



**MARATHON NEXTGEN  
REALTY LIMITED**

**41<sup>st</sup> 2017-18  
ANNUAL REPORT**

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## **DIRECTORS**

- Mr. Chetan R. Shah Chairman & Managing Director
- Mr. Mayur R. Shah Vice Chairman & Director
- Mr. S. Ramamurthi Whole Time Director & CFO
- Mrs. Shailaja C. Shah Director
- Mr. V. Ranganathan Independent Director
- Mr. Padmanabha Shetty Independent Director
- Dr. Anup P. Shah Independent Director
- Mr. Deepak R. Shah Independent Director

## **COMPANY SECRETARY**

- Mr. K.S. Raghavan

## **AUDITORS**

### • **STATUTORY AUDITORS**

#### • **RAJENDRA & CO.**

Chartered Accountants

1311 Dalamal Tower, 211, Nariman Point-400021

Tel: 22855770 E-mail: [contact@rajendraco.com](mailto:contact@rajendraco.com)

### • **SECRETARIAL AUDITORS**

#### • **NITIN R. JOSHI**

415, Marathon Max, Next to Udyog Kshetra,

Jn. Of L.B.S. Marg & Goregoan Link Road,

Mulund (W), Mumbai - 400 080.

E-mail: [n\\_r\\_joshi@yahoo.com](mailto:n_r_joshi@yahoo.com)

Tel. 2562 5660

## **BANKERS :**

- AXIS BANK LIMITED
- KOTAK MAHINDRA BANK LIMITED

## **REGISTERED OFFICE :**

Marathon Futurex

N. M. Joshi Marg, Lower Parel,

Mumbai - 400 013.

## **CORPORATE OFFICE :**

702, Marathon Max,

Goragaon Link Road, Mulund,

Mumbai - 400 080.

**CIN:L65990MH1978PLC020080**

**Website:**<http://www.marathonnextgen.com>



## Chairman's Message

### **Dear Shareholders,**

It gives immense pleasure to address you once again.

During the year the Global economic growth 3%, the highest growth rate since 2011 and growth is expected to remain steady for the coming year too.

The improved global economic situation provides an opportunity for countries to focus policies towards longer term issues such as low carbon economic growth, reducing inequalities, economic diversification and eliminating deep rooted barriers that hinder development.

In several major developed economies, imports of capital goods have rebounded, as firms respond to improving conditions for investment. Recent course adjustments in major trade relationships, such as BREXIT, the United Kingdom of Great Britain and Northern Ireland's decision to withdraw from the European Union and the United States of America's decisions to impose extraordinary curb on trade with its counterpart China and vice versa by China, has emerged a challenge to the Global Trade.

In the milieu, the emerging economies might face some developmental restraint, thereby affecting the business.

India's GDP is expected to grow at 7.3% in 2018-19. The Gross Domestic product (GDP) is expected to reach US\$ 6 trillion by 2027 and achieve upper-middle income status on the back of digitisation, globalisation, favorable demographics and reforms. India is also focusing on renewable sources to generate energy.

### **Overview of the Real Estate Sector:**

India's un-housed may soon become a potent economic growth driver, thanks to the PM drive to bring homes to the country's 1.3 billion people, rising incomes and the best affordability in two decades. The result may be a \$ 1.3 trillion wave of investment in housing over the next seven years, according to CLSA India Pvt Ltd.

It is expected 60 million new homes to be built between 2018 and 2024, creating about 2 million jobs annually and giving a tailwind of as much as 75 basis points (0.75%) to India's GDP. The volume of social and affordable housing will rise almost 70% to 10.5 million annually by 2024, exceeding the 33% increase in the premium market.

The housing sector is at tipping point and will be the economy's next big growth driver. The Government of India has been on the mission to expand affordable housing. In February the Government granted affordable housing builders "Infrastructure status" making them eligible for state incentives, subsidies, tax benefits and Institutional funding. In June 2015, it announced "Housing for all" programme which aims to construct 20 million homes across the country and in December '16 it announce rebates and interest waivers for home loans under this programme.

There are 70,000+ companies which are engaged in this sector and a very sizeable amount of investment is made in this sector. The Indian real estate market is expected to touch US\$ 180 billion by 2020.

The real estate sector is one of the most globally recognized sectors. In India, real estate is the second largest employer after agriculture and is slated to grow at 30 % over the next decade. The real estate sector comprises four sub sectors - housing, retail, hospitality and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy. It is also expected that this sector will incur more non-resident Indian (NRI) investments in both the short term and the long term.

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

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

The level playing field created between various stake holders would provide much needed confidence to investors and home buyers to take a relook at the sector and make a informed investment decisions. While the Act might transform the way in which the various stake holders operate, it will particularly have a far reaching impact on residential developers, who would need to recalibrate their business practices to stay in the game. RERA the single largest reform that the sector is going to witness is the implementation of RERA.. The Central Government has mandated June 30, 2018 as the last day for the States to implement the RERA without any dilution.

RERA in the state of Maharashtra has been made

applicable for from May 2017. All the Projects of Marathon Group have been registered with Maha Rera Authority... RERA has completed a year of its existence in May 2018 and over 16,000 projects have been registered with it. The Authority has restored the confidence of the buyers and regulated the sector which was unregulated for long.

### **Mumbai Development Plan -2034:**

The recently unveiled Mumbai Development Plan (DP) 2034 speaks about creating 1 million affordable houses and 8 million jobs in the city of Mumbai. The DP envisages creating of theatres, museums, parks, play grounds, theme gardens, old age homes and shelters for homeless. However the effectiveness of the DP remains to be seen as the execution is always the crux of the issue.

The DP talks of utilizing salt pan lands for affordable housing. According to the plan, out of 3,355 hectares in no-development zone, BMC has

earmarked 2,100 hectares as well as 330 hectares of salt pan lands for affordable housing .It is hoped that the environment activists allows the smooth transition of such areas.. To create more jobs, the DP has given incentives for commercial structures to have extra FSI. Residential buildings will also be given extra FSI subject to road width. The DP has also designated 12,859 hectares as natural spaces, a new category where no new will be allowed

### **Looking ahead**

The key challenges are stagnation in market prices and the inability to match current inventory costs vis-a-vis pricing of inventory in new projects launched after introduction of GST. Further, customers have been fence-sitters for a long time with the consideration that market prices have not yet bottomed out. However, the right product along with

the right pricing is seeing traction in the market.

The Company is working to create a unique value proposition to position ourselves in the market in addition to scouting opportunities and grow further.

In closing, I would like to thank all of our customers, consumers and shareholders for your continued support.

With warm regards,

Chetan R Shah

Chairman & Managing Director

## Vice Chairman's Message

It is a matter of great pleasure for me to welcome you all on the occasion of our 41<sup>st</sup> **Annual General Meeting**.

We have gathered here to share the accomplishments and achievements of the year gone by, which wouldn't have been possible without your valuable support and contribution. As Vice Chairman Marathon Group and President CREDAI MCHI, the year has been a high octane year in terms of dealing with the impact of govt & regulatory initiatives like- RERA, GST & Demonetization. At the start of the fiscal year for the period between April-July 2018; all developers across the nation and MMR struggled to cope with closures on regulatory interventions, that would help all of us to prepare for sales post RERA & GST. Customers expected the prices to go down further, and developers had been at a very vulnerable spot both in terms of fast tracking construction and ensuring sales.

Taking from our vision of developing plans for 100,000 affordable homes in next 5 years and delivering 15,000 homes in next 5 years, my focus has been very clear in terms of ensuring ease of doing business with govt and regulatory bodies to ensure faster and smoother construction. As President CREDAI MCHI, I have been able to work on the most imp areas of real estate business that we defined last year namely – Improving business viability in MMR, Ease of Doing Business, Improving knowledge & Skillsets, Clean, Green & Skill Mumbai and preparing the fraternity for intensive workshops on coping with RERA & GST.

Thus the year started with high octane discussions, legal initiatives, events, collaboration, research, regulatory body tie ups, clean, green & skill Mumbai initiatives and effective media presence. Together, we have all been trailblazers in terms of setting the milestone for next leap of success in the age of disruption and technology for the realty industry.

1. **Legal Wing**– The year was high on securing some of the most crucial milestones for the Developer's body; with the lifting of the 2 year old **Hon'ble Bombay High Court Ban** due to dumping ground scenario and the construction of projects across MMR; this meant freeing up of more land parcels as opportunities for development within MMR; while chairing and moderating crucial meetings at the various levels in **Central & State Govt and Hon'ble Supreme Court**. This was then followed by the High-rise Building development issue where developer's body has requested the government to look into considerations, as presented by CREDAI MCHI to help us in developing high-rises upwards of 70 mts. up till 120 mts. within the Mumbai city. The government has accepted our recommendations forwarded by the Municipal Commissioner's Committee on the issue.
2. **Maha RERA Regulatory** - With the roll out of the MahaRERAcame in the need to respond and adopt the most crucial regulatory framework that would help us in advocating transparency,with less and less human intervention, increased efficiency and customer friendliness as a cornerstone of the realty business. In this endeavor, I have together with my team at CREDAI MCHI organized joint workshops under the guidance of **Maha RERA Chairman, Mr. Gautam Chatterjee**. This was then followed by the **event celebrating the success of 1 year of RERA** post its implementation. We have also been able to set up the **Maha RERA Conciliation Forum, the first Conciliation forum establishment within the country**, and have become a role model in terms of the city with maximum number of successful RERA registrations in India.
3. **GST** - With regards to the GST, that came into force from July 2017; with the support of the CREDAI MCHI members and teams we have been able to **bring down the GST on the affordable housing projects from 12 to 8%**. We have also presented our findings and suggestions on the impact of GST on our customers with respect to ready, under construction and newly launched properties and are vigorously following up on Center's consideration on the same to help us in ease of doing business with GST.
4. **Ease of Doing Business** - With respect to Ease of Doing Business, our focus has been to push the systems to adopt and adapt to digital interventions that help us in getting faster approvals, better response times and efficient delivery of our projects to our most important stakeholders – the customers. With the **Auto DCR circulars, payment terms, Part OC, extension of staircase lobbies in high rise buildings and discussions on Revenue reforms with Revenue Secretariat**; the year has been a truly focused year of deliberate efforts in contributing to the cause of Ease of Doing Business.
5. **Collaboration & Support** – Under my areas of interest to collaborate with govt bodies in more effective manner, the Developer's body CREDAI MCHI has provided invaluable inputs to MCGM in matters **regarding Ease of Doing Business that has helped the ranking of India on World Bank climb up to 130 from 189**.
6. **High Octane Discussions** – With the arrival of **DP Plan 2034, Infrastructure Status to Affordable Housing, NAINA & CIDCO discussions** on relaxation of premium on the revised FSI, new draft for Integrated Township Planning, discussions with **Ministry of Civil Aviation** on height of the high rises to be considered in areas surrounding the relevant infrastructure developments, and high octane discussions with **Navy & Defense regulatory bodies on NOC** for the development of land around their establishments; the year has been a milestone, in terms of bringing to notice some of the most unique challenges of Mumbai's real estate market.
7. **Iconic Events** - At the iconic **Magnetic Maharashtra Event**, the Developer's body CREDAI MCHI signed the **MoU** for developing 2.5 lacs affordable homes under the aegis of **Hon'ble Chief Minister Shri. Devendra Fadnavis**, which has been one of the most crucial milestones for us. Meetings with Urban Development Department on the pending real estate issues, NAINA, premium FSI and its payment terms have also been some of the most important initiatives undertaken.
8. **Amidst all of these endeavors that I have worked on last year, Marathon projects have also done good**. We have started giving possessions at our most important Panvel project – Marathon Nexzone & Marathon Nextown. The rest of the activities at group level you would read further in the report.

Before I close, I want to share that the year 2017-18 has been characterized with four action mindsets across the organization/s – **tenacity, perseverance, promptness and collaboration.**

We are ready to take the next flight of success in seeing all these materialize in the form of respective policies and support from all the stakeholders involved in near future. This is the time for the realty industry to soar new heights.

Warm Regards,

Mayur R Shah

## NOTICE

NOTICE is hereby given that the Forty-First Annual General Meeting of the members of **MARATHON NEXTGEN REALTY LIMITED** will be held on Wednesday, September 19, 2018 at 3.30 pm at Walchand Hirachand Hall, 4th Floor, IMC, Churchgate, Mumbai-20 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements for the year ended on 31st March, 2018 and the Reports of the Directors and Auditors thereon.
2. To declare a Dividend, if any, on the Equity Shares for the year 2017-18.
3. To appoint a Director in place Ms. Shailaja C. Shah, who retires by rotation and being eligible offers herself for re-appointment.

### SPECIAL BUSINESS:

4. Re-appointment of Mr. Chetan R. Shah(DIN: 00135296)as Chairman & Managing Director of the Company :

To consider and, if thought fit, pass, with or without modification(s), the following resolution as an Ordinary Resolution.

**“RESOLVED THAT** pursuant to provisions of Section 196, 197, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereof, the recommendations of Nomination & Remuneration Committee and the Board of Directors, the consent of Members of the Company be and is hereby accorded to the re-appointment of Mr. Chetan R. Shah (DIN: 00135296) as Chairman & Managing Director of the Company for the period of five years with effect from July 01, 2018 on the terms and conditions as set out in the Explanatory Statement annexed to this Notice including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with a liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Chetan R. Shah”.

### Registered Office:

Marathon FutureX,  
NM Joshi Marg  
Lower Parel  
Mumbai -400 013.  
Date: May 22, 2018

By Order of the Board

K. S. Raghavan  
Company Secretary

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
3. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special business is annexed hereto.
4. Members are requested to send all communications relating to shares, unclaimed dividends and intimate any changes in their address to the Registrar and Share Transfer Agents, M/s Adroit Corporate Services Pvt. Ltd., 19/20, Jaferbhoy Ind. Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai-400 059. “Adroit” is also the Depository interface of the Company with both NSDL and CDSL.
5. Under the Companies Act, 2013, dividends that are unclaimed for a period of seven years are transferred to the “Investor Education and Protection Fund” constituted by the Central Government. Accordingly the Members who have not encashed the dividend warrants are requested to encash the same soon.
6. Pursuant to second proviso to Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 notified on February 28, 2017 and under Section (5) of section 124 unclaimed equity Shares transferred to IEPF Authority.
7. The Register of members and the share transfer books of the Company will remain closed from September 12, 2018 to September 19, 2018 (both days inclusive) for payment of dividend for the FY: 2017-18.
8. Members may exercise their right to vote at by electronic voting system in accordance with the Companies (Management and Administration) Rules 2014. The Company has tied up with NSDL for this e-voting facility. The process for members opting for e-voting is as under:  
In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed, the members are provided with the facility to exercise their votes at the 41st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL).  
The instructions for e-voting are as under:  
A. In case a member receives an e-mail from NSDL (for members whose e-mail addresses are registered with the Company / Depositories):  
How do I vote electronically using NSDL e-Voting system?  
The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:  
Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>  
Step 2 : Cast your vote electronically on NSDL e-Voting system.  
**Details on Step 1 is mentioned below:**  
How to Log-in to NSDL e-Voting website?
  1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
  2. Once the home page of e-Voting system is launched, click on the



icon “Login” which is available under ‘Shareholders’ section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
  - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
  - (ii) If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:

- a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
- b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN,your name and your registered address.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

8. Now, you will have to click on “Login” button.

9. After you click on the “Login” button, Home page of e-Voting will open.

#### **Details on Step 2 is given below:**

#### **How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [n\\_r\\_joshi@yahoo.com](mailto:n_r_joshi@yahoo.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go

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through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### C. Other instructions:

1. The e-voting period commences on September 15, 2018 (at 10.00 a.m. IST) and ends on September 18, 2018 (at 05.00 IST), during this period Members of the Company, holding shares in dematerialised form, as on September 14, 2018, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
2. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on September 14, 2018, and as per the Register of Members of the Company.
3. Mr. Nitin R. Joshi, Practicing Company Secretary (membership no. FCS - 3137) has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Postal Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
4. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
5. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts vote by both mode, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
6. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.marathonnextgen.com](http://www.marathonnextgen.com) and on the website of NSDL [www.e-voting.nsdl.com](http://www.e-voting.nsdl.com) within two working days of the passing of the resolutions at the Forty First Annual General Meeting.

### Registered Office:

Marathon FutureX,  
NM Joshi Marg,  
Lower Parel,  
Mumbai 400 013.  
Date: May 22, 2018  
CIN:L65990MH1978PLCO20080  
Website: [www.marathonnextgen.com](http://www.marathonnextgen.com)

By Order of the Board

K. S. Raghavan  
Company Secretary

### AGM Venue Location MAP :

Walchand Hirachand Hall, 4th Floor, IMC, Churchgate, Mumbai - 400 020



## **ANNEXURE TO THE NOTICE**

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

Item No.4: Re-appointment of Shri. Chetan R. Shah(DIN: 00135296) as Managing Director of the Company

Mr. Chetan R. Shah has over 40years experience in planning, operations, quality assurance and execution of large projects in the construction industry. He was reappointed as Chairman and Managing Director (CMD) of the Company by the Board for a period of Five years and that the same was approved by the members of the Company at the Thirty Sixth Annual General Meeting held on 20th September 2013. His current term expired on 30th June, 2018.

Mr. Chetan R. Shah's contribution to the Company is invaluable and effective participation in implementing the projects of the Company coupled with his unstinted efforts in maintaining consistency in operational performance of the construction activities and in the management of affairs of the Company have led to continuous improvement of its performance. In view of the above, the Board of Directors of the Company, upon the recommendation of the Nomination and Remuneration Committee (NRC) ,at its meeting held on the May 22, 2018 have reappointed Mr. Chetan R. Shah as Chairman and Managing Director of the Company for a further period of five years with effect from 1stJuly, 2018 on the term and condition as recommended by the NRC and approved by the Board of Directors. The material provisions of the draft agreement (in brief) as referred to in the resolution areas follows:

#### **I. REMUNERATION:**

##### **a. Salary:**

Salary shall not exceed Rs. 7 Lacs per month with an annual increment of Rs.1 lac per month for each completed year of his tenure of office.

**b. Bonus** will be paid in accordance with the rules of the Company.

##### **c. Commission:**

Commission to be paid @ 1% on the net profit of the Company in a financial year, computed in the manner laid down in Section 198 of the Companies Act, 2013 and subject to a ceiling as may be determined by the Remuneration Committee/Board of Directors.

##### **d. Perquisites :**

In addition to above, the Chairman and Managing Director shall be entitled to perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof house maintenance allowance as permissible under law together with reimbursement of expenses or allowances for utilities such as gas, electricity, water furnishings repairs and other allowances, medical reimbursement, club fees and leave travel concession for self and his family, personal accident insurance and such other perquisites as are payable in accordance with the rules of the Company or as may be agreed to by the Remuneration Committee and/or Board of Directors and the Chairman & Managing Director. However such perquisites will be subject to a maximum of 100% of the salary.

The above perquisites shall be evaluated as per the Income Tax Rules wherever applicable. In the absence of such rules, perquisites will be evaluated at actual costs.

The CMD shall be also entitled to the following contribution from the Company which shall not be included in computation of the ceiling on remuneration specified herein above:

#### **e. Statutory Payments:**

- i. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii. Gratuity payable at the rate not exceeding half a month's Salary for each completed year of service.
- iii. Earned privilege leave at the rate of one month's leave for every eleven months service. The Managing Director shall be entitled to en-cash leave at the end of his tenure as Managing Director.

#### **f. Others:**

Provision for Car and Telephone communication facilities at the residence of the Managing Director shall not be treated as perquisites.

#### **II. MINIMUM REMUNERATION IN THE EVENT OF NO PROFIT OR INADEQUACY OF PROFITS :**

If the Company has made no profits or its profits are inadequate, in any financial year during the currency of the tenure of the Managing Director, the Company shall pay to the Managing Director, the above Salary and perquisites as Minimum Remuneration subject to the ceiling limits prescribed in Part II of Schedule V( Section 196 and 197 of the Companies Act 2013).

In addition to Salary as above ,the CMD shall be entitled to perquisites like accommodation (furnished or otherwise)or house rent allowance in lieu thereof ,house maintenance allowance as permissible under law together with reimbursement of expenses or allowances for utilities such as gas ,electricity, water furnishings repairs and other allowances, medical reimbursements, club fees and leave travel concession for self and his family, personal accident insurance and such other perquisites as are payable in accordance with the rules of the Company as may be agreed to by the Remuneration Committee and /or Board of Directors and the CMD.

#### **III. Confidentiality clause:**

The Managing Director shall unless prevented by ill health, throughout the said term devote his attention and ability to the business of the Company and shall perform such duties and exercise such powers as shall from time to time be assigned to or vested in him by the Board of Directors, and shall comply with the orders, directions and regulations from time to time and shall well and faithfully serve the company and use his utmost endeavor to promote the interest thereof. The Board commends the approval by the members of the re-appointment of Managing Director and the remuneration payable to him."

The Board recommends passing of the resolution.

#### **Memorandum of Interest:**

Except, Mr. Chetan R. Shah, Mr. Mayur R. Shah and Ms. Shailaja C. Shah, Directors and Shareholders of the Company, none of the other Directors and KMPs of the Company and their relatives are concerned or interested in this resolution.

All the "Related Parties" are deemed to be interested in the resolution and such "Related Parties" who are shareholders shall abstain from voting.

## 41<sup>st</sup> Annual Report 2017-2018

A copy of the agreement for the reappointment of Mr. Chetan R. Shah as CMD of the Company is open for inspection by the members at the Registered office of the company & Corporate Office: 8th Floor, Marathon Max, Mulund-Goregaon Link Road, Mulund (W), Mumbai 400 080, on any working day between 11 :00 a.m. and 1:00 p.m.

Registered Office:  
Marathon FutureX,  
NM Joshi Marg,  
Lower Parel  
Mumbai 400 013.  
Date: May 22, 2018

**By Order of the Board**

K. S. Raghavan  
Company Secretary

## DIRECTOR'S REPORT

To

The Directors have pleasure in submitting their 41st Annual Report together with the audited Financial Statements of your Company for the year ended March 31, 2018.

### WORKING RESULTS:

(₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Profit / (Loss) before Depreciation, interest and Taxation	4385	11226
Less: Depreciation	76	15
Less: Interest	455	30
Profit before Taxation	3854	11182
Less/ (Add) Tax Expenses	761	2386
Net Profit for the Year	3091	8796
Add: Other Comprehensive	9	6
	3100	8802

### DIVIDEND:

In line with the Dividend Policy of the Company, your directors are pleased to recommend a dividend of Rs.2. per equity share of Rs.5 each for the FY2017-18

### BUY BACK OF SHARES:

During the year under review the Board of Directors at its Meeting held on March 17,2017 have approved buyback of 54,37,345 fully paid equity shares of Rs.10/- each from the shareholders at a price of Rs.275/- per share for total consideration of Rs.149,52,69,875.The approval of Shareholders were obtained through Postal Ballot on April 27,2017 and the said buy back was completed on July 04 , 2017 successfully.

### SUB DIVISION OF SHARES:

Based on the approval of the shareholders, through postal ballot , the face value of the equity shares of the Company was split from Rs. 10/- each into Rs. 5 /- each effective from April 6,2018 with an intent to improve the liquidity of the Company's shares in the stock market and also to encourage the participation of small retail investors in the equity shares of the Company.

Effective from 06/04/2018 the face value of the Listed equity shares of the Company is Rs. 5/- per share.

### FUTURE PROSPECTS:

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

The construction activities of the SPV (a LLP) wherein your Company holds 40% equity stake has launched its Project at Byculia, Mumbai project known as "MONTE SOUTH"and it is progressing well.

### DIRECTORS:

In accordance with the applicable provisions of the Companies Act, 2013, Ms. Shailaja C. Shah, Director retires by rotation and being eligible offers herself for reappointment.

