000,000	1,000,000
ISSUED				
Equity shares of ₹ 10/- each	35,519,797	355,198	35,519,797	355,198

(₹ in Thousands)

	As at March 31, 2014		As at March 31, 2013	
	Number of shares	Amount	Number of shares	Amount
SUBSCRIBED AND PAID-UP				
Equity shares of ₹ 10/- each fully paid-up				
Shares outstanding as at the beginning of the year	35,436,472	354,365	35,436,472	354,365
Add: Shares issued during the year	—	—	—	—
Shares outstanding as at the end of the year	<u>35,436,472</u>	<u>354,365</u>	<u>35,436,472</u>	<u>354,365</u>

Notes:

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

(b) Shares held by holding company.

32,620,390 (Previous Year- 32,003,221) fully paid-up equity shares are held by Khorakiwala Holdings and Investments Private Limited, the holding company.

(c) Details of equity shares held by each shareholders holding more than 5% of total equity shares.

	As at March 31, 2014		As at March 31, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Khorakiwala Holdings and Investments Private Limited	32,620,390	92.05	32,003,221	90.31

As at
March 31, 2014 **As at**
March 31, 2013

3. RESERVES AND SURPLUS**Capital Redemption Reserve**

Opening Balance	297,500	297,500
Add: Current Year Transfer	—	—
Closing Balance	<u>297,500</u>	<u>297,500</u>

Securities Premium Account

Opening Balance	2,716,000	2,716,000
Add: Current Year Transfer	—	—
Closing Balance	<u>2,716,000</u>	<u>2,716,000</u>

General Reserve

Opening Balance	1,216,889	1,216,889
Add: Current Year Transfer	—	—
Closing Balance	<u>1,216,889</u>	<u>1,216,889</u>

Surplus

Opening Balance	3,675,307	939,286
Add: Net Profit for the Current Year	217,264	2,736,021
Closing Balance	<u>3,892,571</u>	<u>3,675,307</u>

TOTAL

8,122,960 7,905,696

4. LONG-TERM BORROWINGS**SECURED**

Term loan from bank (Refer note (a) below)	2,180,800	—
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UNSECURED

Deferred payment liabilities		
Sales tax deferral loan (Refer note (b) below)	152	2,591
Loans from Others (Refer note (c) below)	276,797	265,191
	<u>276,949</u>	<u>267,782</u>

TOTAL

2,457,749 267,782

Notes:

(a) Term loan from bank was secured by first charge by way of mortgage on land and premises including building situated at Bandra Kurla Complex, Mumbai and by way of hypothecation and charge on all lease and rental receivables from the said property.

(b) Interest free sales tax deferral loan is repayable in the month of May every year. This loan is repayable by May 2015.

(c) Loans from others amounting ₹ 222,107 thousand (Previous Year – ₹ 210,501 thousand) with interest rate of 9% p.a. (Previous Year – 8.75% p.a.) and interest free loan ₹ 54,690 thousand (Previous Year – ₹ 54,690 thousand) are repayable by 2016 in 2 equal annual instalment subject to any further amendment with mutual understanding.

	As at March 31, 2014	As at March 31, 2013
5. DEFERRED TAX LIABILITIES (NET)		
Deferred tax liabilities		
Difference between depreciation on block of assets	23,613	23,613
Gross deferred tax liabilities	23,613	23,613
Deferred tax assets		
Provision for gratuity	11	11
Provision for leave encashment	21	21
Gross deferred tax assets	32	32
TOTAL	23,581	23,581
6. LONG-TERM PROVISIONS		
Provision for employee benefits (Refer note 27)		
Gratuity (unfunded)	41	34
Leave encashment (unfunded)	71	59
TOTAL	112	93
7. TRADE PAYABLES		
Trade payables	2,778	3,428
TOTAL	2,778	3,428
8. OTHER CURRENT LIABILITIES		
Current maturities of long-term debt (Refer note 4)	103,959	4,275
Share application money received (Refer note below)	190,000	190,000
Unpaid dividends	2,949	2,963
Other payables		
Deposits payable	488,193	488,213
Employee liabilities	152	117
Other payables	29,546	69,117
TOTAL	814,799	754,685
Note:		
The subsidiary is in the process of increasing its authorised share capital and subsequently, against the share application money received, the Subsidiary shall issue 19,000,000 non-convertible cumulative redeemable preference shares at a par value of ₹ 10 each during financial year 2014-15.		
9. SHORT-TERM PROVISIONS		
Provision for employee benefits (Refer note 27)		
Gratuity (unfunded)	—	1
Leave encashment (unfunded)	—	5
TOTAL	—	6