The reappointment of Mr. Chetan R. Shah (DIN: 00135296) as Managing Director for a period of 5 years from July 1,2018 to June 30,2023 is recommended by the Board of Directors.

### AUDITORS

M/s. Rajendra & Co., Chartered Accountants, who had been appointed as Statutory Auditor for a term of 5 years with effect from F.Y. 2016-17., Vide MCA notification dated May 7,2018 the requirement of yearly ratification by the shareholders at every general Meeting as per Sec 139 of the Companies Act 2013 is dispensed with.

### PARTICULARS OF EMPLOYEES:

Except the Chairman & Managing Director none of the employees are covered under Rule 5(2) of the Companies (Appointment and

Remuneration of Managerial Personnel) Rules 2014 .The other details of disclosures pertaining to the Managerial personnel is dealt in the annexure which forms part of this Directors Report .

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

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

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

### LISTING :

The Equity Shares of the Company are listed with the BSE Limited& NSE Limited . The Company has paid the Annual Listing Fees for both the Exchanges for the year 2018-19.

### DEMATERIALIZATION OF SHARES:

The members are aware that the Company's equity shares are under compulsory trading in dematerialized form for all categories of investors. REPORT U/S 134 (3) OF THE COMPANIES ACT 2013:

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

### FIXED DEPOSITS:

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

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

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

### CORPORATE GOVERNANCE:

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

### ACKNOWLEDGEMENTS:

The Board of Directors take this opportunity to place on record their sincere appreciation for the excellent support and cooperation extended by the shareholders, bankers, customers, suppliers / associates during the year under review.

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

For and on behalf of the Board

Place: Mumbai

Date: May 22 ,2018

Chetan R. Shah

Chairman & Managing Director.

## Form No. MGT - 9

## REPORT U/S 134(3) OF THE COMPANIES ACT 2103 FORMING PART OF DIRECTORS REPORT

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

## I. REGISTRATION AND OTHER DETAILS:

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

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

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

Sl. no.	Name & Address of the Company	CIN / GLN	% of shares held	Holding / Subsidiary/ Associate	Applicable Section
1	Ithaca Informatics Pvt. Ltd. 702, Marathon Max Jn. Of Mulund - Goregaon Link Road, Mulund (W) Mumbai 400 080	U72900MH1994PTC081170	75%	Holding	2 (46) of the Companies Act 2013
2	Swayam Realtors & Traders LLP	AAB -0362	40%	JV	2(6) of the Companies
3	Columbia Chrome (India) Private Limited	U29110MH1995PTC086069	40%	JV	2(6) of the Companies

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

## i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01-04-2017)				No. of Shares held at the end of the year (31-03-2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) PROMOTERS</b>									
a. Individuals/HUF	900	0	900	0.00	900	0	900	0.00	0.00
b. Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c. State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
d. Bodies Corp.	21327000	0	21327000	75.00	17241323*	0	17241323	74.97	-0.03
e. Banks/FI	0	0	0	0.00	0.00	0	0	0.00	0.00
f. Any other	0	0	0	0	0.00	0	0	0	0.00
<b>Sub-Total (A) (1)</b>	<b>21327900</b>	<b>0</b>	<b>21327900</b>	<b>75.00</b>	<b>17242223*</b>	<b>0</b>	<b>17242223</b>	<b>74.97</b>	<b>-0.03</b>

Category of Shareholders	No. of Shares held at the beginning of the year (01-04-2017)				No. of Shares held at the end of the year (31-03-2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(B) FOREIGN</b>									
a. NRIs -Individual	0	0	0	0	0	0	0	0	0
b. Other - Individuals	0	0	0	0	0	0	0	0	0
c. Bodies Corp.	0	0	0	0	0	0	0	0	0
d. Banks/FI	0	0	0	0	0	0	0	0	0
e. Any other	0	0	0	0	0	0	0	0	0
Sub-Total (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoters (A) = (A) (1) + (A) (2)	21327900	0	21327900	75.00	17242223	0	17242223	74.97	-0.03
<b>(B) PUBLIC SHAREHOLDING</b>									
<b>(1) Institution</b>									
a. Mutual Funds	22	731	753	0.00	22	110	132	0.00	0.00
b. Banks/FI	1732	495	2227	0.01	11088	495	11583	0.05	0.04
c. Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d. State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
e. Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f. Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g. Foreign Portfolio Investors	0	0	0	0.00	3021	0	3021	0.01	0.01
h. Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i. Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (B) (1)</b>	<b>1754</b>	<b>1226</b>	<b>2980</b>	<b>0.01</b>	<b>14131</b>	<b>605</b>	<b>14736</b>	<b>0.06</b>	<b>0.05</b>
<b>(2) Non – Institutions</b>									
a. Bodies Corporate:	-	-	-	-	-	-	-	-	-
i. Indian	254754	95676	350430	1.23	198483	94786	293269	1.28	0.05
ii. Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b. Individuals:									
i. Individual shareholders holding nominal share capital up to Rs.2 Lac	1328869	151889	1480758	5.21	1443331	107503	1550834	6.74	1.53
ii. Individual shareholders holding nominal share capital in excess Rs.2 Lac	5067123	0	5067123	17.82	3656964	0	3656964	15.90	-1.92
c. Others (specify) Clearing Members, NRIs & Trusts	208154	0	208154	0.74	241974	0	241974	1.05	0.31
<b>Sub-Total (B) (2)</b>	<b>6858900</b>	<b>247565</b>	<b>7106465</b>	<b>24.99</b>	<b>5540752</b>	<b>202289</b>	<b>5743041</b>	<b>24.97</b>	<b>-0.2</b>
<b>Total (B) = (B1)+(B2)</b>	<b>6860654</b>	<b>248791</b>	<b>7109445</b>	<b>25.00</b>	<b>5554883</b>	<b>202894</b>	<b>5757777</b>	<b>25.03</b>	<b>0.03</b>
<b>C. SHARES HELD BY CUSTODIAN FOR GDRs &amp; ADRs</b>									
0	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>28188554</b>	<b>248791</b>	<b>28437345</b>	<b>100.00</b>	<b>22797106</b>	<b>202894</b>	<b>23000000*</b>	<b>100.00</b>	<b>0.00</b>

\*NOTE: No. of Shares at the beginning of the year was 2,84,37,345. During the financial year 2017-2018, the Company has bought back 54,37,345 fully paid-up Equity shares from the public shareholders(13,51,668 shares) including the promoters(40,85,677 shares). Post Buy-back, the number of shares of the Company stood at 2,30,00,000.

## ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01-04-2017)			Shareholding at the end of the year (31-03-2018)			% change in during the year
		No. of shares	% of total shares of the Company	% of shares Pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares Pledged/encumbered to total shares	
1	Ithaca Informatics Pvt. Ltd.	21327000*	75%	0	17241323*	74.97	0	-0.03
2	Mr.Chetan R. Shah	150	0%	0	150	0%	0	0
3	Mr.Mayur R. Shah	150	0%	0	150	0%	0	0
4	Ms.Shailaja C. Shah	150	0%	0	150	0%	0	0
5	Ms.Sonal M. Shah	150	0%	0	150	0%	0	0
6	Ms.Ansuya R. Shah	150	0%	0	150	0%	0	0
7	Mr.Ramniklal Z. Shah	150	0%	0	150	0%	0	0
	<b>Total</b>	<b>21327900</b>	<b>75%</b>	<b>0</b>	<b>17242223</b>	<b>74.97</b>	<b>0</b>	<b>-0.03</b>

\*NOTE: No. of Shares at the beginning of the year was 2,84,37,345. During the financial year 2017-2018, the Company has bought back 54,37,345 fully paid-up Equity shares from the public shareholders(13,51,668 shares) including the promoters(40,85,677 shares). Post Buy-back, the number of shares of the Company stood at 2,30,00,000.

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

Sr. No.	Particulars	Shareholding at the beginning of the year (01-04-2017)		Shareholding at the end of the year (31-03-2018)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	21327900	75	17242223	74.97
	Date-wise Increase / Decrease in Promoters Share holding during the year specifying in the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.			During the financial year 2017-2018, the Company has bought back 40,85,677 fully paid – up Equity shares from the Promoter Group.	
	At the End of the year	21327900	75	17242223	74.97

## iv. Shareholding Pattern of top ten Shareholders (other than Director, Promoters and Holders of GDRs and ADRs):

Sr. No.	For each of top shareholders	Shareholding at the beginning of the year (01-04-2017)		Shareholding at the end of the year (31-03-2018)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Shoorji Aditya Pratapsinh	559500	1.97	664000	2.89
2	KhyatiSudhir Valia	670829	2.36	309946	1.35
3	Shraddha Sudhir Valia	666329	2.34	307867	1.34
4	ManojMehra	295400	1.04	295400	1.28
5	Vijay Mohanlal Parekh	590078	2.07	272636	1.19
6	Paresh Mohanlal Parekh	584380	2.05	270003	1.17
7	VatsalManoj Desai	24700	0.09	218500	0.95
8	Padma Hanuman Agarwal	164812	0.58	164812	0.72
9	Shashin Manilal Shah	157668	0.55	157168	0.68
10	Ashvin Manilal Shah	149910	0.53	149910	0.65



v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year 01-04-2017		Shareholding at the end of the year 31-03-2018	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	At the beginning of the year				
	Director-				
	Mr.Chetan R Shah	150	0	150	0
	Mr.Mayur R Shah	150	0	150	0
	Ms.Shailaja C Shah	150	0	150	0
	At the end of the year	450	0	450	0
	KMP-				
	K.S.Raghavan -CS	300	0	200	0

V. INDEBTEDNESS

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

₹ in Crores

	Secured Loans excluding Deposits	Unsecured Loans	Deposit	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	11.31	NIL	NIL	11.31
i. Principal Amount	0	0	0	0
ii. Interest due but not paid	0	0	0	0
iii. Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change to Indebtedness during the Financial Year	0	0	0	0
i. Addition	197.03	0	0	197.03
ii. Reduction	0	0	0	0
<b>Indebtedness at the end of the Financial Year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
i. Principal Amount	0	0	0	0
ii. Interest due but not paid	0	0	0	0
iii. Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>208.34</b>	<b>0</b>	<b>0</b>	<b>208.34</b>

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## VI. REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole Time Directors and/or Manager

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount in Lakhs
		Chetan Shah (CMD)	S. Ramamurthi (WTD)	
1.	<b>Gross Salary</b>	<b>65.00</b>		<b>65.00</b>
	(a)Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961		0	
	(b)value of perquisites u/s 17(2) Income Tax Act, 1961	0		0
	(c)Profits in lieu of Salary under Section 17(3) Income Tax Act, 1961	0	0	0
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission	36.00		36.00
	- as % of profit			
	- others, specify			
5.	Others, please specify - PF			
	Total (A)	101.00	0	101.00

### Sitting Fees paid to other Directors:

Sr No.	Particulars of Remuneration	Name of Directors							Total Amount in Lakhs
		Mayur R. Shah	Ms.Shailaja C Shah	V. Nagarajan	V. Ranganathan	Padmanabha Shetty	Mr.Anup P Shah	Mr.Deepak R. Shah	
1.	<b>INDEPENDENT DIRECTORS</b>								
	- Fee for attending Board / Committee meetings	-	-	40,000	1,50,000	2,40,000	2,30,000	1,80,000	8,40,000
	- Commission	-	-	-	-	-	-	-	-
	- Other, please specify	-	-	-	-	-	-	-	-
	Total (1)	-	-	40,000	1,50,000	2,40,000	2,30,000	1,80,000	8,40,000
2.	<b>Other Non-Executive Directors</b>								
	- Fee for attending Board / Committee meetings	50,000	1,10,000	-	-	-	-	-	1,60,000
	- Commission	-	-	-	-	-	-	-	-
	-Other, please specify	-	-	-	-	-	-	-	-
	Total (B) = (1+2)	50,000	50,000	40,000	150,000	2,40,000	2,30,000	1,80,000	10,00,000
	Total Managerial Remuneration								
	Overall Ceiling as per the Act								

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

Sr No.	Particulars of Remuneration	Name of Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	<b>Gross salary</b>		37.46		37.46
	(a) Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961	0	Entire	0	0
	(b) Value of perquisites u/s. 17 (2) of the Income Tax Act, 1961	0	NIL	0	0
	(c) Profits in lieu of salary under section 17 (3) of the Income Tax Act, 1961	0	NIL	0	0
2.	Stock Option	0	NIL	0	0
3.	Sweat Equity	0	NIL	0	0
4.	Commission	0	NIL	0	0
	- as % of profit	0	NIL	0	0
	- others, specify	0	NIL	0	0
5.	Others, please specify	0	NIL	0	0
	Total	0	37.46	0	37.46

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

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

**Number of Meetings of the Board:**

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

May 29, 2017, August 10, 2017, November 13, 2017, December 15, 2017, January 04, 2018 and February 08, 2018 .

**-DIRECTORS RESPONSIBILITY STATEMENT:**

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

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are

reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.

- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) the Directors had prepared the annual accounts on a going concern basis.
- (v) the Directors has laid down internal financial controls for ensuring the orderly and efficient conduct of its business, including the adherence to Company's policies, the safe guarding of its assets ,the prevention and detection of frauds and errors ,the accuracy and completeness of the accounting records and the timely

preparation of reliable financial information;

- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

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

All the Independent Directors of the Company have complied Section 149(6) of the Companies Act 2013, by submitting the Annual declaration for the financial year 2017-18.

**Matters relating to determination of payment of Commission to Mr. Chetan R Shah Chairman & Managing Director –KMP of the Company for the year 2017-2018 and to recommend the re-appointment of Mr. Chetan R Shah as CMD for a further period of 5 years effective from July 1,2018 to June 30,2023:**

The Nomination & Remuneration Committee of the Board met on May 08, 2018 to determine and recommended the Commission of Rs. 36 Lakhs payable to the CMD for the year 2017-2018 and recommended the re-appointment of Mr. Chetan R Shah as CMD for a further period of 5 years effective from July 1,2018 to June 30,2023

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

No qualification, reservation or adverse remarks or disclaimer is made by the Statutory Auditors in their report.

**-Explanations or comments by the Board on every qualification, reservation or adverse remarks or disclaimer, if any, made by the Secretarial Auditor in his report:**

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

**Particulars of loans, guarantees or investments under section 186:**

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

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

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

**The state of Company's affairs:**

The Company's **Operating Profit** before Tax expenses: **Rs.3852.52 lacs**

Segment wise **Operating Profit** before Tax expenses:**Rs.3852.52 lacs**

The Company's Other Income before Tax expenses: **Rs.5677.62 lacs**

The Profit before Tax, depreciation & amortization(EBITDA): **Rs.4384.25 lacs**

The Profit after Tax, depreciation & amortization(EBITDA): **Rs.3091.00 lacs**

**The Total Comprehensive Income for the Year ended: Rs.3100.44 lacs**

The Company's basic and diluted Earnings Per Share for year ended on March 31,2018: **Rs.12.64**

**Dividend details:**

In line with the Dividend Policy of the Company, your directors are pleased to recommend a dividend of Rs.2./-per equity share of Rs.5 each for the year 2017-2018.

**Sub Division of Shares:**

The face value of the equity shares of the company split from of 1

(One) Equity share of Rs. 10/- each into 2 (Two) Equity shares of Rs. 5 /- each with an intent to improve the liquidity of the Company's shares in the stock market and also to encourage the participation of small retail investors in the equity shares of the Company. Effective from 06/04/2018 the face value of the Listed equity shares of the company is Rs. 5/- per share.

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

During the year under review the Board of Directors at its Meeting held on March 17,2017 have approved a buyback of 54,37,345 fully paid equity shares of Rs.10/- each, under tender offer method from the shareholders at a price of Rs.275/per share for a total consideration of Rs.149,52,69,875.

**Conservation of Energy etc.,**

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

**Visualization of Potential Risk:**

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

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

**CSR Policy initiatives Spending:**

The Company has a CSR policy. For the FY 2017-2018 ,the amount to be spent on the CSR related activities amounting to Rs.1.85 crore was contributed to a recognized Trust .

**Evaluation Mechanism of Directors:**

The performance evaluation of all the Directors was undertaken as per the prescribed standards. The Independent Directors of the Company at their meeting held on March 08, 2018 have carried out such evaluation of all the directors for the year under review and submitted their report to the Chairman & the Managing Director of the Company .

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

**Directors Familiarization Initiatives :**

The Company has undertaken a Familiarization programme for Directors on March 08, 2018.The Directors have met at the "Monte South" Byculla and a detailed presentation was made by the CMD about the ongoing projects. The procedures and the process of the execution of the projects were explained to them. Later, the Directors were accompanied to the Project sites at Byculla to get familiarize themselves on the actual activities.

The feedback received from them were noted by the Management.

Appointment and Remuneration of Managerial Personnel) 2014) Rules:

a. Details as per Rule 5 (1)of the Companies (Appointment and Remuneration of Managerial Personnel) 2014) Rules:

- i) The ratio of the remuneration of CMD to the median remuneration of the employees of the Company for the FY:2017-2018: 1: 7.74
- (ii) The % age increase /(decrease) of remuneration:(28.59 %)
  - a. CMD -(28.95)% age of increase ,in the FY 2017-18
  - b. CS -5 % age increase ,in the FY 2017-18
- (iii) (3.30)% age increase in the median remuneration of the employees.

- (iv) The no. of permanent employees of the company are :29 numbers.
- (v) The explanation of the relationship between average increase in remuneration and the company's performance: decrease due to increase in number of employees.

**The decrease in the net profit of the company for the FY:17-18 Rs.3105 lacs(Previous FY.Rs. Rs.8795.52 lacs )The % age decrease is 65%.**

- (vi) Comparison of remuneration of the KMP against the performance of the Company.

KMP	%age of Increase in Remuneration	Remarks
1. CMD	(28.95)% decrease to last year-	-
2. CS	5% increase compared to last year-	Nominal increase as per prevailing standards in the sector.

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

Details	FY:2017-18	FY:2016-17	FY: 2015-16	FY:2014-15	FY: 2013-14	Variation
Market Cap (Rs in Crore)	962	746	398	281	234	87%(Increase)
Closing Price-(Rs)	BSE-417.20 NSE-418.55	BSE-262.40 NSE-262.50	140 -	148 -	123.50	87.43% (Increase)
EPS	12.64	30.93	26.51	20.26	19.25	
P/E	34.30	8.49	5.28	7.31	6.42	

Total no.of equity shares listed:2,30,00,000 of Rs.10 each.

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

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

- a. The Managerial Remuneration paid during the FY 2017-2018 is as per the Remuneration policy of the Company.
- b. **Details as per Rule 5 (2)of the Companies (Appointment and Remuneration of Managerial Personnel) 2014) Rules:**  
Except the Chairman & Managing Director(CMD)none of the employees are covered under Rule 5(2 Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

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

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31.03.2018**

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, and in the manner reported hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March, 31, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made under that Act
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder; to the extent applicable to Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the Audit Period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) The Management has identified and confirmed the following laws as specifically applicable to the Company:
  - (a) The Real Estate (Regulation and Development) Act, 2016;
  - (b) The Maharashtra Ownership Flats (Regulation and Promotion of Construction, Sale, Management, Transfer) Act, 1963 and its Rules;
  - (c) The Maharashtra Apartment Ownership Act, 1970;
  - (d) Building & other construction Workers welfare cess Act, 1996;
  - (e) Development Control Regulations as updated.
  - (f) Maharashtra Town Planning Act-1974;
  - (g) Environment (Protection) Act, 1986;
  - (h) Maharashtra State Goods and Services Tax Act, 2017 (GST)

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

**I further report that** the Company has complied with the applicable clauses/regulations of the following:

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

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc mentioned above.

**I further report that**

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

Adequate notice is required to be given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were to be sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

I further report that during the audit period;

- (a) The approval of members were obtained through Postal Ballot on 04.04.2017 for buy- back of 54,37,345 fully paid equity shares of Rs. 10 each from the members at a price of Rs.275/- per share.
- (b) The approval of the members were obtained through Postal Ballot on 24.03.2018 for Sub-Division of Equity Shares from the face value of Rs.10/-per share to Rs.5/-per share.

Date : May 22, 2018

Place: Mumbai

(NITIN R. JOSHI)

Practicing Company Secretary

Membership No. 3137

Certificate Of Practice No.1884

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

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**Annexure A'**

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

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

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

(NITIN R. JOSHI)

Practicing Company Secretary

Membership No. 3137

Certificate of Practice No.1884

Date : May 22, 2018

Place: Mumbai

## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31ST MARCH, 2018.

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

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

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

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

The following are the broad categories of Governance perceptive:

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

### 2. BOARD COMPOSITION AND PARTICULARS OF DIRECTORS:

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

Sr. No	Name	Category	Designation
1.	Mr. Chetan R. Shah	Promoter	Chairman & Mg. Director
2.	Mr. Mayur R. Shah	Promoter	Vice Chairman & Director
3.	Mr. S. Ramamurthi	Non-promoter	Whole Time Director
4.	Mr. V. Ranganathan	Non-Executive	Independent Director
5.	Mr. Padmanabha Shetty	Non-Executive	Independent Director
6.	Ms. Shailaja C Shah	Promoter	Director
7.	Dr. Anup P. Shah	Non-Executive	Independent Director
8.	Mr. Deepak R Shah	Non –Executive	Independent Director
9.	Mr. V. Nagarajan*	Non –Executive	Independent Director

\* Resigned wef May 29, 2017

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

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

The Company has a methodical and well designed process of placing vital and sufficient intimation before the Board pertaining to business to be considered at each Board Meeting. This enables the members of the Board to actively and freely participate in discussions in the meeting and the Board in turn is able to take corrective and appropriate decision based on the available inputs from the Members of the Board. The Members of the Board are also updated upon various events as are required under the SEBI(LODR) Regulations 2015.

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

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

Six Board Meetings were held during the Financial Year ended 31st March, 2018 on the following dates:

29th May ,2017; 10th August, 2017; 13th November, 2017; 15th December, 2017; 04th January , 2018 and 08th February, 2018

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



**Number of Board Meetings held during the year ended 31st March 2018 and other details:**

Name of Director	Director Identification Number (DIN)	Category of Directorship		No. of Board Meetings	Attendance at the last AGM	Directorship in other Companies	No. of Committees in which Chairman/ Member (other than Marathon Nextgen Realty Ltd.)	
		Executive or Non Executive	Independent				Member	Chairman
Mr. Chetan R. Shah Chairman & Managing Director	00135296	Promoter-Executive		6	Yes	18	Nil	Nil
Mr. Mayur R. Shah Vice-Chairman & Director	00135504	Promoter-Non Executive		3	Yes	14	Nil	Nil
Mr. S. Ramamurthi Whole time Director	00135602	Executive-WTD		6	Yes	1	2	Nil
Mr. V. Ranganathan	00269682	Non-Executive	Independent	6	Yes	1	Nil	3
Mr. Padmanabha Shetty	00433761	Non-Executive	Independent	6	Yes	3	2	Nil
Ms. Shailaja C Shah	00215042	Promoter-		6	Yes	3	Nil	Nil
Dr. Anup P. Shah	00293207	Non-Executive	Independent	6	Yes	1	2	Nil
Mr. Deepak R. Shah	06954206	Non-Executive	Independent	5	Yes	1	Nil	3
Mr. V. Nagarajan*	00135714	Non-Executive	Independent	1	Nil	Nil	Nil	Nil

\* Resigned wef May 29, 2017

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

**1. Ms. Shailaja C. Shah (DIN :00215042):-**

Name of Director	Ms. Shailaja C. Shah
Qualification	Arts & Psychology graduate and holds Master 's degree in Arts.
Expertise in specific functional areas	She is also Director in some of the Marathon Group Companies and is involved in "Succession Planning" and Leadership Development activities" of the Group as a whole.  Ms. Shailaja is a part of the Promoter Group with multi-faceted personality and is presently involved in establishing a educational institution as routine part of CSR initiatives of the Marathon Group, through a Trust in Mulund (w), a Mumbai suburb.
Other Companies in which Directorship held	Fiber Box (Bombay) Pvt. Ltd. Marathon Infotech Pvt. Ltd. Lark Stock Broking Pvt. Ltd.
Other Public Companies in which membership of Committees of Directors held	NIL
No. of shares held as on 31.3.2018	150

**2. Mr. Chetan Shah (DIN. 00135296)**

Mr. Chetan Shah, Chairman and Managing Director of the Company, is being reappointed as Managing Director .His brief profile is as follows:

Name of Director	Mr. Chetan Shah
Date of Birth	13-03-1956
Date of Appointment	01-07-2010
Qualification	B. Tech Civil Engineering from IIT Bombay and M.S. Structural Engineering from the University of Houston, USA.
Expertise in specific functional areas	Construction of Residential, Commercial and Industrial Buildings, responsible for implementing projects in Mumbai.

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Other Companies in which Directorship held	Citadel Realty And Developers Limited Columbia Chrome (India) Private Limited Cornell Housing And Infrastructure Pvt. Ltd. Lark Consultancy Pvt Ltd Marathon It Infrastructure Private Limited Matrix Water Management Private Limited Matrix Waste Management Private Limited Matrix Enclaves Projects Developments Pvt. Ltd Marathon Fiscal Private Limited Matrix Fiscal Private Limited Marathon Panvel Infrastructures Private Limited Marathon Realty Private Limited Marathon Nextgen Realty Limited Nexzone Utilities Private Limited NextgenBuildcon Private Limited Nexzone Fiscal Services Private Limited Nexzone Land Private Limited Svarnim Enterprises Private Limited Terrapolis Assets Private Limited
Other Public Companies in which membership of Committees of Directors held	Citadel Realty And Developers Limited
No. of shares held as on 31.03.2018	150

(iii) Number of Shares held by the Non –Executive Directors as on March 31,2018:

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

\* Resigned wef May 29, 2017

(iv) Directors' Familiarization Programme:

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

The Company has undertaken a Familiarization programme for Directors on March 08, 2018. The Directors have met at the "Monte South" Byculla and a detailed presentation was made by the CMD about the ongoing projects. The procedures and the process of the execution of the projects were explained to them. Later, the Directors were accompanied to the Project sites at Byculla to get familiarize themselves on the actual activities.

The feedback received from them were noted by the Management.

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

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

Web link of the Company regarding the familiarization programmes imparted:

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

### 3. Audit Committee:

(a) Brief description of terms of reference:



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

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

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

Name	Designation	Executive/ Non-Executive/ Independent	Committee Meeting attended
Mr. Deepak Shah*	Chairman	Independent	4
Mr. Chetan Shah	Member	Executive	6
Mr. Padmanabha Shetty	Member	Independent	6
Mr. Anup Shah	Member	Independent	6
Mr. V. Nagarajan**	Chairman	Independent	1

\* elected as Chairman w.e.f. November 13, 2017

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

- (c) During the Year ended March 31, 2018 six Audit Committee Meetings were held on the following dates:

29th May ,2017; 10th August, 2017; 13th November, 2017; 15th December, 2017; 04th January , 2018 and 08th February, 2018

The Audit Committee during the year ended 31st March 2018 reviewed:

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

#### 4. Nomination & Remuneration Committee:

- (a) Brief description of terms of reference:

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

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

Name	Category	Position
Mr. V. Ranganathan	Independent Director	Chairman
Mr. Padmanabha Shetty	Independent Director	Member
Dr. Anup P. Shah	Independent Director	Member

A meeting of the said Committee was held on Tuesday , May 08, 2018 to review and recommend the Commission payable to the CMD and recommend the re-appointment of Mr. Chetan R Shah as CMD for a further period of 5 years effective from July 1,2018 to June 30,2023.

#### 5. CSR Committee:

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

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

A meeting of the CSR Committee was held on March 31, 2018 to review the CSR activities carried out by the Company. The Committee approved the contribution of Rs.1.85 crore to a recognized Trust in line with its CSR Policy .

Performance evaluation criteria for Independent Directors:

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

#### 5. Remuneration of Directors:

Details of the remuneration paid to the Directors of the Company during the period ended March 31, 2018 are given below:

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Name of Director	Salary & Bonus	Perquisites	Commission	Sitting fees	Total
Mr. Chetan R. Shah*	65,00,000	16,80,000	36,00,000	-	1,17,80,000
Mr. S. Ramamurthi	Nil	Nil	Nil	Nil	Nil
Mr. Mayur R Shah	Nil	Nil	Nil	50,000	50,000
Mr. V Ranganathan	Nil	Nil	Nil	1,50,000	1,50,000
Ms. Shailaja C. Shah	Nil	Nil	Nil	1,10,000	1,10,000
Mr. V. Nagarajan	Nil	Nil	Nil	40,000	40,000
Mr. Padmanabha Shetty	Nil	Nil	Nil	2,40,000	2,40,000
Dr. Anup P. Shah	Nil	Nil	Nil	2,30,000	2,30,000
Mr. Deepak R. Shah	Nil	Nil	Nil	1,80,000	1,80,000

\*The tenure of Mr. Chetan R Shah, Chairman & MD of the Company is extended for a further period of 5 years from July 1, 2018 to June 30, 2023

### 6. Stakeholders Relationship Committee

a. The following is the composition of Stakeholders Relationship Committee of Directors:

Name	Category	Position
Mr. V. Ranganathan	Independent Director	Chairman
Mr. S. Ramamurthi	Executive -Wholetime Director	Member
Ms. Shailaja Shah	Non-Executive Director	Member

During the Financial Year ended 31st March 2018: - 2- complaints were received by the Registrars and were attended and resolved to the satisfaction of the shareholder and no complaint is pending as on date.

### 7. GENERAL BODY MEETINGS

Venue and time of last three Annual General Meetings:

Year /no.	Location	Date	Time	Special Resolutions
2016-17-40th AGM	M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Dubhash Marg, Kala Ghoda, Mumbai-400001	Sept. 20, 2017	3.30pm	4 (Four)
2015-16-39th AGM	Kilachand Conference Hall, 2nd floor, I.M.C. Bldg. IMC Marg, Churchgate Mumbai 400020 "	Sept. 27, 2016	11.30am	1 (one)
2014-15-38th AGM	Kilachand Conference Hall, 2nd floor, I.M.C. Bldg. IMC Marg, Churchgate Mumbai 400020	28.08.2015	03.30 p.m.	1 (One)

#### Details of Postal Ballot:

##### 1. Purpose: 1. Approval of Buy Back of Shares-Notice dated March 17, 2017.

- Person who conducted the Postal Ballot exercise: Mr. Nitin R Joshi, Practicing CS.
- Procedure for Postal Ballot: Proper procedure followed .
- Voting Results announced :April 27, 2017.

##### 2. Purpose: 1. Slump Acquisition/ Approval of Related Party Transactions under Section 188 (1) (b) of the Companies Act, 2013 and under Regulation 23 of SEBI ( LODR) Regulations 2015- selling or otherwise disposing of or buying property of any kind-Notice dated January 04, 2018.

- Person who conducted the Postal Ballot exercise : Mr. Nitin R Joshi, Practicing CS
- Procedure for Postal Ballot: Proper procedure followed
- Voting Results announced : February 20, 2018.

##### 3. Purpose: A. Sub-Division of Equity Shares from the face value of Rs. 10/- per share to Rs. 5/- per share

##### B. Alteration of the Memorandum of Association of the Company- Notice dated February 08, 2018

- Person who conducted the Postal Ballot exercise : Mr. Nitin R Joshi, Practicing CS.

- Procedure for Postal Ballot : Proper procedure followed .

- Voting Results announced : March 24, 2018

**Purpose:1**

**Approval of Buy Back of Shares-Notice dated March 17, 2017.**

<b>Date of Postal Ballot</b>	<b>27 April, 2017</b>
Total Number of Shareholders on record date-	4,989
No. of shareholders present in the meeting either in person or through proxy	0
Promoter and Promoter Group:	0
Public:	0
No. of shareholders attended the meeting through video conferencing:	0
Promoter & Promoter group:	0
Public:	0

<b>Resolution-</b>						Approval of Buy-back of Shares		
<b>Resolution Required:(Ordinary /Special)-</b>						Special		
<b>Whether promoter/promoter are interested in the agenda/resolution?-</b>						No		
Category		No of Shares Held	No of Votes Polled	% of Votes Polled on Outstanding Shares	No of Votes-in Favour	No of Votes Against	% of Votes in Favour on Votes Polled	% of Votes Against on Votes Polled
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
<b>Promoter &amp; promoter group</b>	E-voting	21,327,000	0	0	0	0	0	0
	Poll	21,327,000	0	0	0	0	0	0
	Postal ballot	21,327,000	21,327,000	100	21,327,000	0	100	0
	<b>Total</b>	<b>21,327,000</b>	<b>21,327,000</b>	<b>100</b>	<b>21,327,000</b>	<b>0</b>	<b>100</b>	<b>0</b>
<b>Public institution</b>	E-voting	0	0	0	0	0	0	0
	Poll	0	0	0	0	0	0	0
	Postal ballot	0	0	0	0	0	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Public non institution</b>	E-voting	2,634,582	1,341,967	50.937	1,340,076	1,891	99.859	0.141
	Poll	2,634,582	0	0	0	0	0	0
	Postal ballot	2,634,582	1,292,615	49.063	14,169	1,277,142	1.096	98.803
	<b>Total</b>	<b>2,634,582</b>	<b>2,634,582</b>	<b>100</b>	<b>1,354,245</b>	<b>1,279,033</b>	<b>51.403</b>	<b>48.548</b>
<b>Total</b>		<b>23,961,582</b>	<b>23,961,582</b>	<b>100</b>	<b>22,681,245</b>	<b>1,279,033</b>	<b>94.657</b>	<b>5.338</b>

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### Purpose:2

Approval of Related Party Transactions under Section 188 (1) (b) of the Companies Act, 2013 and under Regulation 23 of SEBI ( LODR) Regulations 2015- selling or otherwise disposing of or buying property of any kind,-Notice dated January 04,2018.

Date of Postal Ballot	20 Feb 2018
Total Number of Shareholders on record date-	5,174
No. of shareholders present in the meeting either in person or through proxy	0
Promoter and Promoter Group:	0
Public:	0
No. of shareholders attended the meeting through video conferencing:	0
Promoter & Promoter group:	0
Public:	0

### Resolution-

Approval of Related Party Transactions under Section 188 (1) (b) of the Companies Act, 2013 and under Regulation 23 of SEBI ( LODR) Regulations 2015- selling or otherwise disposing of or buyin

Resolution Required:(Ordinary /Special)-						Ordinary		
Whether promoter/promoter are interested in the agenda/resolution?-						Yes		
Category		No of Shares Held	No of Votes Polled	% of Votes Polled on Outstanding Shares	No of Votes-in Favour	No of Votes Against	% of Votes in Favour on Votes Polled	% of Votes Against on Votes Polled
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter & promoter group	E-voting	17,242,223	0	0	0	0	0	
	Poll	17,242,223	0	0	0	0	0	
	Postal ballot	17,242,223	0	0	0	0	0	
	Total	17,242,223	0	0	0	0	0	
Public institution	E-voting	13,201	0	0	0	0	0	
	Poll	13,201	0	0	0	0	0	
	Postal ballot	13,201	0	0	0	0	0	
	Total	13,201	0	0	0	0	0	
Public non institution	E-voting	5,744,576	620,291	10.798	620,290	1	100	
	Poll	5,744,576	0	0	0	0	0	
	Postal ballot	5,744,576	1,097,387	19.103	1,097,387	0	100	
	Total	5,744,576	1,717,678	29.901	1,717,677	1	100	
<b>Total</b>		<b>23,000,000</b>	<b>1,717,678</b>	<b>7.468</b>	<b>1,717,677</b>	<b>1</b>	<b>100</b>	

**Purpose:3**

1) Agenda No. 1 Sub-Division of Equity Shares from the face value of Rs. 10/- per share to Rs. 5/- per share

<b>Date of Postal Ballot</b>	<b>24 Mar 2018</b>
<b>Total Number of Shareholders on record date-</b>	5,438
<b>No. of shareholders present in the meeting either in person or through proxy</b>	0
<b>Promoter and Promoter Group:</b>	0
<b>Public:</b>	0
<b>No. of shareholders attended the meeting through video conferencing:</b>	0
<b>Promoter &amp; Promoter group:</b>	0
<b>Public:</b>	0

**Resolution-**

SUB-DIVISION OF EQUITY SHARES FROM THE FACE VALUE OF RS. 10/- PER SHARE TO RS. 5/- PER SHARE

<b>Resolution Required:(Ordinary /Special)-</b>						<b>Ordinary</b>		
<b>Whether promoter/promoter are interested in the agenda/resolution?-</b>						<b>No</b>		
Category		No of Shares Held	No of Votes Polled	% of Votes Polled on Outstanding Shares	No of Votes-in Favour	No of Votes Against	% of Votes in Favour on Votes Polled	% of Votes Against on Votes Polled
		(1)	(2)	(3)=[(2)/ (1)]*100	(4)	(5)	(6)=[(4)/ (2)]*100	(7)=[(5)/ (2)]*100
<b>Promoter &amp; promoter group</b>	<b>E-voting</b>	17,242,223	0	0	0	0	0	0
	<b>Poll</b>	17,242,223	0	0	0	0	0	0
	<b>Postal ballot</b>	17,242,223	17,242,223	100	17,242,223	0	100	0
	<b>Total</b>	17,242,223	17,242,223	100	17,242,223	0	100	0
<b>Public institution</b>	<b>E-voting</b>	13,201	0	0	0	0	0	0
	<b>Poll</b>	13,201	0	0	0	0	0	0
	<b>Postal ballot</b>	13,201	0	0	0	0	0	0
	<b>Total</b>	13,201	0	0	0	0	0	0
<b>Public non institution</b>	<b>E-voting</b>	5,744,576	619,607	10.786	619,606	1	100	0
	<b>Poll</b>	5,744,576	0	0	0	0	0	0
	<b>Postal ballot</b>	5,744,576	700,748	12.198	700,748	0	100	0
	<b>Total</b>	5,744,576	1,320,355	22.984	1,320,354	1	100	0
<b>Total</b>		23,000,000	18,562,578	80.707	18,562,577	1	100	0

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2) Agenda No.2: Alteration of the Memorandum of Association of the Company

<b>Date of Postal Ballot</b>	<b>24 March 2018</b>
<b>Total Number of Shareholders on record date-</b>	5,438
<b>No. of shareholders present in the meeting either in person or through proxy</b>	0
<b>Promoter and Promoter Group:</b>	0
<b>Public:</b>	0
<b>No. of shareholders attended the meeting through video conferencing:</b>	0
<b>Promoter &amp; Promoter group:</b>	0
<b>Public:</b>	0

**Resolution-** ALTERATION OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

Resolution Required:(Ordinary /Special)-						Ordinary		
Whether promoter/promoter are interested in the agenda/resolution?-						No		
Category		No of Shares Held	No of Votes Polled	% of Votes Polled on Outstanding Shares	No of Votes-in Favour	No of Votes Against	% of Votes in Favour on Votes Polled	% of Votes Against on Votes Polled
		(1)	(2)	(3)=[(2)/ (1)]*100	(4)	(5)	(6)=[(4)/ (2)]*100	(7)=[(5)/ (2)]*100
<b>Promoter &amp; promoter group</b>	<b>E-voting</b>	17,242,223	0	0	0	0	0	0
	<b>Poll</b>	17,242,223	0	0	0	0	0	0
	<b>Postal ballot</b>	17,242,223	17,242,223	100	17,242,223	0	100	0
	<b>Total</b>	17,242,223	17,242,223	100	17,242,223	0	100	0
<b>Public institution</b>	<b>E-voting</b>	13,201	0	0	0	0	0	0
	<b>Poll</b>	13,201	0	0	0	0	0	0
	<b>Postal ballot</b>	13,201	0	0	0	0	0	0
	<b>Total</b>	13,201	0	0	0	0	0	0
<b>Public non institution</b>	<b>E-voting</b>	5,744,576	619,607	10.786	619,269	338	99.945	0.055
	<b>Poll</b>	5,744,576	0	0	0	0	0	0
	<b>Postal ballot</b>	5,744,576	700,748	12.198	700,748	0	100	0
	<b>Total</b>	5,744,576	1,320,355	22.984	1,320,017	338	99.974	0.026
<b>Total</b>		23,000,000	18,562,578	80.707	18,562,240	338	99.998	0.002



## 8. Means of Communication:

The quarterly and half-yearly results are regularly submitted to the Stock Exchanges in accordance with the SEBI (LODR) Regulations 2015 and are published in one English daily newspaper and one vernacular daily news paper having adequate circulation.

## 9. GENERAL SHAREHOLDERS INFORMATION

- Annual General Meeting : 41st Annual General Meeting
- Date and Time : Wednesday, September 19, 2018
- Venue : Walchand Hirachand Hall, 4th Floor, IMC Building, IMC Chambers, Churchgate, Mumbai -20
- Financial Year : April 1, 2017 to March 31, 2018
- Date of Book Closure : 12/09/18 to 19/09/18 (both days inclusive)
- Listing on Stock Exchanges : BSE LTD & NSE LTD
- Stock Code : BSE- 503101 : NSE –Symbol: “**Marathon**”
- ISIN in NSDL & CDSL : INE182D01020
  - CIN : L65990MH1978PLC020080
  - Stock Price Data :

Table below gives the monthly highs and lows of the Company's shares on the BSE Ltd. (BSE) :

MONTHS (FY: 2017-2018)	High (Rs.)	Low (Rs.)	SENSEX		
			High	Low	Close
April	345.00	262.05	30184.22	29241.48	29918.4
May	346.20	299.00	31255.28	29804.12	31145.8
June	348.45	305.00	31522.87	30680.66	30921.61
July	338.90	304.00	32672.66	31017.11	32514.94
August	336.80	260.25	32686.48	31128.02	31730.49
September	420.00	284.00	32524.11	31081.83	31283.72
October	509.40	339.00	33340.17	31440.48	33213.13
November	636.00	440.15	33865.95	32683.59	33149.35
December	629.00	548.15	34137.97	32565.16	34056.83
January-2018	669.50	514.00	36443.98	33703.37	35965.02
February	580.20	460.00	36256.83	33482.81	34184.04
March	521.00	393.35	34278.63	32483.84	32968.68

- Registrar & Transfer Agents : Adroit Corporate Services Private Limited  
19/20 Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (East), Mumbai 400 059.  
Email: adroits@vsnl.net

### **Share Transfer System:**

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

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

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## Distribution of shareholding as on March 31, 2018:

Category (Shares)	No. of Shareholders	Percentage (%)	No. of Shares of Rs.10/each	Percentage (%)
1 – 500	4797	88.67	481421	2.09
501 – 1000	266	4.76	197601	0.86
1001 – 2000	176	3.15	250408	1.09
2001 – 3000	45	0.81	111616	0.49
3001 – 4000	40	0.72	141555	0.62
4001 – 5000	18	0.32	82821	0.36
5001 – 10000	37	0.66	267848	1.16
Above 10000	51	0.91	21466730	93.33
<b>Total</b>	<b>5430</b>	<b>100</b>	<b>23000000</b>	<b>100</b>

## Dematerialization of Shares and Liquidity:

The status of Dematerialized/ Physical shares of the Company as on March 31, 2018 is as under:

Categories	Physical	Demat	Total	% age to	% in	% in
Resident Individuals	107470	5100328	5207798	22.64	0.47	22.17
Non-Resident Individual	-	174064	174064	0.76	0.00	0.76
Corp. Bodies, Trusts, Clearing Members, Corp. Bodies-Broker, Investor Education And Protection, Foreign Portfolio Investors	94786	269414	364200	1.57	0.40	1.17
Mutual Fund/UTI	110	22	132	0.00	0.00	0.00
FI/Banks	495	11088	11583	0.05	0.00	0.05
Promoter & Promoter group	-	17242223	17242223	74.97	0.00	74.97
<b>Total</b>	<b>202894</b>	<b>22797139</b>	<b>23000000</b>	<b>100</b>	<b>0.87</b>	<b>99.13</b>

## Categories of Shareholders as on March 31, 2018:

Sr.no	Category	(Folios)No. of Share-holders	No. of Shares	Voting Strength (%)
1	Promoters	7	17242223	74.97
2	Mutual Fund	3	132	0.00
3	NRI	66	174064	0.76
4	Financial Institutions/Banks	4	11583	0.05
5	Corp. Bodies, Trusts, Clearing Members, Corp. Bodies-Broker, Investor Education And Protection, Foreign Portfolio Investors	193	4021164	1.58
6	General public	5157	1550834	22.64
	<b>Total</b>	<b>5430</b>	<b>23000000</b>	<b>100.00</b>

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

**Address for correspondence :**

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

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

**Registered Office :****Marathon Nextgen Realty Limited**

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

**Registrar and Share Transfer Agents:**

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

**10. Other Disclosures-**

Related Party Transactions:

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

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

There were no material transactions with related parties during the financial year ended on 31st March 2018 which are prejudicial to the interest of the Company and its shareholders.

Also Transactions with related parties as per Accounting standard-IndAS-18 are disclosed in Note No. of the accounts in the Annual Report-2017-18.

- Details of **non compliance**, penalty, strictures imposed by BSE,NSE &SEBI or any statutory authority, on any matter related to capital markets, during the last three years: **NONE**.
- Details of **vigil mechanism whistle blower** policy and affirmation that no personnel have been denied access to the Audit Committee: **Furnished**.
- weblink of availability of policy for determining the material subsidiaries and RPT policy: **[www.marathonnextgenrealty.com](http://www.marathonnextgenrealty.com)**
- Details of compliance with mandatory requirements and adoption of non **mandatory requirements: Mandatory requirements as per the SEBI(LODR)Regulations-2015 are adhered with.**
- Web link of the Company regarding the Policy determining “material” subsidiaries:

**[www.marathonnextgen.com](http://www.marathonnextgen.com)**

- Web link of the Company regarding the Policy on RPTs:

**[www.marathonnextgen.com](http://www.marathonnextgen.com)**

**11. Statutory Compliance, Penalties and Strictures:**

The Company has complied with all requirements of the Corporate Governance as per the Schedule -V(paragraphs 2 to10) of SEBI(LODR)Regulations 2015.

12. Adoption of **discretionary requirements** specified in Part E of Schedule II on Corporate Governance as per SEBI(LODR) Regulations

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2015:

A. The Board:

The Chairman of the Board is executive Chairman and do not maintain a separate office,

B. Shareholders Rights:

A half yearly declaration of financial performance including summary of significant events to be sent to Shareholders: Not yet to be initiated.

B. Modified Opinion in audit Report:

Efforts are made to move towards unmodified audit opinion regime.

**A. Separate Posts of Chairperson and CEO:**

Presently the post of Chairman & Managing Director/CEO is held by an individual person.

**B. Reporting of the Internal Auditor:**

The Internal Auditors are reporting directly to the Audit Committee of the Company.

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

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

**14. Reconciliation of Share Capital Audit:**

As required by Circular dated Dec 31 2002 read with Regulation 55(A) of SEBI (Depositories and Participants ) Regulations -1996 the Quarterly "Reconciliation of Share Capital" Report pertaining for the financial year : 2017-18 were furnished to the BSE Ltd & NSE Ltd is as follows

<b>Quarter ended on</b>	<b>Furnished to the BSE LTD on</b>	<b>Furnished to the NSE LTD on</b>
June 30 ,2017	July 10,2017	July 11,2017
September 30, 2017	October 09, 2017	October 10, 2017
December 31, 2017	January 11, 2018	January 11, 2018
March 31, 2018	April 17,2018	April 17, 2018

## **CERTIFICATE**

To  
The Members of Marathon Nextgen Realty Ltd.