10. FIXED ASSETS (AT COST)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 1.4.2013	Additions	Deductions/ Other Adjustments	As at 31.3.2014	As at 1.4.2013	For the year*	Deductions/ Other Adjustments	As at 31.3.2014	As at 31.3.2014	As at 31.3.2013
Tangible Assets										
Freehold Land	274	—	—	274	—	—	—	—	274	274
Leasehold Land	195,141	—	—	195,141	34,874	2,634	—	37,508	157,633	160,267
Buildings	940,946	3,796	—	944,742	190,152	15,753	—	205,905	738,837	750,794
Plant and Equipment	172,638	2,304	1,193	173,749	139,187	6,961	828	145,320	28,429	33,451
Furniture and Fixtures	101,967	—	437	101,530	85,111	5,082	384	89,809	11,721	16,856
Vehicles	9,061	—	—	9,061	7,960	495	—	8,455	606	1,101
Office Equipments	42,142	2,255	480	43,917	42,028	316	480	41,864	2,053	114
Information Technology Equipments	87,084	—	1,405	85,679	86,908	83	1,405	85,586	93	176
TOTAL	1,549,253	8,355	3,515	1,554,093	586,220	31,324	3,097	614,447	939,646	963,033
Previous Year	2,031,881	35,580	518,208	1,549,253	831,687	38,461	283,928	586,220	963,033	
Intangible Assets										
Goodwill on Consolidation	57	—	—	57	—	—	—	—	57	57
TOTAL	57	—	—	57	—	—	—	—	57	57
Previous Year	—	57	—	57	—	—	—	—	57	
TOTAL	1,549,310	8,355	3,515	1,554,150	586,220	31,324	3,097	614,447	939,703	963,090
Previous Year	2,031,938	35,580	518,208	1,549,310	831,687	38,461	283,928	586,220	963,090	
Capital Work-In-Progress	—	—	—	—	—	—	—	—	5,511	5,511
TOTAL	—	—	—	—	—	—	—	—	5,511	5,511

* includes ₹ Nil (Previous Year – ₹ 6,830 thousand) attributed to discontinued operations.

	As at March 31, 2014	As at March 31, 2013
14. CASH AND BANK BALANCES		
Cash and cash equivalents:		
Balances with banks		
On current account	36,130	56,537
Deposit with original maturity of less than 3 months	2	525
Unpaid dividend accounts	2,949	2,963
Cash on hand	205	629
	<u>39,286</u>	<u>60,654</u>
Other bank balances		
Deposits with original maturity more than 3 months but less than 12 months (includes deposit under lien ₹ 103,016 thousand)	633,216	—
Deposits with original maturity more than 12 months	50,000	—
Deposits with original maturity equal to 12 months	121,000	—
Margin money under lien	100	100
	<u>804,316</u>	<u>100</u>
TOTAL	<u>843,602</u>	<u>60,754</u>
15. SHORT-TERM LOANS AND ADVANCES		
Advances recoverable in cash or in kind or for value to be received		
Unsecured, considered good	3,478	6,610
Balance with customs, excise and sales tax authorities	2,570	657
TOTAL	<u>6,048</u>	<u>7,267</u>
16. OTHER CURRENT ASSETS		
Interest Accrued	12,568	160
TOTAL	<u>12,568</u>	<u>160</u>
	For the year ended March 31, 2014	For the year ended March 31, 2013
17. REVENUE FROM OPERATIONS		
Sale of products	1,079	3,548
Sale of services		
Rent Income (Refer note 24)	534,309	490,439
Other services	1,845	5,648
TOTAL	<u>537,233</u>	<u>499,635</u>
18. OTHER INCOME		
Interest income	88,308	29,029
Miscellaneous income (Refer note below)	109	101,964
TOTAL	<u>88,417</u>	<u>130,993</u>
Note:		
Miscellaneous income to the extent of ₹ 39 thousand (Previous Year – ₹ 119 thousand) is on account of liabilities no more payable; and write back of provision no longer required ₹ Nil (Previous Year – ₹ 101,600 thousand)		
19. EMPLOYEE BENEFITS EXPENSE		
Salaries and wages (Refer note 27)*	1,212	2,802
Contribution to provident and other funds (Refer note 27)	19	247
Staff welfare expenses	313	2,142
TOTAL	<u>1,544</u>	<u>5,191</u>