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

I, Chetan R Shah, Managing Director of Marathon Nextgen Realty Ltd hereby declare that all members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2018.

Mumbai  
Date: May 22,2018

Chetan R. Shah  
Managing Director

## **Certificate on Compliance from the Practicing Company Secretary**

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

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

For and on behalf of the Board of Directors

Place :Mumbai  
Date: May 22,2018

Chetan R. Shah  
Chairman & Managing Director

**CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of  
Marathon Nextgen Realty Limited.  
Mumbai.

We have examined the compliance of the conditions of Corporate Governance by Marathon Nextgen Realty Limited (“the Company”) for the year ended 31 March, 2018 as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

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

In our opinion and to the best of my information and according to the explanations given to us, We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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

\_\_\_\_\_  
(NITIN R. JOSHI)

FCS : 3137 CP : 1884

Place : Mumbai  
Date : May 22, 2018

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management of the Company is pleased to present this report covering the activities of the Company during the year ended on 31st March 2018.

### Economic outlook

#### Global economy :

The world economy has strengthened as lingering fragilities related to the global financial crisis subside. Labour market indicators continue to improve in a broad spectrum of countries, and roughly two-thirds of countries worldwide experienced stronger growth in 2017 than in the previous year. The improved global economic situation provides an opportunity for countries to focus policies towards longer term issues such as carbon emissions (Kyoto Protocol) reducing inequalities, economic diversification and eliminating deep rooted barriers that hinder development. Global trade rebounded in 2017. In the first eight months of the year, world merchandise trade grew at its fastest pace in the post-crisis period. The rebound springs predominantly from stronger import demand in East Asia, as domestic demand picked up in the region, supported by accommodative policy measures. In several major developed economies, imports of capital goods have rebounded, as firms respond to improving conditions for investment. Recent trade barriers between the Developed countries, gets amplified if met by retaliatory measures by each other countries. An increasingly restrictive trade environment may hinder medium-term growth prospects, given the mutually reinforcing linkages between trade, investment and productivity growth. In this regard, policies should focus on upholding and revitalizing multilateral trade cooperation, emphasizing the possible benefits from trade in services.

#### Indian economy:

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to grow at 7.3% in 2018-19) Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. The Government of India, under the Make in India initiative, is trying to boost the contribution made by the manufacturing sector and aims to take it up to 25 % of the GDP from the current 17 %. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behavior and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by Pricewaterhouse Coopers.

#### INDUSTRY REVIEW:

The real estate sector is one of the most globally recognised sectors. In India, real estate is the second largest employer after agriculture and is slated to grow at 30 % over the next decade. The real estate sector comprises four sub sectors - housing, retail, hospitality and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as

urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy. It is also expected that this sector will incur more non-resident Indian (NRI) investments in both the short term and the long term.

The Indian real estate market is expected to touch US\$ 180 billion by 2020. The housing sector alone contributes 5-6 % to the country's Gross Domestic Product (GDP). According to data released by Department of Industrial Policy and Promotion (DIPP), the construction development sector in India has received Foreign Direct Investment (FDI) equity inflows to the tune of US\$ 24.66 billion in the period April 2000-September 2017. Retail, hospitality and commercial real estate are also growing significantly, providing the much needed infrastructure for India's growing needs. Sectors such as IT and ITeS, retail, consulting and e-commerce have registered high demand for office space in recent times. The office space absorption in 2017 across the top eight cities amounted to 18 million square feet (MSF) as of September 2017. In 2017, new retail space of 6.4 MSF has finished and supply of around 20 MSF is expected in 2019.

#### Government Initiatives :

The Government of India along with the governments of the respective states has taken several initiatives to encourage the development in the sector. The Smart City Project, where there is a plan to build 100 smart cities, is a prime opportunity for the real estate companies. India jumped up 30 notches into the top 100 rankings on the World Bank's 'ease of doing business' index, thanks to major improvements in indicators such as resolving insolvency, paying taxes, protecting minority investors and getting credit. However, India still lags in areas such as starting a business, enforcing contracts and dealing with construction related approvals.

#### MUMBAI REAL ESTATE:

Except for the brief period of demonetization, Mumbai real estate market has shown signs of improvement and increase in off-take of inventory. Further, customers have shown a clear preference to the developers with good track record of timely delivery, quality product and with sound financial stability. This has divided Mumbai real estate market in two segments – developers who will timely deliver quality product and the other ones whose delivery and quality is uncertain. Good developers have seen regular demand throughout 2017-18.

#### OPPORTUNITIES AND CHALLENGES:

##### Opportunities :

As India awaits policy reforms to pick up speed, your Company firmly believes that the demand for Real Estate in a country like India should remain strong in the medium to long term. Your Company's well accepted brand, contemporary architecture, well designed projects in strategic locations, strong balance sheet and stable financial performance even in testing times make it a preferred choice for customers and shareholders. Your Company is ideally placed to further strengthen its development potential by acquiring new land parcels. Challenges While the management of your Company is confident of creating and exploiting the opportunities, it also finds the following challenges: ?

##### Challenges:

While the management of your Company is confident of creating and exploiting the opportunities, it also finds the following challenges: ?

- Unanticipated delays in Project approvals
- Availability of trained labour force
- Increased cost of man power
- Rising cost of Construction
- Over regulated environment

## COMPANY STRENGTHS:

Your Company continues to capitalize on the market opportunities by leveraging its key strengths. These include:

1. **Brand Reputation:**  
Enjoys higher recall and influences the buying decision of the customer. Strong customer connects further results in higher premium realizations.
2. **Execution:** Possesses a successful track record of quality execution of projects with contemporary architecture.
3. **Strong cash flows:** Has built a business model that ensures continuous cash flows from their investment and development properties ensuring a steady cash flow even during the adverse business cycles.
4. **Significant leveraging opportunity:** Follows conservative debt practice coupled with enough cash balance which provides a significant leveraging opportunity for further expansions.
5. **Outsourcing:** Operates an outsourcing model of appointing globally renowned architects / contractors that allows scalability and emphasizes contemporary design and quality construction – a key factor of success.
6. **Transparency:** Follows a strong culture of corporate governance and ensures transparency and high levels of business ethics.

## Opportunities and Threats:

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

Delays in the project are the biggest issue faced by the buyers. Since last 10 years many project has seen delays up to 7 years.

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

## GST Impact on India Real Estate Sector:

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

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

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

## Segment-wise or product-wise performance

- (i) The focus of the Company at present is on the Slum Rehabilitation activities & high end residential segment.
- (ii) There is an increase in demand for the commercial space owing to rapid growth in Services sector such as ITES ,BFSI ,Telecom

and owing to a raising demand from MNCs to establish offices in India. The Company has embarked on development of Phase-III, IT Park at FutureX premises.

## Outlook:

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

India's unhoused may soon become a potent economic growth driver, thanks to the PM drive to bring homes to the country's 1.3 billion people, rising incomes and the best affordability in two decades. The result may be a \$ 1.3 trillion wave of investment in housing over the next seven years, according to CLSA India Pvt Ltd.

It is expected 60 million new homes to be built between 2018 and 2024, creating about 2 million jobs annually and giving a tailwind of as much as 75basis points (0.75%) to India's GDP. The volume of social and affordable housing will rise almost 70% to 10.5 million annually by 2024, exceeding the 33% increase in the premium market.

The housing sector is at tipping point and will be the economy's next big growth driver. The Government of India has been on the mission to expand affordable housing .In February the Government granted affordable housing builders "Infrastructure status" making them eligible for state incentives, subsidies, tax benefits and Institutional funding .In June 2015,it announced "Housing for all" programme which aims to construct 20 million homes across the country and in December'16 it announce rebates and interest waivers for home loans under the programme.

## HUMAN RESOURCES :

The forever changing business landscape today requires companies to continuously evolve it's HR practices. Your Company's biggest assets are our employees. Through their commitment and excellence, every year, they have helped your Company achieve new horizons of success. The key highlights for the year were: a) Attract and engage the right talent & b) Employee Wellness.

Continuous innovation remains one of the key focuses in identifying and hiring talent. This year your Company's hiring process was automated. The new online system allows better resourcefulness and screening of the applicants without any biases. It also helps the process run more efficiently by ruling out human interventions, physical data storage limitations, status update available on the click of a button, creating a trail of record of actions for future use, etc. Also, critical level hiring was done during the year to give impetus to existing processes and technology.

**Development through Engagement:** Your Company sincerely believes that employee motivation, development and engagement are key aspects to a successful talent management. Hence, competency development remains one of the key focus areas of your Company's strategy for motivation and engagement. During the year, the management has conducted several compensation programmes. These programs were based on business imperatives and went through a meticulous round on selection and rejection by the management to arrive at a tailor-made development plan basis each employee's individual need.

**Performance Management System:** Acknowledging and appreciating its talent is important for a Company's growth story. Rewarding and recognizing consistent superior performance is essential to build a stronger Marathonites and create a talent pipeline. Your Company understands the importance of recognition and the new generation's hunger to prove themselves in a highly competitive environment. Hence, this program identifies high performers and rewards them with challenging opportunities to grow faster as compared to the rest within the organisation.



**Employee Wellness:** Year after year your Company's (Marathon Group) unwavering focus remains on continuously creating an environment of fun, camaraderie & well-being for your employees. Events were celebrated such programs provide a great platform with ample opportunities to get together and celebrate the spirit of oneness. A healthy employee is essential for a highly productivity oriented organisation. Your Company wants your employees to stay healthy and want to help them get there by addressing niggling issues so that they don't grow into serious concerns.

Your Company follows a prudent business model and tries to ensure steady cash flow even during adverse pricing scenario.

**Sales volume:**

The volume of bookings depends on the ability to design projects that will meet customer preferences, getting various approvals in time, general market factors, project launch and customer trust in entering into sale agreements well in advance of receiving possession of the projects. Your Company sells its projects in phases from the time it launches the project, based on the type and scale of the project and depending on market conditions.

**Execution:**

Execution depends on several factors which include labour availability, raw material prices, receipt of approvals and regulatory clearances, access to utilities such as electricity and water, weather conditions and the absence of contingencies such as litigation. Your Company manages the adversities with cautious approach, meticulous planning and by engaging established and reputed contractors. As your Company imports various materials, at times execution is also dependent upon timely shipment and clearance of the material.

**Rental realizations:**

The rental realizations on the space leased depends upon the project location, design, tenant mix (this is relevant in the case of shopping malls), prevailing economic conditions and competition. Your Company has set up its retail property in prime location and maintains a fresh ambience resulting in crowd pull and attracting first time kind of retailers. As far as the office space rentals are concerned, the same depends on demand and supply, general economic conditions, business confidence and competition.

**Land / Development rights, costs and availability :**

The cost of land forms a substantial part of the project cost, particularly in Mumbai. It includes amounts paid for freehold rights, leasehold rights, fungible FSI, construction cost of area given to landlords in consideration for development rights, registration and stamp duty. Your Company acquires land / land development rights from the government and private parties. It ensures that the consideration paid for the land is as per the prevailing market conditions, reasonable and market timed. Your Company also enters into MOUs and makes advances for the land / land development rights prior to entering into definitive agreements. The ensuing negotiations may result in either a transaction for the acquisition of the land / land development rights or the Company getting a refund of the moneys advanced.

**Financing costs:**

The acquisition of land and development rights needs substantial capital outflow. Inadequate funding resources and high interest costs may impact regular business and operations. Your Company has always tried to build sufficient reserves resulting out of operating cash flows to take advantage of any land acquisition or development opportunity.

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

as well. Increase in end product prices coupled with tight liquidity may impact demand.

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

**a. Internal control systems and their adequacy**

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

**b. Operational Performance:**

Financial Year	For the year ended 31.03.2018 (INR)	For the year ended 31.03.2017 (INR)
Income	6993	24856
EBIDT	4384	11227
Interest	456	30
Depreciation	76	15
Profit/ (Loss) before tax	3853	11182
Profit/ (Loss) after tax	3091	8840

**c. Material developments in Human Resources**

The Company has harmonious relations with employees and there is close interaction between the management and employees to facilitate smooth functioning of your Company. The Company facilitates consistent improvement in performance, productivity and effectiveness by setting targets through an interactive process. Human resources are being recognized as one of the critical areas to the success of our organization. They are subject to constant training to augment their skills to effectively carry out their assignment.

**Disclosure of Accounting Treatment:**

In preparation of these financial statements, the Company has followed the prescribed Accounting Standards and no different treatment had been followed

**Cautionary Statement:**

*Statements in this report on Management Discussion and Analysis describing the Company's objectives, projection, estimates, expectations or predictions may be forward looking statements within the meaning of applicable laws or regulations. These statements are based on certain assumptions and reasonable expectation of future events.*

*Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic developments within India and other incidental factors. The Company assumes no responsibility in respect of the forward-looking statements herein, which may undergo changes in future on the basis of subsequent development.*

## Independent Auditor's Report

### TO THE MEMBERS OF MARATHON NEXTGEN REALTY LIMITED

#### Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of MARATHON NEXTGEN REALTY LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act and rules made there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit including Other comprehensive income, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

#### Other Matters

The comparative financial information of the Company for the year ended March 31, 2017 prepared in accordance with Indian Accounting Standards, included in these Standalone Financial Statements, have been audited by the predecessor auditors. The report of the predecessor auditors on the comparative financial information dated May 29, 2017 expressed an unmodified opinion.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereafter.
  - e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    1. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 37 to the Standalone Financial Statements
    2. The Company has made provision, as required under the applicable law or accounting standards, for material

foreseeable losses, if any on long-term contracts including derivative contracts.

3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Rajendra & Co.

Chartered Accountants

Firm Registration No 108355W

Akshay R. Shah

Partner

Membership No.103316

Mumbai

Date: 22nd May 2018

## “ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF MARATHON NEXTGEN REALTY LIMITED

(Referred to in Paragraph 1 under the heading of “Report on other legal and regulatory requirements” of our report of even date)

### i. In respect of its fixed assets :

a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

b. As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

c. The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are in the name of the Company, except for the details given below

Land/Building	Total number of cases	Leasehold/ Freehold	Gross block as on March 31, 2018 (Rs. In Lakhs)	Net Block as on March 31, 2018 (Rs. In Lakhs)	Remarks
Land 1	1	Freehold	1.49	1.49	Unused FSI of self developed project

ii. Inventories comprise of car parking units, unsold inventory, expenditure incurred on acquisition of land and tenancy rights, development rights, and other expenditure on construction and development of the project of the Company. As explained to us, physical verification of the inventories have been conducted at reasonable intervals by the management, which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. No material discrepancies were noticed on such physical verification.

iii. The Company has granted unsecured loans to companies and a Limited Liability Partnerships covered in the register maintained under Section 189 of the Act.

(a) According to the information and explanations given to us and based on the audit procedures conducted by us we are of the opinion that, the terms and conditions of the aforesaid loans granted by the Company are not prejudicial to the interest of the Company.

(b) The schedule of repayment of principal and payment of interest in respect of such loans has not been stipulated and hence, we are unable to comment whether the repayments or receipts are regular and report on amounts overdue for more than ninety days, if any, as required under Paragraph 3(iii) of the Order.

iv. According to the information and explanations given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 of the Act, except with respect to a transaction carried out by it with a Company in which

Directors are interested as Directors and shareholders of the recipient Company, wherein the loan extended by the Company is in the nature of project advance. Maximum amount of loan outstanding during the year is of Rs. 315,84.18 Lakhs and the outstanding amount as on March 31, 2018 is of Rs. 315,84.18 Lakhs. As explained in Note no. 6.1 to the Standalone Financial Statements, the Management is of the opinion that, project advance of this nature would not attract the provisions of Section 185 of the Act.

Further, the provisions of section 186 of the Act are not applicable to the Company as it is engaged in the business of Real estate & Construction.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company

vi. The Central Government has prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act and rules framed there under. However, at present the Company does not fall under the criteria for which such records are required to be maintained. Hence, the said rules are not applicable to the Company.

vii. In respect of Statutory dues:

a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess, Goods and Service tax and any other statutory dues have been generally regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at 31st March, 2018 for a period of more than six months from the date becoming payable.

b. According to the information and explanations given to us, the dues outstanding with respect to, income tax, excise duty on account of any dispute are as follows:

Name of the statute	Nature of dues	Amount (Rs.in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty	90.64	1991-92, 1992-93, 1994-95, 1995-96	Central Excise & Servicetax Appellate Tribunal (CENSTAT) including penalty
Central Excise Act, 1944	Penalty	0.15	1998-99, 1991-92, 1992-93	Commissioner of Central Excise (Appeal)
Central Excise Act, 1944	Excise duty	14.63	1977-78, 1983-84, 1991-92, 1992-93	Deputy Commissioner of Central Excise (Appeal)
Income Tax Act, 1961	Income Tax	4.31	Asst. year 2011-12	Income tax Assessing Officer
The Maharashtra Value Added Tax Act, 2002	Value Added Tax	4590.10*	2006-07 2007-08 2009-10	Deputy Commissioner Sales Tax (Appeal)
The Maharashtra Added Tax Act, 2002	Value Added Tax	430.47	2008-09	Deputy Commissioner Value Sales Tax (Appeal)

- viii. In our opinion and according to the information given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution, bank or government or debenture holders during the year.
- ix. In our opinion and according to the information and explanations given to us, the moneys raised by way of term loan have been applied by the Company for the purpose for which they were raised. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.
- x. In our opinion, based on the audit procedures performed for the purpose of reporting the true and fair view of the Standalone Financial Statements and as per information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us, managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion Company is not a Nidhi Company and hence reporting under, the provisions of clause (xii) of paragraph 3 of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with Sections 177 and 188 of the Act and details of related party transactions have been disclosed in the Standalone Financial Statements etc., as required by the applicable accounting standards.
- xiv. In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act and hence reporting under clause (xv) of the paragraph 3 of the Order is not applicable to the Company.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Rajendra & Co.  
Chartered Accountants  
Firm Registration No 108355W

Akshay R. Shah  
Partner  
Membership No.103316  
Mumbai  
Date: 22nd May 2018

## **ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF MARATHON NEXTGEN REALTY LIMITED**

**(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)  
Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the Internal Financial Control over financial reporting of MARATHON NEXTGEN REALTY LIMITED (“the Company”) as of 31st March, 2018 in conjunction with our audit of the Standalone Financial Statements of the Company for the year then ended.

### **Management Responsibility for the Internal Financial Controls**

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

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Rajendra & Co.  
Chartered Accountants  
Firm Registration No 108355W

Akshay R. Shah  
Partner  
Membership No.103316  
Mumbai

## Standalone Balance Sheet as at 31 March 2018

(₹ in Lakhs)

PARTICULARS	Note	As at 31st March, 2018	As at 31st March, 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
a. Property, Plant and Equipment	3	140.97	27.24
b. Investment Property	4	10,366.10	-
c. Investment	5A	47.62	47.62
d. Financial Assets			
i. Investment	5B	285.56	0.28
ii. Loans	6	45,392.46	41,484.44
iii. Other Financial Assets	7	11.64	8.27
e. Deferred Tax Assets (Net)	8	73.92	77.90
f. Non-current Tax Assets	9	1,482.06	1,049.83
g. Other Non-current Assets	10	-	-
<b>Total Non-current assets</b>		<b>57,800.33</b>	<b>42,695.58</b>
<b>Current Assets</b>			
a. Inventories	11	28,207.95	1,991.79
b. Financial Assets			
i. Trade Receivables	12	3.92	26,274.09
ii. Cash and Cash Equivalents	13	1,048.92	33.44
iii. Bank Balances other than Cash and Cash Equivalents	14	15.15	15.65
iv. Loans	15	3,811.07	0.27
v. Other Financial Assets	16	77.58	44.35
c. Other Current Assets	17	287.83	2,007.13
<b>Total Current Assets</b>		<b>33,452.42</b>	<b>30,366.72</b>
<b>Total Assets</b>		<b>91,252.75</b>	<b>73,062.30</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a. Equity Share Capital	18	2,300.00	2,843.73
b. Other Equity	19	55,378.81	68,265.34
<b>Total Equity</b>		<b>57,678.81</b>	<b>71,109.07</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
a. Financial Liabilities			
i. Borrowings	20	11,654.26	1,131.27
ii. Other Financial Liabilities	21	21.60	19.54
b. Provisions	22	82.91	34.44
<b>Total Non-current Liabilities</b>		<b>11,758.77</b>	<b>1,185.25</b>
<b>Current liabilities</b>			
a. Financial Liabilities			
i. Trade Payable	23	-	10.80
Due to Micro and Small Enterprises		-	10.80
Other than Micro and Small Enterprises		11,037.52	146.97
ii. Other Financial Liabilities	24	10,292.54	417.20
b. Other Current Liabilities	25	470.07	179.58
c. Provisions	26	15.04	13.43
<b>Total Current Liabilities</b>		<b>21,815.17</b>	<b>767.98</b>

**Standalone Balance Sheet as at 31 March 2018**

(₹ in Lakhs)

PARTICULARS	Note	As at 31st March, 2018	As at 31st March, 2017
<b>Total Liabilities</b>		<b>33,573.94</b>	<b>1,953.23</b>
<b>Total Equity and Liabilities</b>		<b>91,252.75</b>	<b>73,062.30</b>

The accompanying notes are an integral part of financial statements.  
As per our report of even date.

For and on behalf of the Board of Directors

**For Rajendra & Co.**  
**Chartered Accountants**  
**ICAI Firm Registration No. 108355W**

Chetan R. Shah  
Chairman &  
Managing Director  
DIN: 00135296

S. Ramamurthi  
CFO &  
Whole time Director  
DIN: 00135602

Akshay R. Shah  
Partner  
Membership No. 103316  
Place: Mumbai  
Date: May 22, 2018

K. S. Raghavan  
Company Secretary



## Standalone Statement of Profit and Loss for the year ended 31 March 2018

(₹ in Lakhs except EPS)

PARTICULARS	Note No.	for the year ended 31st March, 2018	for the year ended 31st March, 2017
Revenue from Operations	27	1,315.21	19,313.95
Other Income	28	5,677.62	5,542.54
<b>Total Income (A)</b>		<b>6,992.83</b>	<b>24,856.49</b>
<b>Expenses</b>			
Project Development Expenses	29	27,389.76	1,246.50
Change in Inventory of Finished Goods and Work in Progress	30	-26,216.16	11,205.27
Employee Benefits Expense	31	511.82	363.30
Depreciation and Impairment	3 & 4	75.78	14.74
Finance Costs	32	455.65	29.85
Other Expenses	33	923.17	815.36
<b>Total Expenses (B)</b>		<b>3,140.02</b>	<b>13,675.02</b>
<b>Profit before Tax (C = A - B)</b>		<b>3,852.81</b>	<b>11,181.47</b>
<b>Tax Expense:</b>			
Current Tax		826.52	2,420.00
Deferred Tax		-0.54	-27.48
Short / (Excess) provision for tax related to earlier period		-64.16	-6.57
<b>Total Tax Expense (D)</b>	<b>8.2</b>	<b>761.82</b>	<b>2,385.95</b>
<b>Profit for the year (E = C - D)</b>		<b>3,090.99</b>	<b>8,795.52</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Net Gain / (Loss) on Fair Value of Equity Instruments		-	0.72
Remeasurement of Defined Benefit Obligation		14.44	9.17
Income Tax effect on above remeasurement		-5.00	-3.17
<b>Total Other Comprehensive Income [Net of tax] (F)</b>		<b>9.44</b>	<b>6.72</b>
<b>Total Comprehensive Income for the year (G = E + F)</b>		<b>3,100.43</b>	<b>8,802.25</b>
Earning Per Share (Rs.)	40		
Basic (Face Value of Rs. 10 each)		12.64	30.93
Diluted (Face Value of Rs. 10 each)		12.64	30.93

The accompanying notes are an integral part of financial statements.  
As per our report of even date.