[*including remuneration to Chairman and Managing Director ₹ 200 thousand (Previous Year – ₹ 200 thousand) - Refer note 26]

(₹ in Thousands)

	For the year ended March 31, 2014	For the year ended March 31, 2013
20. FINANCE COSTS		
Interest expense		
on term loans	219,932	5,348
others	20,488	27,250
Other borrowing costs	28,877	—
TOTAL	269,297	32,598
21. OTHER EXPENSES		
Travelling and conveyance	260	989
Power and fuel	6,466	5,675
Rent	100	115
Rates and taxes	8,229	16,537
Repairs and maintenance		
– to Building	4,440	112
– to Plant and machinery	1,051	—
– to Others	6,274	10,579
Stores and spare parts consumed	55	333
Insurance	1,231	652
Legal and professional charges	3,882	3,591
Security services	3,270	2,490
Secretarial expenses	622	894
Exchange fluctuation loss- net	—	7
Provision for permanent diminution in investment	—	15,680
Loss on sale of asset	217	—
Miscellaneous expenses	5,367	2,796
TOTAL	41,464	60,450
22. EARNINGS PER SHARE		
The calculations of earnings per share (EPS) (basic and diluted) are based on the earnings and number of shares as computed below:		
Reconciliation of earnings		
Profit after tax	217,264	2,736,021
Net profit for calculation of Basic/Diluted EPS	217,264	2,736,021
	No. of Shares	No. of Shares
Reconciliation of number of shares		
Weighted average number of shares in calculating Basic/Diluted EPS	35,436,472	35,436,472
	35,436,472	35,436,472
Earnings per share (nominal value ₹ 10/- each)		
Earnings per share – Basic/Diluted in ₹	6.13	77.21
23. SEGMENT INFORMATION		
Primary Segments		
The Company is presently only into one segment 'renting of immovable property segment'. Hence disclosures required under Accounting Standard 17 on 'Segment Reporting' are not applicable.		

24. LEASES INCOME

The Company has given on operating lease various office and residential premises. These lease and license agreements are for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms. The company has taken refundable interest free security deposits in accordance with the agreed terms. The aggregate of rentals receivable are recognised as revenue under Note 17 - Sale of services. Future lease rentals receivable are as follows:

(₹ in Thousand)

	Year	For the year	Not later than one year	Later than one year and not later than five years	Later than five years
Lease Rent Receivable	2014	533,141	520,757	187,290	—
	2013	460,303	453,953	488,994	—

25. DISCONTINUED OPERATIONS

Pursuant to Business Transfer Agreement (BTA) dated August 2, 2011, the divestment of Contract manufacturing business on a slump sale basis to Danone was completed on July 26, 2012. The Company had received the entire consideration of ₹ 3,200,000 thousand (gross) on the aforesaid divestment. The profit on account of the aforesaid transaction amounting to ₹ 2,957,803 thousand had been shown as 'exceptional item'.

Details of profit/(loss) from continuing and discontinued operations:

	Continuing operations		Discontinued operations*		Total	
	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2014	For the year ended March 31, 2013
Turnover	537,233	499,635	—	76,391	537,233	576,026
Operating and other Expenses (excluding finance costs)	(74,989)	(99,830)	—	(74,746)	(74,989)	(174,576)
Profit before interest and tax	462,244	399,805	—	1,645	462,244	401,450
Finance costs	(269,297)	(32,598)	—	—	(269,297)	(32,598)
Other Income	88,417	130,993	—	409	88,417	131,402
Exchange fluctuation gain/(loss)	—	(7)	—	—	—	(7)
Profit before tax	281,364	498,193	—	2,054	281,364	500,247
Exceptional items (expense)/income	—	2,957,803	—	—	—	2,957,803
Income Tax Expense	(64,100)	(721,362)	—	(667)	(64,100)	(722,029)
Profit after tax	217,264	2,734,634	—	1,387	217,264	2,736,021

* Turnover, Expenses and Profit before tax upto July 25, 2012.