For and on behalf of the Board of Directors

**For Rajendra & Co.**  
**Chartered Accountants**  
ICAI Firm Registration No. 108355W

Chetan R. Shah Chairman & Managing Director DIN: 00135296	S. Ramamurthi CFO & Whole time Director DIN: 00135602
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Akshay R. Shah  
Partner  
Membership No. 103316  
Place: Mumbai  
Date: May 22, 2018

K. S. Raghavan  
Company Secretary

## Cash Flow Statement for the year ended 31 March 2018

(₹ in Lakhs)

PARTICULARS		for the year ended 31st March, 2018	for the year ended 31st March, 2017
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit before tax	3,852.81	11,181.47
	Adjustments for :		
	Dividend income	-	-0.15
	Interest income	-5,666.23	-5,514.29
	Fair Value gain on financial assets	-8.09	-
	Liabilities no longer required written back	-	-3.53
	Provision for employee benefits	40.19	7.89
	Finance costs	455.65	29.85
	Provision for doubtful debts	14.12	91.40
	Depreciation and amortization	75.78	14.74
	<b>Operating profit before working capital changes</b>	<b>-1,235.77</b>	<b>5,807.38</b>
	Decrease / (Increase) in trade and other receivable	27,967.77	-20,005.30
	(Increase) / Decrease in inventory	-26,216.16	11,205.27
	Increase / (Decrease) in trade & other payable	12,001.03	-52.07
	<b>Cash (used in) operations</b>	<b>12,516.87</b>	<b>-3,044.72</b>
	Direct taxes paid (Net of refund)	-1,194.59	-2,513.69
	<b>Net cash (used in) operating activities (A)</b>	<b>11,322.28</b>	<b>-5,558.41</b>
<b>B.</b>	<b>Cash Flow from Investing Activities</b>		
	Purchase / (Sale) of PPE	-151.49	-3.22
	Proceeds from sale of investments	-	6.61
	Purchase of investment property	-10,404.11	-
	Excess consideration paid over net assets acquired (Refer note 46)	-1,301.19	-
	Investment in mutual funds	-277.18	-
	Loans (given) / repaid	-7,718.83	-998.18
	Investment in bank deposits with original maturity more than 3 months	-26.81	-42.38
	Interest received	5,663.31	5,512.60
	Dividend received	-	0.15
	Other Bank Balances	0.57	-
	<b>Net cash flow from Investing Activities (B)</b>	<b>-14,215.73</b>	<b>4,475.58</b>
<b>C.</b>	<b>Cash flow from Financing Activities</b>		
	Proceeds from borrowing	19,695.40	1,139.94
	Buy back of equity shares	-14,952.70	-
	Dividend and dividend distribution tax paid	-276.83	-342.27
	Interest paid	-455.65	-29.85
	<b>Net cash flow from / (used in) Financing Activities (C)</b>	<b>4,010.22</b>	<b>767.82</b>
	<b>Net (decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>1,116.77</b>	<b>-315.01</b>
	Cash & Cash Equivalents at the beginning of the year		
	Balance with Bank - in Current Account (Note 13)	32.49	321.85
	Cash on hand (Note 13)	0.95	0.10
	Book overdraft (Note 24)	-101.30	-74.80
	Adjustment on account of amalgamation (Note 48)	-	-
	<b>Total</b>	<b>-67.86</b>	<b>247.15</b>
	Cash & Cash Equivalents at the end of the year		
	Balance with Bank - in Current Account (Note 13)	1,047.73	32.49
	Cash on hand (Note 13)	1.19	0.95
	Book overdraft (Note 24)	-	-101.30
	<b>Total</b>	<b>1,048.92</b>	<b>-67.86</b>

**DISCLOSURE AS REQUIRED BY IND AS 7**

Reconciliation of liabilities arising from financing activities for the year ended March 31,2018

(₹ in Lakhs)

Particular	Opening balance	Cash flows	Non cash changes interest accrued but not due	Closing balance
Term loan from financial institution (Secured) ( Refer Note 20 & 24)	1,139.94	19,649.49	54.58	20,844.01

**DISCLOSURE AS REQUIRED BY IND AS 7**

Reconciliation of liabilities arising from financing activities for the year ended March 31,2017

(₹ in Lakhs)

Particular	Opening balance	Cash flows	Non cash changes interest accrued but not due	Closing balance
Term loan from financial institution (Secured) ( Refer Note 20 & 24)	-	1,131.27	8.67	1,139.94

**Explanatory notes to Statements of Cash Flows:**

1. Statement of Cash Flows is prepared in accordance with Ind AS 7 as notified by Ministry of Corporate Affairs.
2. In Part A of the Cash Flow Statement, figures in brackets indicate deduction made from the net profit for deriving the net cash flow from operating activities. In Part B and Part C, figures in brackets indicate cash outflows.

The accompanying notes are an integral part of financial statements.

As per our report of even date.

For and on behalf of the Board of Directors

**For Rajendra & Co.**  
**Chartered Accountants**  
**ICAI Firm Registration No. 108355W**

Chetan R. Shah  
Chairman &  
Managing Director  
DIN: 00135296

S. Ramamurthi  
CFO &  
Whole time Director  
DIN: 00135602

Akshay R. Shah  
Partner  
Membership No. 103316  
Place: Mumbai  
Date: May 22, 2018

K. S. Raghavan  
Company Secretary

# 41<sup>st</sup> Annual Report 2017-2018

## Standalone Statement of Changes in Equity

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

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balance at the beginning / end of the year	2,843.73	2,843.73
Shares extinguished on buy back	-543.73	-
<b>Balance at the end of the year</b>	<b>2,300.00</b>	<b>2,843.73</b>

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

Particulars	Reserves & Surplus				Other Comprehensive Income	Total
	Capital Reserve	Capital redemption reserve	General Reserve	Retained Earnings		
Balance as at 31st March 2016	-	-	33,887.67	25,914.26	3.44	59,805.37
Profit for the year	-	-	-	8,795.52	-	8,795.52
Other comprehensive Income- Actuarial gain on defined benefit plans (Net of tax)	-	-	-	-	6.00	6.00
Other comprehensive Income- Net Gain / (Loss) on fair value of Equity Instrument	-	-	-	-	0.72	0.72
Dividend paid	-	-	-	-284.37	-	-284.37
Dividend distribution tax paid	-	-	-	-57.89	-	-57.89
Balance as at 31st March 2017	-	-	33,887.67	34,367.52	10.15	68,265.34
Profit for the year	-	-	-	3,090.99	-	3,090.99
Other comprehensive Income- Actuarial gain on defined benefit plans (Net of tax)	-	-	-	-	9.44	9.44
Capital reserve arising out of business combination (Refer note 46 )	-1,301.19	-	-	-	-	-1,301.19
Buy back of shares	-	543.73	-14,408.96	-543.73	-	-14,408.96
Dividend paid	-	-	-	-230.00	-	-230.00
Dividend distribution tax paid	-	-	-	-46.83	-	-46.83
Balance as at 31st March 2018	-1,301.19	543.73	19,478.71	36,637.95	19.59	55,378.81

The accompanying notes are an integral part of financial statements.  
As per our report of even date.

For and on behalf of the Board of Directors

**For Rajendra & Co.**  
**Chartered Accountants**  
**ICAI Firm Registration No. 108355W**

Chetan R. Shah  
Chairman &  
Managing Director  
DIN: 00135296

S. Ramamurthi  
CFO &  
Whole time Director  
DIN: 00135602

Akshay R. Shah  
Partner  
Membership No. 103316  
Place: Mumbai  
Date: May 22, 2018

K. S. Raghavan  
Company Secretary

## Notes to Financial Statements for the year ended 31st March 2018

### 1 Company Overview

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

### 2 Significant Accounting Policies

#### I. Basis of Preparation of Financial Statements

##### a. Compliance with Ind AS

The standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified under section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015 (as amended).

The financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. The financial statements are presented in Indian Rupee ("INR") and all values are rounded to the nearest INR Lakh, except when otherwise indicated

##### b. Historical Cost Convention

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

##### c. Operating Cycle

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

##### d. Functional and Presentation Currency

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

#### II. Use of Estimates and Judgements

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

in which the results are known/ materialise. Following are the key areas of estimation and judgement.

##### a. Evaluation of Percentage Completion

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

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

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

##### c. Impairment of Financial Assets

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

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

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

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

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

##### f. Fair Value Measurement of Financial Instruments

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

##### g. Classification of Investment property

The Company determines whether a property is classified as investment property or as inventory:

(i) Investment property comprises land and buildings that are not occupied for use by, or in the operations of, the Company, nor for sale in the ordinary course of business, but are held

primarily to earn rental income and capital appreciation. These buildings are rented to tenants and are not intended to be sold in the ordinary course of business.

(ii) Inventory comprises property that is held for sale in the ordinary course of business. Principally these are properties that the Company develops and intends to sell before or on completion of construction.

### III. Measurement of Fair Values

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

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

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

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

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

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

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

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

#### a. Recognition and Measurement

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

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

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

#### b. Subsequent Expenditure

Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing PPE, including repair and maintenance expenditure and cost of replacing parts,

are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

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

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

#### c. Depreciation

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

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

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

#### V. Investment Property

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

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

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

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

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

### VI. Financial Instruments

#### a. Financial Assets

##### i. Classification

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

##### ii. Initial Recognition and Measurement

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

##### iii. Subsequent Measurement

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

#### a. Financial asset at fair value

#### b. Financial asset at amortised cost

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

#### iv. Equity Investments

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

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

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

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

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

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

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

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

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

#### vi. De-recognition

A financial asset (or, where applicable, a part of a financial

asset or part of a group of similar financial assets) is primarily derecognised when:

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

#### vii. Impairment of Financial Asset

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

- Financial asset measured at amortised cost
  - Financial asset measured at fair value through other comprehensive income
- Expected credit losses are measured through a loss allowance at an amount equal to:
- 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
  - Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables, considering historical trend, industry practices and the business environment in which the Company operates or any other appropriate basis

The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

#### b. Financial Liabilities

##### i. Classification

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

##### ii. Initial Recognition and Measurement

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

##### iii. Subsequent Measurement

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

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

Any difference between proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of borrowing using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction cost of the loan to the extent that it is probable that some or all of the facility will be drawn down.

#### iv. Derecognition

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

#### Offsetting of Financial Instruments

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

#### c. Equity Instruments

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

#### VII. Inventories

- a. Inventories comprise of: (i) Finished Realty Stock representing unsold premises in completed projects (ii) Realty Work in Progress representing properties under construction / development and (iii) Raw Material representing inventory yet to be consumed.
- b. Inventories other than Raw Material above are valued at lower of cost and net realisable value. Raw Materials are valued at weighted average method.
- c. Cost of Realty construction / development is charged to the Statement of Profit and Loss in proportion to the revenue recognised during the period and the balance cost is carried over under Inventory as part of either Realty Work in Progress or Finished Realty Stock. Cost of Realty construction / development includes all costs directly related to the Project (including finance cost attributable to the project) and other expenditure as identified by the Management which are incurred for the purpose of executing and securing the completion of the Project (net off incidental recoveries / receipts) up to the date of receipt of Occupation Certificate of Project from the relevant authorities.

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

#### VIII. Revenue Recognition

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

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

been recognised on percentage of completion method provided the following thresholds have been met:

- (i) All critical approvals necessary for the commencement have been obtained
  - (ii) The expenditure incurred on construction and development costs is not less than 25 per cent of the total estimated construction and development costs
  - (iii) At least 25 percent of the saleable project area is secured by contracts or agreements with buyers and
  - (iv) At least 10 percent of the contract consideration is realized at the reporting date in respect of such contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts. Revenue from sale of completed properties (Finished Realty Stock) is recognised upon transfer of significant risks and rewards to the buyer.
- b. Income from relinquishment of rights over property is recognised on the basis of terms agreed with the party, which is based on the transfer of risks and rewards related to the asset.
  - c. Interest income is accounted on an accrual basis at effective interest rate.
  - d. Dividend income is recognised when the right to receive the payment is established.
  - e. Rent income is accounted on accrual basis over tenure of the lease / service agreement.

#### IX. Income Tax

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

##### a. Current Tax

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

Current tax assets and liabilities can be offset only if the Company(i) has a legally enforceable right to set off the recognised amounts; and

- (ii) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### b. Deferred Tax

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

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

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

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse using



tax rates enacted or substantively enacted at the reporting date.

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

**Deferred tax assets and liabilities are offset only if:**

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

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

**X. Employee Benefits**

**a. Short term employee benefits**

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

**b. Post Employment Benefits**

**(i) Defined contribution plans**

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

**(ii) Defined benefit plans**

Provision for Gratuity is recorded on the basis of actuarial valuation certificate provided by the actuary using Projected Unit Credit Method.

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

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

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

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

**c. Other Long Term Employee Benefits**

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

**XI. Leases**

**a. Where Company is the Lessee**

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

**b. Where Company is the Lessor**

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

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

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

**XII. Borrowing Cost**

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

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

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

**XIII. Cash and Cash Equivalents**

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

**XIV. Earnings Per Share**

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

## XV. Cash Flow Statement

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

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

The amendments to Ind AS 7 require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for both the current and the comparative period in Cash Flow Statement.

## XVI. Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

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

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

## XVII. Segment Reporting

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

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

## XVIII. Recent Accounting Developments Standards issued but not yet effective

The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

1. Ind AS 115 Revenue from Contracts with Customers Ind AS 115 was issued on 29 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS and the guidance note of real estate issued by ICAI.

Ind AS 115 is applicable to the Company for annual periods beginning on or after April 1, 2018.

Application of above standard is under evaluation by the group

2. The MCA has also carried out amendments of the following accounting standards

- i. Ind AS 21 – The Effects of Changes in Foreign Exchange Rates
- ii. Ind AS 40 – Investment Property
- iii. Ind AS 12 – Income Taxes
- iv. Ind AS 28 – Investments in Associates and Joint Venture and
- v. Ind AS 112 – Disclosure of Interests in Other Entities

Application of above standards are not expected to have any significant impact on the Company's Financial Statements.

**Note - 3**  
**Property, Plant and Equipment**

(₹ in Lakhs)

Particulars	Freehold Land	Plant and Machinery	Air Conditioners and Office	Air Conditioners and Office Equipment's	Motor Vehicles	Total
<b>Gross Block at Deemed Cost</b>						
At 1st April 2016	2.58	2.58	0.09	47.64	0.19	53.08
Acquisition	-	0.63	2.00	-	0.59	3.22
<b>As at 31st March 2017</b>	<b>2.58</b>	<b>3.21</b>	<b>2.09</b>	<b>47.64</b>	<b>0.78</b>	<b>56.30</b>
<b>Accumulated depreciation</b>						
At 1st April 2016	-	0.03	0.00	14.28	0.01	14.32
Depreciation for the year	-	0.21	0.16	14.28	0.09	14.74
<b>As at 31st March 2017</b>	<b>-</b>	<b>0.24</b>	<b>0.16</b>	<b>28.56</b>	<b>0.10</b>	<b>29.06</b>
<b>Net Block</b>						
<b>As at 31st March 2017</b>	<b>2.58</b>	<b>2.97</b>	<b>1.93</b>	<b>19.08</b>	<b>0.68</b>	<b>27.24</b>
<b>As at 31st March 2016</b>	<b>2.58</b>	<b>2.56</b>	<b>0.09</b>	<b>33.36</b>	<b>0.18</b>	<b>38.76</b>

**Note - 3**  
**Property, Plant and Equipment**

(₹ in Lakhs)

Particulars	Freehold Land	Plant and Machinery	Air Conditioners and Office	Air Conditioners and Office Equipment's	Motor Vehicles	Total
<b>Gross Block at Deemed Cost</b>						
At 1st April 2017	2.58	3.21	2.09	47.64	0.78	56.30
Additions during the year	-	-	0.47	-	1.01	1.48
Additions on acquisition of an undertaking ( Refer note 46)	-	149.55	0.46	-	-	150.01
<b>As at 31st March 2018</b>	<b>2.58</b>	<b>152.76</b>	<b>3.02</b>	<b>47.64</b>	<b>1.79</b>	<b>207.79</b>
<b>Accumulated depreciation</b>						
At 1st April 2017	-	0.24	0.16	28.56	0.10	29.06
Depreciation for the year	-	6.23	0.42	13.30	0.64	20.59
Impairment	-	17.17	-	-	-	17.17
<b>As at 31st March 2018</b>	<b>-</b>	<b>23.64</b>	<b>0.58</b>	<b>41.86</b>	<b>0.74</b>	<b>66.82</b>
<b>Net Block</b>						
<b>As at 31st March 2018</b>	<b>2.58</b>	<b>129.12</b>	<b>2.44</b>	<b>5.78</b>	<b>1.05</b>	<b>140.97</b>
<b>As at 31st March 2017</b>	<b>2.58</b>	<b>2.97</b>	<b>1.93</b>	<b>19.08</b>	<b>0.68</b>	<b>27.24</b>

## Notes forming part of the standalone financial statements

(All amounts are in INR unless otherwise stated)

### Note 4 - Investments Property

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Gross carrying amount		
Opening balance	-	-
Additions on acquisition of an undertaking ( Refer note 46)	10,404.11	-
Depreciation for the year	-38.01	-
<b>Closing balance</b>	<b>10,366.10</b>	<b>-</b>
<b>Net carrying amount</b>	<b>10,366.10</b>	<b>-</b>

Investment in properties include a portion carved out of the slump sale where the management is of the opinion that these would be let out on long leases. This is based on the market feedback received by the company. The investment properties consist of commercial properties, which based on the intention of the Management in the normal course of business are held for the purposes of leasing. Further, fair value of these properties in Balance Sheet approximates ₹ 10647 lakhs.

There are no rental income in respect of above investment properties for FY 2017-18. Further there are no expenses incurred in respect of these properties.

These valuation are based on valuation performed by an accredited independent valuer. The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

### Note 5A - Investment

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Investment in Joint Ventures		
Investment in equity instruments at cost- Unquoted 5,208 (5,208 as at 31st March 2017) Equity Shares of Columbia Chrome (I) Private Limited	5.21	5.21
Investment in Limited Liability Partnership at cost- Unquoted Swayam Realtors & Traders LLP	42.41	42.41
<b>Total</b>	<b>47.62</b>	<b>47.62</b>
Aggregate amount of unquoted investment	47.62	47.62

### Information about Joint Ventures

(₹ in Lakhs)

Particulars	Proportion of Ownership Interest as at	
	As at 31-Mar-18	As at 31-Mar-17
Columbia Chrome (I) Private Limited Country of Incorporation: India Principle Activity: Construction	0.40	0.40
Swayam Realtors & Traders LLP Country of Incorporation: India Principle Activity: Construction	0.40	0.40

**Note 5B: Investments - Mutual Funds and bonds**

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Investment in Mutual Fund at fair value through profit or loss- Quoted 1,716,974.406 (PY NIL) Units of L&T Short Term Opportunities Fund - Reg-Growth	285.28	-
Investment in Government Securities at amortized cost- Unquoted 6 years National Savings Certificate	0.28	0.28
<b>Total</b>	<b>285.56</b>	<b>0.28</b>
Aggregate amount of quoted investment and market value thereof	285.28	-
Aggregate amount of unquoted investment	0.28	0.28
Aggregate amount of impairment in value of investment	-	-

**6 Loans (Non-current)**

Unsecured, considered good and valued at amortised cost

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Loans to Related Parties (Refer Note 43)		
Marathon Realty Private Limited*	31,584.18	28,933.20
Columbia Chrome (I) Private Limited	9,671.79	8,805.41
Swayam Realtors & Traders LLP	4,136.49	3,745.83
<b>Total</b>	<b>45,392.46</b>	<b>41,484.44</b>

6.1 \*Pursuant to an agreement, the Company has given advances to explore for the opportunities in a project to Marathon Realty Pvt. Ltd., with whom it is going to jointly execute the said project. At periodic intervals surplus amounts are returned as they are not immediately required for the project.

**7 Other Financial Assets (Non-current)**

Unsecured, considered good and valued at amortized cost

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Security deposits	11.64	8.27
<b>Total</b>	<b>11.64</b>	<b>8.27</b>

**8 Deferred Tax Assets**

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
The balance comprises of temporary differences attributable to:		
Difference in WDV of PPE as per Books and as per Tax Laws	27.10	28.46
Employee benefits allowed on payment basis	31.54	17.81
Provision for doubtful debts	30.73	31.63
Fair Valuation of Investments in mutual funds	-15.45	-
<b>Total</b>	<b>73.92</b>	<b>77.90</b>

**8.1 Movement in Deferred Tax Assets  
For the year ended 31st March 2017**

(₹ in Lakhs)

Particulars	As at 31-Mar-16	Recognized in		As at 31-Mar-17
		Profit or Loss	OCI	
Property, plant and equipment	34.95	-6.49	-	28.46
Employee benefits	18.64	2.34	-3.17	17.81
Provision for doubtful debts	-	31.63	-	31.63
<b>Total</b>	<b>53.59</b>	<b>27.48</b>	<b>-3.17</b>	<b>77.90</b>

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For the year ended 31st March 2018

(₹ in Lakhs)

Particulars	As at 31-Mar-17	Recognized in		As at 31-Mar-18
		Profit or Loss	OCI	
Property, plant and equipment	28.46	-1.36	-	27.10
Employee benefits	17.81	18.73	-5.00	31.54
Provision for doubtful debts	31.63	-0.90	-	30.73
Fair Valuation of Investments in mutual funds	-	-15.45	-	-15.45
<b>Total</b>	<b>77.90</b>	<b>1.02</b>	<b>-5.00</b>	<b>73.92</b>

**8.2 A reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before "income taxes is summarized below:**

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Enacted Income Tax rate	34.61%	34.61%
Profit before tax	3,852.81	11,181.47
Current Tax on Profit before Tax at enacted rates	1,333.38	3,869.68
Tax effect of the amounts not deductible/(taxable) in calculating taxable income		
Additional tax expense on account of MAT (MAT credit utilised)	-573.58	836.73
Permanent disallowances	64.98	50.41
Income exempt from Income Tax	-	-0.32
Income considered for capital gains / adjusted against brought forward capital losses	-	-2,373.81
Tax in respect of earlier years	-64.16	-6.57
Others	1.19	9.82
<b>Total Income Tax Expense</b>	<b>761.82</b>	<b>2,385.95</b>
<b>Effective Tax Rate</b>	<b>19.77%</b>	<b>21.34%</b>

**8.3** The current tax expense for the year ended 31st March 2018 is provided in accordance with the Section 115JB of Income Tax Act 1961 is ₹ 826.52 lakhs (P.Y. ₹ 2420.00 lakhs). The Company is eligible to carry forward MAT Credit aggregating to ₹ 1,500.18 lakhs (P.Y. ₹ 2,073.76 lakhs) as per Section 115JAA of the Income Tax Act 1961. However, the Company has not recognized the same as an asset in the books of account on prudence basis.

**8.4** The Company has not created deferred tax assets on long term capital loss of ₹ 10806.16 lakhs (P.Y. ₹10806.16 lakhs ) based on the non-availability of virtual certainty of future taxable long term capital gains. Further, the Company has also not created deferred tax assets on provision for doubtful debts / advances of ₹ 670.70 lakhs (P.Y. ₹ 670.70 lakhs ) based on conservative approach for allow ability of expense by tax authority in future.

## 9 Non-current Tax Assets

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Income taxes paid	1,482.06	1,049.83
[Net of provision ₹ 5,561.00 lakhs (₹ 6,007.00 lakhs as at 31st March 2017) ]		
<b>Total</b>	<b>1,482.06</b>	<b>1,049.83</b>

## 10 Other Non-current Assets

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Advance for land	503.25	503.25
Less: Provision for doubtful advance	-503.25	-503.25
<b>Total</b>	<b>-</b>	<b>-</b>

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

## 11 Inventories

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Era - Car Park	4.50	4.50
Innova - Car Park	305.59	306.00
Futurex - Car Park	526.50	-
Futurex - Phase II	9,044.76	-
<b>Total Finished Goods</b>	<b>9,881.35</b>	<b>310.50</b>
<b>Work in Progress</b>		
WIP CTS 93	54.61	54.61
WIP Kings Project	6,021.42	1,178.50
Project WIP CTS Conwood 2/142	2.32	1.76
Land Cost - CTS 87/pt	69.66	64.15
Project WIP CTS 88A/pt, 97pt, 97/1 (Refer note i below)	617.86	382.27
Project WIP Marathon Futurex	11,560.73	-
<b>Total Work in Progress</b>	<b>18,326.60</b>	<b>1,681.29</b>
<b>Total</b>	<b>28,207.95</b>	<b>1,991.79</b>

### Notes:

i. The plot of land has been charged by way of mortgage against the loan availed by the Company.

## 12 Trade Receivable

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Related Parties (Refer Note 43)	3.92	26,274.09
Others	167.46	167.46
Less: Provision for doubtful debts	-167.46	-167.46
<b>Total</b>	<b>3.92</b>	<b>26,274.09</b>

### Break up of Security Details

(₹ in Lakhs)

Secured, considered good	3.92	26,274.09
Unsecured, considered doubtful	167.46	167.46
	171.38	26,441.55
Less: Provision for doubtful debts	-167.46	-167.46
<b>Total</b>	<b>3.92</b>	<b>26,274.09</b>

## 13 Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Balance with Bank - in Current Account	1,047.73	32.49
Cash on hand	1.19	0.95
<b>Total</b>	<b>1,048.92</b>	<b>33.44</b>

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## 14 Bank Balances other than Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Unpaid dividend account	15.07	14.83
Fractional entitlement	0.08	0.82
<b>Total</b>	<b>15.15</b>	<b>15.65</b>

## 15 Loans (Current)

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Unsecured, considered good:		
Loans to staff	0.78	0.27
Loans others	3,810.30	-
<b>Total</b>	<b>3,811.07</b>	<b>0.27</b>

## 16 Other Financial Assets (Current)

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Bank deposit with original maturity of more than 12 months	69.19	42.38
Interest accrued on investment (Includes interest on fixed deposit)	4.89	1.97
Other receivable		
-from others	109.02	91.40
Less: Provision for doubtful debts	-105.52	-91.40
<b>Total</b>	<b>77.58</b>	<b>44.35</b>

## 17 Other Current Assets

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Advance for land / project		
-to Related Party	-	16.81
-to others	-	1,853.04
Advance to suppliers	3.26	36.86
Prepaid expenses	2.03	1.06
Dues from Government Authorities	282.54	99.36
<b>Total</b>	<b>287.83</b>	<b>2,007.13</b>



## 18 Equity Share Capital

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
<b>Authorized Share Capital</b>		
5,02,50,000 (4,97,50,000 as at 31st March 2017) Equity Shares of Rs. 10 each	5,025.00	4,975.00
25,000 (25,000 as at 31st March 2017) 6% Redeemable Cumulative Preference Shares of Rs. 100 each	25.00	25.00
1,00,000, (Nil as at 31st March 2017) 0% Cumulative Preference Shares of Rs.100/- each	100.00	-
<b>Total</b>	<b>5,150.00</b>	<b>5,000.00</b>
<b>Issued, Subscribed and Paid-up</b>		
2,30,00,000 (2,84,37,345 as at 31st March 2017) Equity Shares of Rs. 10 each	2,300.00	2,843.73
<b>Total</b>	<b>2,300.00</b>	<b>2,843.73</b>

### a Terms / Rights attached to Equity Shares

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

### b Terms / Right attached to Preference Shares

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

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

(₹ in Lakhs)

Particulars	Number of Shares	Amount
Outstanding as at 31st March 2017	28,437,345	2,843.73
Shares extinguished on buy back	5,437,345	543.73
Outstanding as at 31st March 2018	23,000,000	2,300.00

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

**Name:** Ithaca Informatics Pvt. Ltd.

**Nature of Relationship:** Holding Company

(₹ in Lakhs)

Particulars	Number of Shares	Amount
Equity holding as at 31st March 2017	21,327,000	2,132.70
Equity holding as at 31st March 2018	17,241,323	1,724.13

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

Name of the Shareholder: Ithaca Informatics Pvt. Ltd.

Particulars	Number of Shares	Holding
Equity holding as at 31st March 2017	21,327,000	75.00%
Equity holding as at 31st March 2018	17,241,323	74.96%

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- f Aggregate number of equity shares issues for consideration other than Cash and shares bought back during the period of five years preceding the reporting date:

Particulars	As at 31-Mar-18	As at 31-Mar-17
Equity Shares bought back	5,437,345	-

- g The shareholders of the Company have approved sub-division of equity shares of the Company from one (1) equity share of face value ₹ 10 each fully paid up to two (2) equity shares of face value ₹ 5 each fully paid up, with effect from April 6, 2018.
- h During the year the Company completed the buy back scheme of equity shares as sanctioned by the shareholders and approved by the concerned regulatory authorities. In terms of the said scheme the Company bought back 54,37,345 lakhs number of equity shares of ₹ 10/- each at a premium of ₹ 265/- per share. The shares so bought has been extinguished from the paid up equity share capital of the Company and correspondingly the General Reserves have been depleted to the extent of the premium paid. The equity share capital has been reduced by 54,37,345 lakhs number of equity shares of ₹10/- each aggregating to ₹ 543.74 lakhs. The General Reserves have been depleted by ₹ 14,408.96 lakhs being premium paid of ₹ 265/- per share of 54.37 lakhs number of equity shares extinguished. Capital redemption reserve was created to the extend of share capital extinguished amounting to ₹ 543.73 lakhs.

### 19 Other Equity

(Refer Statement of Changes in Equity for detailed movement)

#### a. Movement in Other Equity

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
<b>Capital Redemption Reserve</b>		
Opening balance	-	-
Add: Buy back of shares (Refer note no. 18 (h))	543.73	-
Closing balance	543.73	-
<b>Capital Reserve</b>		
Opening balance	-	-
Capital reserve in respect of business combination (Refer note no. 46)	-1,301.19	-
Closing balance	-1,301.19	-
<b>General Reserves</b>		
Opening balance	33,887.67	33,887.67
Less: Utilized for buy back of shares	-14,408.96	-
Closing balance	19,478.71	33,887.67
<b>Retained Earnings</b>		
Opening balance	34,367.52	25,914.26
Profit for the year	3,090.99	8,795.52
Less: Buy Back of shares (Refer 18 (h))	-543.73	-
Equity dividend paid	-230.00	-284.37
Dividend distribution tax paid on equity dividend	-46.83	-57.89
Closing balance	36,637.95	34,367.52
<b>Other Comprehensive Income (OCI)</b>		
Opening balance	10.15	3.44
Additions during the year	9.44	6.71
Closing balance	19.59	10.15
<b>Total</b>	<b>55,378.81</b>	<b>68,265.34</b>

b. Nature and Purpose of Reserves

**i. Capital Redemption Reserve**

Capital Redemption Reserve is the reserve created on account of buy back of shares.

**ii. Capital Reserve**

Capital Reserve is the reserve created during business combination of Marathon Realty Private Limited with the Company

**iii. General Reserve**

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

**iv. Retained Earnings**

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

**v. Other Comprehensive Income (OCI)**

The Company has elected to recognize changes in the fair value of certain investments in equity shares in other comprehensive income. These changes are accumulated within the FVTOCI equity investment reserve within equity. Also Re-measurement of Defined Benefit Plan in respect of post employment are changed to Other Comprehensive Income

**20 Borrowings (Non-current)**

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Term loan from financial institution (Secured)	11,654.26	1,131.27
<b>Total</b>	<b>11,654.26</b>	<b>1,131.27</b>

Name of the Lender	Balance as at March 31, 2018	Tenor	Rate of interest & Repayment	Secured by
Kotak Mahindra Investments Limited*^ (Working Capital Term Loan)	3,400.00	42 Months	12.7% p.a and payable in 24 equal monthly installment of Rs. 562.5 lakhs commencing from 19th month from the date of first disbursement.	(i) Mortgage development rights of approx 88,076 sq fts of FSI translated to 1,35,871 sq fts on floor 27(part) to 31st (part) at commercial project named Marathon Future x Further secured by:- (ii) First charge on Unit No. B-901 admeasuring 13,552 sq fts and proportionate car parks at commercial project Marathon Future X (iii) Escrow account Debt Service Reserve Account ("DSRA") and monies deposited therein including any investments made from Escrow Account.
Kotak Mahindra Investments Limited*^	2,333.33	36 Months	Interest is payable on monthly basis at Base Rate plus 4.35% (i.e. 13.65% p.a.) and entire loan is repayable by 18 equal monthly installments of Rs.166 lakhs for first 17 installments and 18th installment of Rs. 178 lakhs.	(i) Loan is secured by way of mortgage of 26th & 27th Floor aggregating 34,212 sq fts of saleable area in project Marathon futurex along with 44 car parks located at future x and all the receivable/cash flow including advance booking amount of these units. (ii) Escrow account Debt Service Reserve Account ("DSRA") and monies deposited therein including any investments made from Escrow Account.
Kotak Mahindra Investments Limited*^	4,169.83	48 Months	11.70% p.a and payable in 23 equal monthly installment of Rs. 230 lakhs starting from the 25th months from first disbursement and last installment of Rs.210 lakhs in the 48th months from first disbursement.	(i) Mortgage development 4 ready units No A-603, A-1305, A-703 and B-2102 admeasuring a total of approx. 37,838 sq. fts in the commercial project named Marathon Future x along with 44 car parking located at futurex X being developed by MNRL and all the receivable/cash flow including advance booking amount of these units. Further secured by:- (ii) First charge on 26th and 27th floor admeasuring approx. 34,212 sq. fts saleable built up area at commercial project Marathon Future X being developed by MNRL and all the receivable/cash flow including advance booking amount of these units. (iii) Escrow account Debt Service Reserve Account ("DSRA") and monies deposited therein including any investments made from Escrow Account.

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Name of the Lender	Balance as at March 31, 2018	Tenor	Rate of interest & Repayment	Secured by
LIC Housing Finance Ltd*^	513.50	54 Months	Interest is payable on monthly basis at LHPLR minus 150 bps (i.e. 13.7%) and loan is payable by 2 equal monthly installment of Rs. 200 lakhs and 3rd installment of Rs. 113 lakhs commencing from July'2019.	Loan is secured by way of mortgage on Unit No. B 602,2201,2202 & 2203 admeasuring 38,204 sq.fts of saleable area of commercial project named Marathon Future X being developed by the MRPL and all the receivable/cash flow including advance booking amount of these units.
LIC Housing Finance Ltd*^	2,980.00	72 Months	Interest is payable on monthly basis at LHPLR minus 270 bps (i.e. 12.5%) and loan is payable by 23 equal monthly installment of Rs. 225 lakhs and 24th installment of Rs. 305 lakhs commencing from the end of moratorium period of 24 months.	Loan is secured by way of mortgage on Unit No. 2401A, 2402A, 2403A, 2404A, 2501A, 2502A, 2503A, 2504A admeasuring carpet area 64,070 sq.fts of saleable area of commercial project named Marathon Future X being developed by the MRPL and all the receivable/cash flow including advance booking amount of these units.
L & T Infrastructure Finance Co. Ltd*	2,486.37	84 Months	The applicable rate of interest is 14.5%. The lender have right to reset the spread on expiry of 12 months from first disbursement and every year thereafter. The loans is repayable in 84 months with moratorium period on principal payment for a period of 60 months. After the expiry of moratorium period, the loan is repayable in 8 equal quarterly installments.	<p>i) First Charge Moratg development rights of the free sale component of the project phase I Marathon Embrace acquired by the Borrower by virtue pf the letter of intent dated 08.06.2012, revised letter of intent dated 20.11.2012 and amended letter of intent dated 24.11.2016 and any subsequent letter of intent or any amendments there to.</p> <p>ii) Free sale component adm 4480.05 sq mtrs built up along with the admissible fungible FSI of the sale building of the project phase I Marathon Embrace excluding sold flats if any</p> <p>(iii) Escrow account Debt Service Reserve Account ("DSRA") and monies deposited therein including any investments made from Escrow Account.</p>
L & T Infrastructure Finance Co. Ltd*	4,952.30	108 Months	The applicable rate of interest is 15.25%. The lender have right to reset the spread on expiry of 12 months from first disbursement and every year thereafter. The loan is repayable door to door of 9 years with repayment in 2 annual installment, commencing at the end of 8th and 9th year from the date of first disbursement in the following manner 8th year and 9th year ` 2500 lakhs together with unpaid and accrued interest on the installment.	<p>i) Second Charge Moratg development rights of the free sale component of the project phase I Marathon Embrace acquired by the Borrower by virtue pf the letter of intent dated 08.06.2012, revised letter of intent dated 20.11.2012 and amended letter of intent dated 24.11.2016 and any subsequent letter of intent or any amendments thereto.</p> <p>ii) Free sale component adm 4480.05 sq mtrs built up along with the admissible fungible FSI of the sale building of the project phase I Marathon Embrace as more particularly mentioned in Annexure D.</p> <p>(iii) Escrow account Debt Service Reserve Account ("DSRA") and monies deposited therein including any investments made from Escrow Account.</p>

\* Unconditional and irrevocable Personnel Guarantee of Mr. Chetan Shah and Mr. Mayur Shah.

^ Corporate guarantee of Marathon Nextgen Realty Ltd.

**21 Other Financial Liabilities (Non-current)**

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Rent rates & taxes	21.60	19.54
<b>Total</b>	<b>21.60</b>	<b>19.54</b>

**Note:**

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

**22 Provisions (Non-current)**

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Provision for Employee Benefits (Refer Note 42)		
Gratuity	63.33	26.93
Leave Encashment	19.58	7.51
<b>Total</b>	<b>82.91</b>	<b>34.44</b>

**23 Trade Payable**

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Micro and Small Enterprises*	-	10.80
Related Parties	10,714.34	-
Others	323.18	146.97
<b>Total</b>	<b>11,037.52</b>	<b>157.77</b>

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

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
The principal amount remaining unpaid at the end of the year	-	10.80
The interest amount remaining unpaid at the end of the year	-	-
The interest amount paid in terms of Section 16 of MSMED Act, 2006	-	-
The Balance of MSME parties as at the end of the year	-	10.80

**24 Other Financial Liabilities (Current)**

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Current maturities of Term loan from financial institution (Secured) (Refer note 20)	9,126.50	-
Interest accrued but not due on long-term borrowing	54.58	8.67
Unpaid dividend	15.40	14.84
Director's remuneration payable (Refer Note 43)	36.00	40.61
Society dues payable*	662.16	177.14
Book overdraft	-	101.30
Employee dues payable	54.11	21.57
Other payable	343.79	53.07
<b>Total</b>	<b>10,292.54</b>	<b>417.20</b>

\* Society Dues payable are after netting off of Fixed Deposit and interest accrued thereon of ₹ 391.27 lakhs ( ₹ 829.39 lakhs as at 31st March 2017 ) and receivable related to society of ₹ 719.94 lakhs ( ₹ 719.94 lakhs as at 31st March 2017).

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## 25 Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Statutory dues	55.97	96.75
Advance from customers	414.10	82.83
<b>Total</b>	<b>470.07</b>	<b>179.58</b>

## 26 Provisions (Current)

(₹ in Lakhs)

Particulars	for the year ended 31-Mar-18	for the year ended 31-Mar-17
Provision for Employee Benefits (Refer Note 42)		
Gratuity	4.54	12.74
Leave encashment	10.50	0.69
<b>Total</b>	<b>15.04</b>	<b>13.43</b>

## 27 Revenue from Operations

(₹ in Lakhs)

Particulars	for the year ended 31-Mar-18	for the year ended 31-Mar-17
<b>Sale of Products / Services</b>		
Sale of property / Relinquishment of rights	1,300.00	19,310.90
<b>Other Operating Revenue</b>		
Car parking rental	-	3.05
Income from hiring and other charges	15.21	-
<b>Total</b>	<b>1,315.21</b>	<b>19,313.95</b>

## 28 Other Income

(₹ in Lakhs)

Particulars	for the year ended 31-Mar-18	for the year ended 31-Mar-17
Dividend received (On non-current investments measured at FVTOCI)	-	0.15
Interest on loans / project advances	5,615.56	5,007.19
Interest on bank guarantee	50.65	507.09
Liabilities no longer required written back	-	3.53
Fair Value gain on financial assets	8.09	-
Interest income on Bank deposits	0.02	-
Miscellaneous income	3.30	24.58
<b>Total</b>	<b>5,677.62</b>	<b>5,542.54</b>

## 29 Project Development Expenses

(₹ in Lakhs)

Particulars	for the year ended 31-Mar-18	for the year ended 31-Mar-17
Cost of material consumed	287.67	172.26
Construction expenses	15,870.19	1,038.86
Payment to Municipal Authorities	76.34	35.38
Additions on acquisition of an undertaking	11,155.56	-
<b>Total</b>	<b>27,389.76</b>	<b>1,246.50</b>

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

(₹ in Lakhs)

Particulars	for the year ended 31-Mar-18	for the year ended 31-Mar-17
<b>Opening Balance</b>		
Work in progress	1,681.29	434.80
Finished stock	310.50	310.50
Leasehold land	-	12,451.76
	1,991.79	13,197.06
Less:		
<b>Closing Balance</b>		
Work in progress	18,326.60	1,681.29
Finished stock	9,881.35	310.50
Leasehold land	-	-
	28,207.95	1,991.79
(Increase) / Decrease in value	-26,216.16	11,205.27
<b>Total</b>	<b>-26,216.16</b>	<b>11,205.27</b>

### 31 Employee Benefits Expense

(₹ in Lakhs)

Particulars	for the year ended 31-Mar-18	for the year ended 31-Mar-17
Salary, wages and commission	454.34	338.41
Contribution to Provident and other funds	16.19	16.41
Gratuity	17.53	5.70
Leave encashment	22.66	2.19
Staff welfare expenses	1.10	0.59
<b>Total</b>	<b>511.82</b>	<b>363.30</b>

### 32 Finance Costs

(₹ in Lakhs)

Particulars	for the year ended 31-Mar-18	for the year ended 31-Mar-17
Interest on loan	1,005.08	8.67
Less: Transferred to work in progress	-579.43	-8.67
Interest on delayed payment of taxes	-	29.85
Advisory Fees	30.00	-
<b>Total</b>	<b>455.65</b>	<b>29.85</b>

## 33 Other Expenses

Particulars	(₹ in Lakhs)	
	for the year ended 31-Mar-18	for the year ended 31-Mar-17
Rent	240.53	240.92
Power	1.49	2.67
Repairs and maintenance	-	1.19
Rates and taxes	26.33	97.49
Professional fees	196.45	105.77
Insurance	4.46	2.39
Brokerage	7.53	2.93
Auditors' remuneration (Refer Note 41)	12.00	15.76
Provision for doubtful debts	14.12	91.40
Advertisement and publicity	14.88	17.54
Directors' Sitting Fees	10.00	5.60
Corporate Social Responsibility expenditure (Refer Note 44)	185.00	144.00
Security Charges	40.76	29.89
Loss due to fire*	23.70	-
Printing & Stationery	7.22	5.31
Motor Car Exp	8.82	7.22
Miscellaneous expenses	129.87	45.28
<b>Total</b>	<b>923.17</b>	<b>815.36</b>

\*The Net loss of Rs.23.70 Lakhs is on account of accidental fire at Marathon Innova IT commercial complex building on November 1,2016 due to which part of the building was damaged. The amount of loss due to fire is after adjusting Insurance claim of Rs.10.74 Lakhs.

## 34 Financial Risk Management

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

- i Market Risk
- ii Credit Risk
- iii Liquidity Risk

**i Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risks: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as at March 31, 2018 and March 31, 2017.

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

**a Interest rate risk and sensitivity**

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

Interest Rate Sensitivity	Increase / decrease in Basis Points	Effect on profit before tax
For the year ended 31st March 2018	+50	-138.70
INR Borrowing	-50	138.70
For the year ended 31st March 2017	+50	-18.06
INR Borrowing	-50	18.06



## b Commodity price risk and sensitivity

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

## c Financial instruments and cash deposits

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

## d Competition and price risk

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

## ii Credit Risk

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

The Company's maximum exposure to credit risk as at 31st March, 2018 and 31st March, 2017 is the carrying value of each class of financial assets.

## a Trade and Other Receivables

Customer credit risk for realty sales is managed by entering into sale agreements in the case of sale of under-construction flats/premises which stipulate construction milestone based payments and interest clauses in case of delays and also by requiring customers to pay the total agreed sale value before handover of possession of the premises/flats, thereby substantially eliminating the Company's credit risk in this respect. In the case of sale of finished units, sale agreements are executed only upon/against full payment.

## Impairment

### Expected credit loss assessment for customers as at 31st March 2017 and 31st March 18:

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

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

(₹ in Lakhs)

Particulars	2017-18 Amount (Rs.)	2016-17 Amount (Rs.)
Balance as at beginning of the year	258.86	167.46
Impairment loss recognized	14.12	91.40
Balance as at end of the year	272.98	258.86

## b Loans

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

### Expected credit loss assessment of loans as at 31 March 2017 and 31st March 18:

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

## iii Liquidity Risk

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

The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed

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borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

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

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

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

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

As at 31st March 2018

(₹ in Lakhs)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total	Carrying Amount*
Borrowings **	9,126.50	6,654.26	5,310.53	21,091.29	20,780.76
Rent, rates and taxes	-	21.60	-	21.60	21.60
Trade payable	11,037.52	-	-	11,037.52	11,037.52
Unpaid dividend	15.40	-	-	15.40	15.40
Director's remuneration payable	36.00	-	-	36.00	36.00
Society dues payable	662.16	-	-	662.16	662.16
Employee dues payable	54.11	-	-	54.11	54.11
Other payable	343.79	-	-	343.79	343.79

As at 31st March 2017

(₹ in Lakhs)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total	Carrying Amount*
Borrowings **	202.15	839.04	-	1,041.19	1,131.26
Rent, rates and taxes	-	19.54	-	19.54	19.54
Trade payable	157.77	-	-	157.77	157.77
Unpaid dividend	14.84	-	-	14.84	14.84
Director's remuneration payable	40.61	-	-	40.61	40.61
Society dues payable	177.14	-	-	177.14	177.14
Book overdraft	101.30	-	-	101.30	101.30
Employee dues payable	21.57	-	-	21.57	21.57
Other payable	53.07	-	-	53.07	53.07

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

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

### 35 Capital Risk Management

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended 31st March, 2018 and 31st March, 2017.

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

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

### 36 Fair Value of Financial Instruments

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

(₹ in Lakhs)

Particulars	As at 31st March 2018		As at 31st March 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Asset designated at fair value through statement Profit & Loss A/c Investment	285.28	285.28	-	-
Financial Asset designated at amortized cost Investment	0.28	NA	0.28	NA
Loans	49,203.54	NA	41,484.70	NA
Security deposit	11.64	NA	8.27	NA
Trade receivable	3.92	NA	26,274.09	NA
Cash and bank balances	1,064.07	NA	49.08	NA
Bank deposit with original maturity of more than 12 months	69.19	NA	42.38	NA
Interest accrued on investment	4.89	NA	1.97	NA
<b>Financial liabilities at amortized cost</b>				
Borrowings	20,780.76	NA	1,131.27	NA
Trade payable	11,037.52	NA	157.77	NA
Rent Rates and Taxes	21.60	NA	19.54	NA
Interest accrued but not due	54.58	NA	8.67	NA
Unpaid dividend	15.40	NA	14.84	NA
Directors' remuneration payable	36.00	NA	40.61	NA
Society dues payable	662.16	NA	177.14	NA
Book overdraft	-	NA	101.30	NA
Employee dues payable	54.11	NA	21.57	NA
Other payable	343.79	NA	53.07	NA

#### Fair value hierarchy

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

The categories used are as under:

Level 1 : Quoted prices for identical instruments in an active market;

Level 2 : Directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3 : Inputs which are not based on observable market data.