The carrying amount of assets and liabilities pertaining to the discontinued business are as follows:

Particulars	As at July 25, 2012
Total Assets	256,781
Total Liabilities	17,984

26. RELATED PARTY DISCLOSURES

a) Parties where control exists

Holding company

Khorakiwala Holdings and Investments Private Limited

Fellow Subsidiary

Wockhardt Limited

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

Vinton Healthcare Limited

Individuals having direct or indirect control over the Company

H. F. Khorakiwala

Enterprises over which Individuals having direct or indirect control over the Company, have significant influence

Palanpur Holdings and Investments Private Limited

Wockhardt Hospitals Limited

Merind Limited

Sharanya Chemicals and Pharmaceuticals Private Limited

Holmdene Constructions

Dartmour Holdings Private Limited

Key Managerial Personnel

G. B. Parulkar

b) *Transactions with related parties during the year*

	Apr13 – Mar14	Apr12 – Mar13
<i>Holding Company</i>		
Rent paid	100	100
Advance paid against rent	—	50
Repayments made	—	1,945,789
Share Application Money Given	—	900,000
<i>Fellow Subsidiary Company</i>		
Rent received	504,898	463,331
Processing charges received	—	76,391
<i>Transactions with enterprises over which Individuals having direct or indirect control over the Company, having significant influence</i>		
Rent received from Wockhardt Hospitals Limited	49	197
Allocation money paid towards Optionally Convertible Redeemable Debentures to Wockhardt Hospitals Limited	1,760,000	—
Allotment of Optionally Convertible Redeemable Debentures by Wockhardt Hospitals Limited	1,760,000	—
Loans/Advances Given [Wockhardt Hospitals Limited ₹ 90,000 thousand (Previous Year – ₹ Nil); Holmdene Constructions ₹ 9 thousand (Previous Year – ₹ 10 thousand)]	90,009	10
Repayments made [Palanpur Holdings and Investments Private Limited ₹ Nil (Previous Year – ₹ 1,338,484); Wockhardt Hospitals Limited ₹ 90,000 (Previous Year – ₹ Nil)]	90,000	1,338,484
Loans taken [Wockhardt Hospitals Limited ₹ Nil (Previous Year – ₹ 940 thousand); Merind Limited ₹ Nil (Previous Year – ₹ 88,000 thousand)]	—	88,940
Loans repaid [Wockhardt Hospitals Limited ₹ Nil (Previous Year – ₹ 34,982 thousand); Merind Limited ₹ Nil (Previous Year – ₹ 190,000 thousand)]	—	224,982
Share application money given [Palanpur Holdings and Investments Private Limited ₹ Nil (Previous Year – ₹ 2,973,102 thousand); Dartmour Holdings Private Limited ₹ Nil (Previous Year – ₹ 3,699,428 thousand)]	—	6,672,530
Share application money repaid by Palanpur Holdings and Investments Private Limited	—	19,716
Share application money taken from Merind Limited	—	190,000
Interest expenses paid to Wockhardt Hospitals Limited	—	1,044
<i>Enterprise that directly or indirectly through one or more intermediaries control or are controlled by the Company</i>		
Loan taken from Vinton Healthcare Limited	16,826	15,758
Loan repaid to Vinton Healthcare Limited	5,220	5,675

Carol Info Services Limited

(₹ in Thousands)

	Apr13 – Mar14	Apr12 – Mar13
Interest expenses paid to Vinton Healthcare Limited	18,696	17,509
c) <i>Managerial remuneration payable/paid to Key managerial personnel</i>	200	200
d) <i>Related party balances outstanding</i>		
Receivable from holding company	899,950	900,050
Receivable from fellow subsidiary	326,747	390,836
Payable to enterprise that directly or indirectly through one or more intermediaries control or are controlled by the company.	222,107	210,502
Security deposit payable to fellow subsidiary company	465,000	465,000
Receivable from Enterprises where significant influence exists (net of provisions) [Palanpur Holdings and Investments Private Limited ₹ 2,953,386 thousand (Previous Year – ₹ 2,953,386 thousand); Holmdene Constructions ₹ 655 thousand (Previous Year – ₹ 646 thousand); Dartmour Holdings Private Limited ₹ 3,699,428 thousand (Previous Year – ₹ 3,699,428 thousand)]	6,653,469	6,653,460
Payable to Enterprises where significant influence exists [Merind Limited ₹ 244,690 thousand (Previous Year – ₹ 244,690 thousand); Wockhardt Hospitals Limited ₹ 437 thousand (Previous Year – ₹ Nil)]	245,127	244,690