Fair value hierarchy for financial assets and liabilities measured at fair value:

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
	Level 1	Level 1
Other investments	285.28	-

**Note 1:** Carrying amount of financial assets and liabilities other than disclosed above approximate the fair value.

**Note 2:** Fair value of loans and borrowings approximates the carrying values considering the discount rate which is based on the market rate. The discount rate is equivalent to the Effective Interest Rate of such loans and borrowings. There is no significant change in the market rate for discounting of such loans and borrowings.

**Note 3:** Fair value of investment in Mutual funds units (Quoted) is based on market value of such instruments on reporting date.

**Note 4:** Fair value of investment in unquoted instruments is based on independent value's report.

## 37 Contingent Liabilities

Particulars	(₹ in Lakhs)	
	As at 31-Mar-18	As at 31-Mar-17
Claim against company not acknowledged as debts:		
Disputed liabilities appealed *		
- Central Excise duty	105.41	105.41
- PF and ESIC dues (Refer note a and b below)	47.51	47.51
- Income Tax Demand	4.31	3.41
- Sales Tax Demand (Refer note c below)	430.47	430.47
- MVAT demand	(Refer note d below)	
Total	587.70	586.80

\*As certified by Management

- The Employees Provident Fund Authorities have issued a show cause notice against the Company raising a claim of ₹ 38.83 lakhs purportedly being arrears pertaining to damages and delayed payment of interest. The Company appealed against the order in the Provident Fund Appellate Tribunal and pending hearing the recovery of principal interest and damages has been stayed.
- The Employees' State Insurance Corporation has raised a claim of ₹ 8.67 lakhs purportedly being arrears of contribution, damages and delayed payment interest. The company had made a representation to the Board for Industrial and Financial Reconstruction in this regard, besides filing an appeal in the ESIC court.
- The Sales tax department has issued notice of demand u/s 32 of The Maharashtra Value Added Tax Act, 2002 dated 26th February, 2015 for ₹ 430.46 lakhs for the period 01.04.2008 to 31.03.2009. The said demand is under appeal and the Company expects that there will not be any liability on the same in future.
- The Company had, in the Financial Year 2016-17 availed of the amnesty scheme offered by the Maharashtra Value Added Tax (MVAT) authorities in respect of its liability for the financial years 2006-07, 2007-08 and 2009-10. The VAT liability that arose as a result of participating in the said amnesty as assessed by the nodal department has been duly discharged by the Company and same is accounted for in that year. "Subsequently, on September 29, 2017 the Assistant Commissioner of Sales Tax - Investigation had suo moto passed an ex parte order raising a demand of ₹ 4590.10 lakhs along with applicable interest and penalties for the financial years 2006-07, 2007-08 and 2009-10, disregarding the amnesty orders issued for the same periods by the MVAT department. The Company has not discharged this liability as it has been advised that the action of the Investigation wing is ultra vires the amnesty scheme and the Company has preferred an appeal with Deputy Commissioner of Sales Tax for the said years on the orders passed by paying the requisite deposit under protest. The Sales Tax department had granted a stay on the demand raised by the Investigating wing and has remanded the matter to the nodal department to investigate on the merits of the case taking into consideration that the company has already availed of the amnesty scheme. The Company does not envisage any further liability in the matter.

## 38 Segment Reporting

The 'management approach' as defined in "Ind AS 108 - Operating Segments" requires disclosure of segment-wise information based on the manner in which the Chief Operating Decision Maker (CODM) evaluates the performance and allocates resources in cases where a reporting entity operates in more than one business segment. Since the Company is primarily engaged in the business of real estate development which the Management and CODM recognize as the sole business segment, the disclosure of such segment-wise information is not required and accordingly, not provided.

## 39 Earning Per Share

Particulars	(₹ in Lakhs)	
	for the year ended 31-Mar-18	for the year ended 31-Mar-17
Profit after tax as per the Statement of Profit and Loss	3,091	8,796
Profit for the year attributable to equity shareholders	3,091	8,796
Weighted average number of equity shares	244.45	284.37
Basic and diluted earnings per share	12.64	30.93
Nominal value per equity share	10	10

## 40 Lease

## Operating Lease Arrangement

The Company has been operating from the premises owned by group Company Marathon Realty Private Limited. During the year, Company had entered into formal agreement for payment of rent on the premises occupied by it. The rental payable per month has been ₹ 20.00 lakhs per month. The lease does not have any non-cancellable portion. Tenure of the lease agreement is valid till 31st March 2018. "Total rent charged to the Statement of Profit and loss is ₹ 240.53 lakhs (Previous year ₹ 240.92 lakhs)

#### 41 Auditors' Remuneration

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Statutory audit fees (including limited review and consolidation)	10.50	10.25
Tax audit fees	1.50	1.75
Fees for certification and other services	-	3.50
Reimbursement of expenses	0.20	0.26
Total	12.20	15.76

#### 42 Employee Benefits

##### a. Defined Contribution Plans

Amounts recognized in the Statement of Profit and Loss:

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Contribution to Provident and other funds	16.19	16.41

##### b. Defined Benefit Plan (Gratuity) and other Long-term Employee Benefits (Leave Encashment)

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is not funded and payout is done by company on resignation / retirement of employees.

Disclosure as per Valuation Reports of Independent Actuary

##### A. Movement in Obligation

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment	
	Year ended 31st March 2018	Year ended 31st March 2017	Year ended 31st March 2018	Year ended 31st March 2017
<b>Change in present value of obligations</b>				
Defined Benefit Obligation at the beginning of the year	39.67	43.14	8.20	6.05
Current service cost	3.93	2.25	4.41	0.73
Interest cost	2.79	3.45	0.92	0.48
Past Service Cost	12.78	-	-	-
Actuarial (Gains)/Losses	-	-	17.33	-
Remeasurements - Due to financial assumptions	-2.29	1.32	-	0.35
Remeasurements - Due to demographic assumptions	3.74	-	-	-
Remeasurements - Due to experience adjustments	12.99	-10.49	-	0.63
Benefits paid	-5.73	-	-0.78	-0.04
Defined Benefit Obligation at the end of the year	67.87	39.67	30.07	8.20

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## B. Amounts recognized in the Statement of Profit and Loss

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment	
	Year ended 31st March 2018	Year ended 31st March 2017	Year ended 31st March 2018	Year ended 31st March 2017
Current service cost	3.93	2.25	4.41	0.73
Interest cost	2.79	3.45	0.92	0.48
Past Service Cost	12.78	-	-	-
Actuarial (Gains)/Losses	-	-	17.33	0.98
<b>Amount recognized in profit or loss</b>	<b>19.50</b>	<b>5.70</b>	<b>22.66</b>	<b>2.19</b>
Remeasurements - Due to financial assumptions	-2.29	1.32	-	-
Remeasurements - Due to demographic assumptions	3.74			
Remeasurements - Due to experience adjustments	12.99	-10.49	-	-
<b>Amount recognized in OCI</b>	<b>14.44</b>	<b>-9.17</b>	<b>-</b>	<b>-</b>
<b>Total amount recognized in the Statement of Profit and Loss</b>	<b>33.94</b>	<b>-3.47</b>	<b>22.66</b>	<b>2.19</b>

## C. Amount recognized in Balance Sheet

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment	
	as at 31st March 2018	as at 31st March 2017	as at 31st March 2018	as at 31st March 2017
Present value of obligation	67.87	39.67	30.07	8.20
Fair value of plan assets	-	-	-	-
<b>Amount recognized in Balance Sheet</b>	<b>67.87</b>	<b>39.67</b>	<b>30.07</b>	<b>8.20</b>

## D. Assumptions

The principal actuarial assumptions used for estimating the Company's defined benefit obligations and other long term employee benefits are set out below:

(₹ in Lakhs)

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	as at 31st March 2018	as at 31st March 2017	as at 31st March 2018	as at 31st March 2017
IALM 2006-08	Mortality table (Mod.) Ult.	IALM 2006-08 (Mod.) Ult.	IALM 2006-08 (Mod.) Ult.	IALM 2006-08 (Mod.) Ult.
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	5.00%	5.00%	5.00%	5.00%
Withdrawal rate	2.00%	1.00%	2.00%	1.00%
Normal retirement age	60 years	58 years	60 years	58 years
Discount rate	7.85%	7.50%	7.85%	7.50%
Salary escalation rate	7.00%	7.00%	7.00%	7.00%
Expected return on plan assets	NA	NA	NA	NA

### E. Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the weighted key assumptions are:

(₹ in Lakhs)

Particulars	as at	as at	as at	as at
	31st March 2018	31st March 2017	31st March 2018	31st March 2017
	Gratuity	Gratuity	Leave Encashment	Leave Encashment
Salary escalation rate + 1%	72.26	41.41	31.94	9.60
Salary escalation rate - 1%	63.88	38.09	28.41	8.09
Withdrawal rate + 1%	69.85	41.05	30.18	8.26
Withdrawal rate - 1%	65.61	38.07	29.96	8.13
Discount rate + 1%	61.96	37.13	28.44	7.53
Discount rate - 1%	74.77	42.65	31.95	8.98

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method (Projected Unit Credit Method) used to calculate the liability recognized in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

### F. Maturity Profile

(₹ in Lakhs)

Particulars	as at 31st March 2018		as at 31st March 2017	
	Gratuity	Gratuity	Leave Encashment	Leave Encashment
Year 1	4.54	12.74	1.16	0.69
Year 2	3.32	8.33	0.84	3.14
Year 3	10.97	0.49	3.46	0.14
Year 4	3.16	0.52	0.79	0.15
Year 5	5.55	0.55	1.36	0.16
Year 6-10	27.95	3.38	16.25	0.95
Weighted average duration (in years)	12.31	12.83	12.31	14.92

### G. Best Estimate of Contribution

(₹ in Lakhs)

Particulars	as at 31st March 2018		as at 31st March 2017	
	Gratuity	Gratuity	Leave Encashment	Leave Encashment
Best Estimate of Contribution for the Company during the next year	4.54	19.83	10.50	4.10

Note: Above disclosures with respect to employee benefits have been made to the extent of availability of data, as per actuarial valuation report.

### 43 List of Related Parties and Transactions during the year as per Ind AS-24 "Related Party Disclosures"

- a) Controlling Company  
Ithaca Informatics Pvt Ltd (74.96%)
- b) Key Management Personnel  
Mr. Chetan R. Shah – Managing Director  
Mr. S. Ramamurthi – Whole Time Director & CFO  
Mr. Mayur R. Shah - Director  
Ms. Shailaja C. Shah - Director  
Mr. Veeraraghavan Ranganathan - Director  
Mr. Anup Shah - Director  
Mr. Padmanabha Shetty - Director  
Mr. Deepak Shah - Director (w.e.f. 9th February 2017)  
Mr. V Nagarajan
- c) Relatives of Key Management Personnel having transactions during the year  
Ms. Ansuya R. Shah (Mother of Managing Director)  
Mr. Ramniklal Z. Shah (Father of Managing Director)  
Ms. Sonal M. Shah (Wife of Mr. Mayur R Shah-Director)
- d) Joint Ventures (% of holding)  
Columbia Chrome (I) Pvt Ltd (40%)  
Swayam Realtors & Traders LLP (40%)
- e) Entities over which Key Management Personnel / their relatives exercise significant influence and having transactions during the year  
IXOXI Equip-Hire LLP  
Marathon Infotech Pvt Ltd  
Marathon Realty Pvt Ltd  
Marathon IT Infrastructure Pvt Ltd  
Sanvo Resorts Pvt Ltd  
Matrix Enclaves Projects Developments Pvt Ltd  
Matrix Waste Management Pvt Ltd  
Nexzone Fiscal Services Pvt Ltd  
Nexzone Utilities Pvt Ltd  
United Enterprises  
Ramniklal Z. Shah Trust  
Terrapolis Assets Pvt Ltd



**43 Part B Transactions with Related Parties (RP):**  
(Amount in bracket are for previous year ended 31st March 2017)

(₹ in Lakhs)

Particulars	Columbia Chrome (I) Pvt Ltd (40%)	Swayam Realtors & Traders LLP (40%)	Adani Township & Real Estate Pvt Ltd	IXOXI Equip-Hire LLP	Marathon Infotech Pvt Ltd	Marathon Realty Pvt Ltd	Marathon IT Infrastructure Pvt Ltd	Servo Resorts Pvt Ltd	Matrix Enclaves Projects Developments Pvt Ltd	Matrix Waste Management Pvt Ltd	Nezone Fiscal Services Pvt Ltd	Nezone Utilities Pvt Enterprises	Terrapolis Assets Pvt Ltd	Total
Expenses reimbursed by MNRL	0.02	-0.01	-	-	-	61.41	-	-	-	-	-	-	-	61.43
Expense reimbursed to MNRL	-0.01	-	-	-	-	-114.88	-	-	-	-	-	-	-	-114.90
Advance given	-	-	-	-	-	818.72	-	-	-	-	-	-	-	818.74
Advance repaid by RP	115.00	350.00	-	-	-	9,332.23	-	-	-	-	-	-	-	9,797.23
	-148.00	-80.00	-	-	-	-3,981.16	-	-	-	-	-	-	-	-4,209.16
	270.34	393.41	-	-	-	26,057.91	-	-	-	-	-	-	-	26,731.66
	-92.00	-3,735.65	-	-	-	-4,389.29	-	-	-	-	-	-	-	-8,216.94
Interest Income*	1,021.71	-434.07	344.77	-	-	3,814.68	-	-	-	-	-	-	-	5,615.26
	-920.03	-536.49	-	-	-	-4,055.51	-	-	-	-	-	-	-	-5,512.03
Rent	-	-	-	-	-	240.00	-	-	-	-	-	-	-	240.00
	-	-	-	-	-	-240.00	-	-	-	-	-	-	-	-240.00
Sale of Premises	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Material	-	-	-	-	-	-19,310.90	-	-	-	-	-	-	-	-19,310.90
	-	-	-	-	-	-0.08	-	-	-	-	-	-	-	-0.34
Purchase of Material	-	-	-	-	-	0.09	0.09	0.09	-	-	-	-	-	1.07
	-	-	-	-	-	-3.45	-	-2.88	-	-	-	-	-	0.18
Purchase of Fixed Assets	-	-	-	-	1.45	-	-	-	-	-	-	-	-	-11.15
Hiring charges	-	-	-	9.76	-	-	-	-	-	-	-	-	-	9.76
	-	-	-	-8.66	-	-	-	-	-	-	-	-	-	-8.66
Hiring Income	-	-	-	-	-	-	1.84	2.07	-	-	-	-	-	3.91
Purchase of Land	-	-	-	-	-	-	-	-	-	16.81	-	-	-	16.81
	-	-	-	-	-	-	-	-	-11.64	-	-	-	-	-11.64
Advance against Purchase of Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-16.81	-	-	-	-16.81
Consideration paid on acquisition of an undertaking (Refer note 46)	-	-	-	-	-	9.300	-	-	-	0.00	-	-	-	9.300.00
	-	-	-	-	-	-	-	-	-	0.00	-	-	-	-

Particulars	Ithaca Informatics Pvt Ltd (74,56%)	Chetan R Shah
Dividend paid on Equity	172.41	-
	-213.27	-0.00
Amount paid on Buy back of shares	11,235.61	-
Remuneration	-	83.20
	-	-81.80
Commission	-	36.00
	-	-63.00
Directors' Sitting Fees	-	-
	-	-
CSR Expenditure	-	-
	-	-

Particulars	Mayur R Shah	Shalaja C. Shah	Veeraghavan Ranganathan	Anup Shah	Padmanabha Shetty	Deepak Shah	V Nagarajan	Ansoya R Shah	Ramnikal Z. Shah	Soani M Shah	Ramnikal Z. Shah	Ramnikal Z. Shah Trust	Total
	-	-	-	-	-	-	-	-	-	-	-	-	172.41
	-0.00	-0.00	-	-	-	-	-	-0.00	-	-0.00	-	-	-213.28
	-	-	-	-	-	-	-	-	-	-	-	-	11,235.61
	-	-	-	-	-	-	-	-	-	-	-	-	83.20
	-	-	-	-	-	-	-	-	-	-	-	-	-81.80
	-	-	-	-	-	-	-	-	-	-	-	-	36.00
	-	-	-	-	-	-	-	-	-	-	-	-	-63.00
	0.30	1.10	1.50	2.30	2.40	1.80	0.40	-	-	-	-	-	10.00
	-0.50	-0.50	-0.90	-1.00	-1.30	-0.10	-1.10	-	-	-	-	-	-5.40
	-	-	-	-	-	-	-	-	-	-	-	-	185.00
	-	-	-	-	-	-	-	-	-	-	-	-	-144.00

## 43 Part C Outstanding Balances:

(₹ in Lakhs)

Particulars	Columbia Chrome (I) Pvt Ltd (40%)	Swayam Realtors & Traders LLP (40%)	IXOXI Equip-Hire LLP	Marathon Realty Pvt Ltd	Matrix Waste Management Pvt Ltd	Chetan R Shah	Marathon IT Infrastructure Pvt Ltd	Sanvo Resorts Pvt Ltd	Terrapolis Assets Pvt Ltd	Total
<b>Loan receivable</b>										
As at 31st March 2018	9,671.79	4,136.49	-	31,584.18	-	-	-	-	-	49,202.76
As at 31st March 2017	-8,805.41	-3,745.83	-	-28,933.20	-	-	-	-	-	-41,484.44
<b>Trade receivable (Note vii)</b>										
As at 31st March 2018	-	-	-	-	-	-	1.81	2.03	0.08	3.92
As at 31st March 2017	-	-	-	-26,274.09	-	-	-	-	-	-26,274.09
<b>Other receivable</b>										
As at 31st March 2018	-	-	-	-	-	-	-	-	-	-
As at 31st March 2017	-	-	-	-	-16.81	-	-	-	-	-16.81
<b>Other Payable</b>										
As at 31st March 2018	-	0.83	-	-	-	-	-	-	-	0.83
As at 31st March 2017	-	-	-	-	-	-	-	-	-	-
<b>Trade payable</b>										
As at 31st March 2018	-	-	3.12	10,711.22	-	-	-	-	-	10,714.34
As at 31st March 2017	-	-	-9.60	-	-	-	-	-	-	-9.60
<b>Director's remuneration payable</b>										
As at 31st March 2018	-	-	-	-	-	36.00	-	-	-	36.00
As at 31st March 2017	-	-	-	-	-	-40.61	-	-	-	-40.61

**Notes:**

- i. The leasehold land (999 years lease) is given as security against loan availed by Marathon Realty Pvt. Ltd. However, as at 31st March 2017, the rights relating to the said land have been relinquished by the Company towards Marathon Realty Pvt. Ltd.
- ii. As per definitive agreements to be executed w.r.t. 35 acres of land to be developed.
- iii. The Managing Director, Mr. Chetan R. Shah and his brother, Mr. Mayur Shah have given unconditional and irrevocable personal guarantee against loan availed by the Company.
- iv. The Company has entered into an agreement with Matrix Waste Management Pvt. Ltd. for revenue or area sharing based on 12.5% of revenue generated from the developed area for which development rights have been acquired by the Company.
- v. The Company has entered into an agreement with Ithaca Informatics Pvt. Ltd. for revenue or area sharing based on 12.5% of revenue generated from the developed area for which development rights have been acquired by the Company.
- vi. All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.
- vii. For the year ended 31st March, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (FY 2016-2017: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.
- viii. Amount appearing as ₹ 0.00 are amounts representing amounts less than ₹ 1000.

**44 Corporate Social Responsibility (CSR) Expenditure**

a. Gross amount required to be spent during the year: ₹ 183.16 lakhs (P.Y ₹ 140.03 lakhs)

b. Amount spent during the year on:

(₹ in Lakhs)

Particulars	In cash	Yet to be paid in cash	Total
i. Paid to Ramniklal Z Shah for education purpose (Refer note 43)	185.00	-	185.00
	-144.00	-	-144.00

Figures in brackets pertain to previous year

**45 Proposed Dividend**

Proposed dividend on Equity Shares not recognized:

(₹ in Lakhs)

Particulars	for the year ended 31-Mar-18	for the year ended 31-Mar-17
Final dividend for the year ended [₹. 2* (P.Y. ₹ 1)** per share ]	920.00	230.00
Dividend distribution tax on proposed dividend	189.15	46.82

\*\* During the year the Company bought back 54,37,345 Lakhs number of equity shares of ₹ 10 each on July 6, 2017.

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## 46 Acquisition of an undertaking by the company

### Accounting Treatment:

The Company had entered into a Business Transfer Agreement (BTA) w.e.f January 1, 2018 to purchase an undertaking "Marathon Futurex IT Park" together with its assets and liabilities for a lump sum consideration of ₹ 9300 lakhs from Marathon Realty Private Limited. This has resulted in transfer of assets, liabilities and reserves in accordance with the terms of the BTA at the following summarized values:

Particulars	Amount	Amount
<b>A. Assets Taken Over</b>		
Inventories	11,205.55	
Immovable properties	10,404.11	
Property Plant and Equipment	150.01	
		21,759.67
<b>B. Liabilities Taken Over</b>		
Loans	13,730.00	
Employee Benefit Obligations - Gratuity and Leave Encashment	30.86	
		13,760.86
<b>Net Assets Taken over [A-B]</b>		7,998.81
<b>Consideration Paid</b>		9,300.00
<b>Balance charged to capital reserve</b>		<b>-1,301.19</b>

47 The comparative financial information of the Company for the year ended March 31, 2017 prepared in accordance with Indian Accounting Standards, included in these Standalone Financial Statements, have been audited by the predecessor auditors.

### 48 Previous Year Figures

The previous year figures are regrouped, recast and reclassified wherever necessary to make them comparable with the figures of the current year.

The accompanying notes are an integral part of financial statements.  
As per our report of even date.

For and on behalf of the Board of Directors

**For Rajendra & Co.**  
**Chartered Accountants**  
**ICAI Firm Registration No. 108355W**

Akshay R. Shah  
Partner  
Membership No. 103316  
Place: Mumbai  
Date: May 22, 2018

Chetan R. Shah  
Chairman &  
Managing Director  
DIN: 00135296

S. Ramamurthi  
CFO &  
Whole time Director  
DIN: 00135602

K. S. Raghavan  
Company Secretary

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF MARATHON NEXTGEN REALTY LIMITED

#### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **MARATHON NEXTGEN REALTY LIMITED** (hereinafter referred to as "the Holding Company") and its Joint Ventures, comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013("the Act") with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and change in equity of Holding Company and its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

The Board of Directors of the Holding Company and Governing Bodies of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Board of Directors of the Holding Company, as aforesaid.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

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

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

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

We believe that the audit evidence obtained by us and by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for

our audit opinion on the Consolidated Financial Statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors, referred to in the Other Matters paragraph below, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the Consolidated state of affairs of the Holding Company and its joint ventures as at March 31, 2018, their Consolidated Profit (including Other Comprehensive Income), their Consolidated Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date.

#### Other Matters

- a) The Consolidated Financial Statements also includes a share of net profit (including other comprehensive income) of Rs. 1,074.63 Lakhs for the year ended March 31, 2018, as considered in the Consolidated Financial Statement, in respect of two joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these Joint Ventures, is based solely on the report of the other auditors.
- b) The comparative financial information of the Company for the year ended March 31, 2017 prepared in accordance with Indian Accounting Standards, included in these Financial Statements, have been audited by the predecessor auditors. The report of the predecessor auditors on the comparative financial information dated May 29, 2017 expressed an unmodified opinion.