27. EMPLOYEE BENEFITS

(A) Defined benefit plans –

	31.03.2014 Gratuity (Non-funded)	31.03.2013 Gratuity (Non-funded)
I. Expenses recognised during the year		
1. Current Service Cost	6	44
2. Interest Cost	3	279
3. Actuarial Losses/(Gains)	(3)	(27)
Total Expenses	6	296
II. Net Asset/(Liability) recognised in the Balance Sheet		
1. Present value of defined benefit obligation	41	35
2. Net Asset/(Liability)	(41)	(35)
III. Reconciliation of Net Asset/(Liability) recognised in the Balance Sheet		
1. Net Asset/(Liability) at the beginning of year	(35)	(3,193)
2. Expense as per I above	(6)	(296)
3. Employer contributions	—	—
4. Other Adjustments	—	3,454
Net asset/(liability) at the end of the year	(41)	(35)
IV. Actuarial Assumptions:	31.03.2014	31.03.2013
1. Discount rate	9.33%	8.25%
2. Expected rate of salary increase	8.00%	8.00%
3. Attrition rate	2.00%	2.00%
4. Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

Notes:

- Amounts recognized as an expense and included in the Note 19 - "Salaries and wages" and Note 25 under "Operating and other Expenses (excluding finance cost)" of Discontinued operations: Gratuity ₹ 6 thousand (Previous Year – ₹ 296 thousand) and leave encashment ₹ 19 thousand (Previous Year – ₹ 331 thousand).
- Actuarial valuation is worked out considering attrition rate and estimates of future salary increase taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- The Company has provided for gratuity and leave encashment based on actuarial valuation done as per Projected Unit Credit Method.

(B) Defined contribution plan –

Amount recognised as an expense and included in the Note 19 – “Contribution to provident and other funds” and Note 25 under “Operating and other expenses (excluding finance cost)” of Discontinued operations ₹ 19 thousand (Previous Year – ₹ 903 thousand).

(C) Details for gratuity for current and previous four years are as follows:

	Defined benefit obligation	Surplus/ (deficit)	Experience adjustment on plan liabilities (gain)/loss
April 2013 - March 2014	(41)	(41)	3
April 2012 - March 2013	(35)	(35)	(29)
April 2011 - March 2012	(3,193)	(3,193)	72
April 2010 - March 2011	(2,848)	(2,848)	130
April 2009 - March 2010	(2,187)	(2,187)	49

28. CONTINGENT LIABILITY

Demands for ₹ 14,316 thousand (Previous Year – ₹ 35,587 thousand) have been raised by Sales Tax Authorities. The Company has filed appeals against the said demands.

29. Previous year figures have been regrouped where necessary to conform to current year’s presentation.

For and on behalf of the Board of Directors

G. B. Parulkar
Chairman and Managing Director

Shahnawaz Khan
Stephen D’souza } Directors

Place : Mumbai
Date : August 6, 2014

Amruta Avasare
Company Secretary

Carol Info Services Limited

FINANCIAL DETAILS OF SUBSIDIARY COMPANY FOR THE YEAR ENDED MARCH 31, 2014

Sr. No.	Name of the Subsidiary	(₹ in Thousand)								
		Paid-Up Capital	Reserves	Total Assets	Total Liabilities	Turnover	Profit/(Loss) before taxation	Provision for taxation	Profit/(Loss) after taxation	Proposed dividend
1	Banneret Trading Private Limited	100	(111)	7,552,841	7,552,852	—	(34)	—	(34)	—

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Name of subsidiary Company	Financial year to which accounts relates	Holding Company's interest as at the close of financial year of subsidiary company		Currency	Net aggregate amount of subsidiary Company's profits after deducting its losses or vice-versa, so far as it concerns members of Holding Company which are not dealt within the Company's accounts		Net Aggregate amount of the Profits/(Losses) of the Subsidiary so far as dealt with or provision is made for those losses in Holding Company's Accounts	
		i) Shareholding	ii) Extent of Holding (% age)		For the current financial year ended March 31, 2014 (in Thousand)	For the previous financial year/ period since it became a subsidiary (in Thousand)	For the subsidiary's financial year ended March 31, 2014 (in Thousand)	For the previous financial years till it became the subsidiary (in Thousand)
Banneret Trading Private Limited	March 31, 2014	10,000 Equity shares of ₹ 10/- each fully paid-up	100%	₹	(34)	(30)	—	—

For and on behalf of the Board of Directors

G. B. Parulkar
Chairman and Managing Director

Shahnawaz Khan
Stephen D'souza

} Directors

Place : Mumbai
Date : August 6, 2014

Amruta Avasare
Company Secretary

Registered Office: Wockhardt Towers, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051, India.

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