Our opinion on the Consolidated Financial Statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Profit and Loss statement (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
  - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards prescribed under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its Joint Venture Company incorporated in India, none of the directors of the Holding Company and its Joint Venture Company incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company and Joint Venture Company incorporated in India.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated Financial Statements disclose the impact of pending litigations on its Consolidated Financial Position of the Holding Company and its joint ventures – Refer Note 37 to the Consolidated Financial Statements.
  - ii. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Joint Venture Company incorporated in India.

For Rajendra & Co.  
Chartered Accountants  
Firm Registration No 108355W

Akshay R.Shah  
Partner  
Membership  
No.103316Mumbai  
Date: 22nd May 2018

## ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MARATHON NEXTGEN REALTY LIMITED

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

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

In conjunction with our audit of the Consolidated Financial Statements of the Holding Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of MARATHON NEXTGEN REALTY LIMITED (hereinafter referred to as "the Holding Company") and its Joint Venture Company incorporated in India, as of that date.

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

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

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company and its Joint Venture Company incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence obtained by us and the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and its Joint Venture Company incorporated in India, internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in the Other Matters paragraph, the Holding Company and its Joint Venture Company incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company, considering the essential components of internal control stated in the Guidance Note issued by Institute of Chartered Accountants of India.

#### Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one Joint Venture Company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

For Rajendra & Co.  
Chartered Accountants  
Firm Registration No 108355W

Akshay R.Shah  
Partner  
Membership  
No.103316Mumbai  
Date: 22nd May 2018

## Consolidated Balance Sheet as at 31 March 2018

(₹ in Lakhs)

PARTICULARS	Note	As at 31st March, 2018	As at 31st March, 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
a. Property, Plant and Equipment	3	140.97	27.24
b. Investment Property	4	10,366.10	-
c. Investment	5A	1,079.05	4.42
d. Financial Assets			
i. Investment	5B	285.56	0.28
ii. Loans	6	40,089.02	36,181.00
iii. Other Financial Assets	7	11.64	8.27
e. Deferred Tax Assets (Net)	8	1,618.28	1,913.32
f. Non-current Tax Assets	9	1,482.06	1,049.83
g. Other Non-current Assets	10	-	-
<b>Total Non-current assets</b>		<b>55,072.68</b>	<b>39,184.36</b>
<b>Current Assets</b>			
a. Inventories	11	28,207.95	1,991.79
b. Financial Assets			
i. Trade Receivables	12	3.92	26,274.09
ii. Cash and Cash Equivalents	13	1,048.92	33.44
iii. Bank Balances other than Cash and Cash Equivalents	14	15.15	15.65
iv. Loans	15	3,811.07	0.27
v. Other Financial Assets	16	77.58	44.35
c. Other Current Assets	17	<b>287.83</b>	<b>2,007.13</b>
<b>Total Current Assets</b>		<b>33,452.42</b>	<b>30,366.72</b>
<b>Total Assets</b>		<b>88,525.10</b>	<b>69,551.08</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a. Equity Share Capital	18	2,300.00	2,843.73
b. Other Equity	19	52,651.16	64,754.12
<b>Total Equity</b>		<b>54,951.16</b>	<b>67,597.85</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
a. Financial Liabilities			
i. Borrowings	20	11,654.26	1,131.27
ii. Other Financial Liabilities	21	21.60	19.54
b. Provisions	22	82.91	34.44
<b>Total Non-current Liabilities</b>		<b>11,758.77</b>	<b>1,185.25</b>
<b>Current liabilities</b>			
a. Financial Liabilities			
i. Trade Payable			
Due to Micro and Small Enterprises	23	-	10.80
Other than Micro and Small Enterprises		11,037.52	146.97
ii. Other Financial Liabilities	24	10,292.54	417.20
b. Other Current Liabilities	25	470.07	179.58
c. Provisions	26	15.04	13.43
<b>Total Current Liabilities</b>		<b>21,815.17</b>	<b>767.98</b>

**Consolidated Balance Sheet as at 31 March 2018**

(₹ in Lakhs)

PARTICULARS	Note	As at 31st March, 2018	As at 31st March, 2017
<b>Total Liabilities</b>		<b>33,573.94</b>	<b>1,953.23</b>
<b>Total Equity and Liabilities</b>		<b>88,525.10</b>	<b>69,551.08</b>

The accompanying notes are an integral part of financial statements.  
As per our report of even date.

For and on behalf of the Board of Directors

**For Rajendra & Co.**  
**Chartered Accountants**  
ICAI Firm Registration No. 108355W

Chetan R. Shah  
Chairman &  
Managing Director  
DIN: 00135296

S. Ramamurthi  
CFO &  
Whole time Director  
DIN: 00135602

Akshay R. Shah  
Partner  
Membership No. 103316  
Place: Mumbai  
Date: May 22, 2018

K. S. Raghavan  
Company Secretary



## Consolidated Statement of Profit and Loss for the year ended 31 March 2018

(₹ in Lakhs except EPS)

PARTICULARS	Note No.	for the year ended 31st March, 2018	for the year ended 31st March, 2017
Revenue from Operations	27	1,315.21	19,313.95
Other Income	28	5,677.62	4,959.93
<b>Total Income (A)</b>		<b>6,992.83</b>	<b>24,273.88</b>
<b>Expenses</b>			
Project Development Expenses	29	27,389.76	1,246.50
Change in Inventory of Finished Goods and Work in Progress	30	-26,216.16	11,205.27
Employee Benefits Expense	31	511.82	363.30
Depreciation and Impairment	3 & 4	75.78	14.74
Finance Costs	32	455.65	29.85
Other Expenses	33	923.17	815.36
<b>Total Expenses (B)</b>		<b>3,140.02</b>	<b>13,675.02</b>
<b>Profit before Tax (C = A - B)</b>		<b>3,852.81</b>	<b>10,598.86</b>
<b>Tax Expense:</b>			
Current Tax		826.52	2,420.00
Deferred Tax		290.51	-229.11
Short / (Excess) provision for tax related to earlier period		-64.16	-6.57
<b>Total Tax Expense (D)</b>	<b>8.2</b>	<b>1,052.87</b>	<b>2,184.32</b>
<b>Profit for the year (E = C - D)</b>		<b>2,799.94</b>	<b>8,414.54</b>
Share of Profit / (Loss) in Joint Ventures (F)		1,074.63	-0.80
<b>Profit for the year (G = E + F)</b>		<b>3,874.57</b>	<b>8,413.74</b>
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Net Gain / (Loss) on Fair Value of Equity Instruments		-	0.72
Remeasurement of Defined Benefit Obligation		14.44	9.17
Income Tax effect on above remeasurement		-5.00	-3.17
<b>Total Other Comprehensive Income [Net of tax] (H)</b>		<b>9.44</b>	<b>6.72</b>
<b>Total Comprehensive Income for the year (I = G + H)</b>		<b>3,884.01</b>	<b>8,420.46</b>
<b>Profit for the year attributable to:</b>			
Owners of the Company		3,874.57	8,413.74
Non-controlling Interest		-	-
<b>Other Comprehensive Income for the year attributable to:</b>			
Owners of the Company		9.44	6.72
Non-controlling Interest		-	-
<b>Total Comprehensive Income for the year attributable to:</b>			
Owners of the Company		3,884.01	8,420.46
Non-controlling Interest		-	-
Earning Per Share (Rs.)	39		
Basic (Face Value of Rs. 10 each)		15.85	29.59
Diluted (Face Value of Rs. 10 each)		15.85	29.59

The accompanying notes are an integral part of financial statements.  
As per our report of even date.

For and on behalf of the Board of Directors

**For Rajendra & Co.**  
**Chartered Accountants**  
**ICAI Firm Registration No. 108355W**

Chetan R. Shah Chairman & Managing Director DIN: 00135296	S. Ramamurthi CFO & Whole time Director DIN: 00135602
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Akshay R. Shah  
Partner  
Membership No. 103316  
Place: Mumbai  
Date: May 22, 2018

K. S. Raghavan  
Company Secretary

### Consolidated Statement of Cash Flow Statement for the year ended 31 March 2018 (₹ in Lakhs)

PARTICULARS	for the year ended 31st March, 2018	for the year ended 31st March, 2017
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	3,852.81	10,598.86
Adjustments for :		
Dividend income	-	-0.15
Interest income	-5,666.23	-4,931.67
Fair Value gain on financial assets	-8.09	-
Liabilities no longer required written back	-	-3.53
Provision for employee benefits	40.19	7.89
Finance costs	455.65	29.85
Provision for doubtful debts	14.12	91.40
Depreciation and amortization	75.78	14.74
<b>Operating profit before working capital changes</b>	<b>-1,235.77</b>	<b>5,807.39</b>
Decrease / (Increase) in trade and other receivable	27,967.75	-20,005.29
(Increase) / Decrease in inventory	-26,216.16	11,205.27
Increase / (Decrease) in trade & other payable	12,001.05	-52.07
<b>Cash (used in) operations</b>	<b>12,516.87</b>	<b>-3,044.70</b>
Direct taxes paid (Net of refund)	-1,194.59	-2,513.69
<b>Net cash (used in) operating activities (A)</b>	<b>11,322.28</b>	<b>-5,558.39</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase / (Sale) of PPE	-151.49	-3.22
Proceeds from sale of investments	-	6.61
Purchase of investment property	-10,404.11	-
Excess consideration paid over net assets acquired (Refer note 46 )	-1,301.19	-
Investment in mutual funds	-277.18	-
Loans (given) / repaid	-7,718.82	-415.57
Investment in bank deposits with original maturity more than 3 months	-26.81	-42.38
Interest received	5,663.31	4,929.98
Dividend received	-	0.15
Other Bank Balances	0.57	-
<b>Net cash flow from Investing Activities (B)</b>	<b>-14,215.72</b>	<b>4,475.57</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from borrowing	19,695.40	1,139.93
Buy back of equity shares	-14,952.70	-
Dividend and dividend distribution tax paid	-276.83	-342.27
Interest paid	-455.65	-29.85
<b>Net cash flow from / (used in) Financing Activities (C)</b>	<b>4,010.22</b>	<b>767.81</b>
<b>Net (decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>1,116.77</b>	<b>-315.01</b>
Cash & Cash Equivalents at the beginning of the year		
Balance with Bank - in Current Account (Note 13)	32.49	321.85
Cash on hand (Note 13)	0.95	0.10
Book overdraft (Note 24)	-101.30	-74.80
Adjustment on account of amalgamation (Note 48)	-	-
<b>Total</b>	<b>-67.86</b>	<b>247.15</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>		
Balance with Bank - in Current Account (Note 13)	1,047.73	32.49
Cash on hand (Note 13)	1.19	0.95
Book overdraft (Note 24)	-	-101.30
<b>Total</b>	<b>1,048.92</b>	<b>-67.86</b>

**DISCLOSURE AS REQUIRED BY IND AS 7**

Reconciliation of liabilities arising from financing activities for the year ended March 31,2018

(₹ in Lakhs)

Particular	Opening balance	Cash flows	Non cash changes interest accrued but not due	Closing balance
Term loan from financial institution (Secured) ( Refer Note 20 & 24)	1139.94	19649.49	45.92	20835.35

**DISCLOSURE AS REQUIRED BY IND AS 7**

Reconciliation of liabilities arising from financing activities for the year ended March 31,2017

(₹ in Lakhs)

Particular	Opening balance	Cash flows	Non cash changes interest accrued but not due	Closing balance
Term loan from financial institution (Secured) ( Refer Note 20 & 24)	-	1131.27	8.67	1139.94

**Explanatory notes to Statements of Cash Flows:**

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

The accompanying notes are an integral part of financial statements.

As per our report of even date.

For and on behalf of the Board of Directors

**For Rajendra & Co.**

**Chartered Accountants**

**ICAI Firm Registration No. 108355W**

Akshay R. Shah  
Partner  
Membership No. 103316  
Place: Mumbai  
Date: May 22, 2018

Chetan R. Shah  
Chairman &  
Managing Director  
DIN: 00135296

S. Ramamurthi  
CFO &  
Whole time Director  
DIN: 00135602

K. S. Raghavan  
Company Secretary

# 41<sup>st</sup> Annual Report 2017-2018

## Consolidated Statement of Changes in Equity

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

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balance at the beginning / end of the year	2,843.73	2,843.73
Shares extinguished on buy back	-543.73	-
<b>Balance at the end of the year</b>	<b>2,300.00</b>	<b>2,843.73</b>

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

Particulars	Reserves & Surplus				Other Comprehensive Income	Total
	Capital Reserve	Capital redemption reserve	General Reserve	Retained Earnings		
Balance as at 31st March 2016	-	-	33,887.67	22,784.82	3.44	56,675.93
Profit for the year	-	-	-	8,413.74	-	8,413.74
Other comprehensive Income- Actuarial gain on defined benefit plans (Net of tax)	-	-	-	-	6.00	6.00
Other comprehensive Income- Net Gain / (Loss) on fair value of Equity Instrument	-	-	-	-	0.72	0.72
Dividend paid	-	-	-	-284.37	-	-284.37
Dividend distribution tax paid	-	-	-	-57.89	-	-57.89
<b>Balance as at 31st March 2017</b>	<b>-</b>	<b>-</b>	<b>33,887.67</b>	<b>30,856.30</b>	<b>10.16</b>	<b>64,754.12</b>
Profit for the year	-	-	-	3,874.57	-	3,874.57
Other comprehensive Income- Actuarial gain on defined benefit plans (Net of tax)	-	-	-	-	9.44	9.44
Capital reserve arising out of business combination (Refer note 46 )	-1,301.19	-	-	-	-	-1,301.19
Buy back of shares	-	543.73	-14,408.96	-543.73	-	-14,408.96
Dividend paid	-	-	-	-230.00	-	-230.00
Dividend distribution tax paid	-	-	-	-46.83	-	-46.83
<b>Balance as at 31st March 2018</b>	<b>-1,301.19</b>	<b>543.73</b>	<b>19,478.71</b>	<b>33,910.31</b>	<b>19.60</b>	<b>52,651.16</b>

The accompanying notes are an integral part of financial statements.  
As per our report of even date.

For and on behalf of the Board of Directors

**For Rajendra & Co.**  
**Chartered Accountants**  
**ICAI Firm Registration No. 108355W**

Chetan R. Shah  
Chairman &  
Managing Director  
DIN: 00135296

S. Ramamurthi  
CFO &  
Whole time Director  
DIN: 00135602

Akshay R. Shah  
Partner  
Membership No. 103316  
Place: Mumbai  
Date: May 22, 2018

K. S. Raghavan  
Company Secretary

## Notes to Consolidated Financial Statements for the year ended 31st March 2018

### 1 Group Overview

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

### 2 Significant Accounting Policies

#### I. Basis of Preparation of Consolidated Financial Statements

##### a. Compliance with Ind AS

The consolidated financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified under section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015 (as amended).

The financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. The financial statements are presented in Indian Rupee ("INR") and all values are rounded to the nearest INR Lakh, except when otherwise indicated.

##### b. Historical Cost Convention

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

##### c. Operating Cycle

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

##### d. Functional and Presentation Currency

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

#### II. Principles of Consolidation

The Consolidated Financial Statements have been prepared on the following basis:

- a. The consolidated financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as of the Group.
- b. The consolidated financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits are been fully eliminated.

- c. The excess of cost to the Company of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary are made, is recognised as "Goodwill" being an asset in the consolidated financial statements. Goodwill arising out of consolidation is not amortised. However, the same is tested for impairment at each Balance Sheet date. Alternatively, where the share of equity in the subsidiary companies as on the date of the investment is in excess of cost of investment of the Company, it is recognised as "Capital Reserve" and shown under the head "Other Equity", in the consolidated financial statements.
- d. Non controlling interests in the net assets of subsidiaries consist of:
  - (i) The amount of equity attributable to the minorities at the date on which investment in subsidiary is made and
  - (ii) The minority's share of movements in equity since the date the parent-subsidiary relationship came into existence.
- e. The Group's interests in equity accounted investees comprise interests in associates and joint ventures. An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement, rather than rights of its assets and obligation for its liabilities. Interests in associates and joint ventures are accounted for using the Equity Method. Under the Equity Method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit / loss, and the Group's share of Other Comprehensive Income of the investee in Other Comprehensive Income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment.

#### III. Use of Estimates and Judgements

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

##### a. Evaluation of Percentage Completion

Determination of revenues under the percentage of completion

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

## b. Impairment of Non Financial Assets

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

## c. Impairment of Financial Assets

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

## f. Evaluation of Control

The assessment as to whether the Group exercises control, joint control or significant influence over the entities in which it holds less than 100 percent voting rights.

The Group makes assumptions, when assessing whether it exercises control, joint control or significant influence over entities in which it holds less than 100 percent of the voting rights. These assumptions are made based on the contractual rights with the other shareholders, relevant facts and circumstances which indicate that the Group has power over the potential subsidiary or that joint control exists. Changes to contractual arrangements or facts and circumstances are monitored and are evaluated to determine whether they have a potential impact on the assessment as to whether the Group is exercising control over its investment.

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

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

## e. Recognition and Measurement of Defined Benefit Obligations

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

## f. Fair Value Measurement of Financial Instruments

When the fair values of the financial assets and liabilities recorded in the Balance Sheet cannot be measured based on the quoted market prices in active markets, their fair value is measured using valuation technique. The inputs to these

models are taken from the observable market wherever possible, but where this is not feasible, a review of judgement is required in establishing fair values. Any changes in assumptions could affect the fair value relating of financial instruments.

## g. Classification of Investment property

The Company determines whether a property is classified as investment property or as inventory:

- (i) Investment property comprises land and buildings that are not occupied for use by, or in the operations of, the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are rented to tenants and are not intended to be sold in the ordinary course of business.
- (ii) Inventory comprises property that is held for sale in the ordinary course of business. Principally these are properties that the Company develops and intends to sell before or on completion of construction.

## IV. Measurement of Fair Values

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

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

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

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

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

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

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

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

### a. Recognition and Measurement

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

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

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



for as separate items (major components) of property, plant and equipment.

#### **b. Subsequent Expenditure**

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

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

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

#### **c. Depreciation**

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

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

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

### **VI. Investment Property**

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

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

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

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

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

### **VII. Financial Instruments**

#### **a. Financial Assets**

##### **i. Classification**

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

##### **ii. Initial Recognition and Measurement**

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

trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

##### **iii. Subsequent Measurement**

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

- a. Financial asset at fair value
- b. Financial asset at amortised cost

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

##### **iv. Equity Investments**

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

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

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

##### **v. A financial asset mainly debt that meets the following 2 conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.**

- **Business Model Test** : the objective of the Group's model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes)
- **Cash Flow Characteristics Test**: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

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

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

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

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

##### **vi. De-recognition**

A financial asset (or, where applicable, a part of a financial

asset or part of a group of similar financial assets) is primarily derecognised when:

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

## vii. Impairment of Financial Asset

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

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

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

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

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

## b. Financial Liabilities

### i. Classification

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

### ii. Initial Recognition and Measurement

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

### iii. Subsequent Measurement

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

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

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

### iv. Derecognition

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

## Offsetting of Financial Instruments

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

## c. Equity Instruments

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

## VIII. Inventories

- Inventories comprise of: (i) Finished Realty Stock representing unsold premises in completed projects (ii) Realty Work in Progress representing properties under construction / development and (iii) Raw Material representing inventory yet to be consumed.
- Inventories other than Raw Material above are valued at lower of cost and net realisable value. Raw Materials are valued at weighted average method.
- Cost of Realty construction / development is charged to the Statement of Profit and Loss in proportion to the revenue recognised during the period and the balance cost is carried over under Inventory as part of either Realty Work in Progress or Finished Realty Stock. Cost of Realty construction / development includes all costs directly related to the Project (including finance cost attributable to the project) and other expenditure as identified by the Management which are incurred for the purpose of executing and securing the completion of the Project (net off incidental recoveries / receipts) up to the date of receipt of Occupation Certificate of Project from the relevant authorities.

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

## IX. Revenue Recognition

- The Group is following the "Percentage of Completion Method" of accounting. As per this method, revenue from sale of properties is recognised in the Statement of Profit & Loss in proportion to the actual cost incurred as against the total estimated cost of projects under execution with the Group on transfer of significant risk and rewards to the buyer. In accordance with the "Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable), construction revenue on such projects, measured at the fair value (i.e. adjusted for discounts, incentives, time value of money adjustments etc.), have been recognised on percentage of completion method provided the following thresholds have been met:
  - All critical approvals necessary for the commencement have been obtained
  - The expenditure incurred on construction and development costs is not less than 25 per cent of the total estimated construction and development costs
  - At least 25 percent of the saleable project area is secured by contracts or agreements with buyers and
  - At least 10 percent of the contract consideration is realized at the reporting date in respect of such contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts. Revenue from sale of completed properties (Finished Realty Stock) is recognised upon transfer of significant risks and rewards to the buyer.
- Income from relinquishment of rights over property is recognised on the basis of terms agreed with the party, which is based on the transfer of risks and rewards related to the asset.
- Interest income is accounted on an accrual basis at effective interest rate.
- Dividend income is recognised when the right to receive the payment is established.
- Rent income is accounted on accrual basis over tenure of the



lease / service agreement.

## **X. Income Tax**

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

### **a. Current Tax**

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

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

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

### **b. Deferred Tax**

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

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

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

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

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

Deferred tax assets and liabilities are offset only if:

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

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

## **XI. Employee Benefits**

### **a. Short-term Employee Benefits**

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

### **b. Post Employment Benefits**

#### **(i) Defined Contribution Plans**

Obligations for contributions to defined contribution plans are

expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

#### **(ii) Defined Benefit Plans**

Provision for Gratuity is recorded on the basis of actuarial valuation certificate provided by the actuary using Projected Unit Credit Method.

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

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

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

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

### **c. Other Long Term Employee Benefits**

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

## **XII. Leases**

### **a. Where Company is the Lessee**

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

### **b. Where Company is the Lessor**

Assets representing lease arrangements given under operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on straight line basis over the lease term, unless there is another systematic basis which is more representative of the time



pattern of the lease. Initial direct costs are recognised immediately in the Statement of Profit and Loss.

- c. Agreements which are not classified as finance leases are considered as operating lease.
- d. Payments made under operating leases are recognised in the Statement of Profit and Loss. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

### XIII. Borrowing Cost

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

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

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

### XIV. Cash and Cash Equivalents

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

### XV. Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

### XVI. Cash Flow Statement

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

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

The amendments to Ind AS 7 require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for both the current and the comparative period in Cash Flow Statement.

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

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

These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

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

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

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

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

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

### XVIII. Segment Reporting

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

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

### XIX. Recent Accounting Developments

#### Standards issued but not yet effective

The Group intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

1. Ind AS 115 Revenue from Contracts with Customers Ind AS 115 was issued on 29 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.  
The new revenue standard will supersede all current revenue recognition requirements under Ind AS and the guidance note of real estate issued by ICAI.  
Ind AS 115 is applicable to the Company for annual periods beginning on or after April 1, 2018.  
Application of above standard is under evaluation by the group.
2. The MCA has also carried out amendments of the following accounting standards
  - i. Ind AS 21 – The Effects of Changes in Foreign Exchange Rates
  - ii. Ind AS 40 – Investment Property
  - iii. Ind AS 12 – Income Taxes
  - iv. Ind As 28 – Investments in Associates and Joint Venture and
  - v. Ind AS 112 – Disclosure of Interests in Other Entities

Application of above standards are not expected to have any significant impact on the Group's Financial Statements.

**Note - 3**  
**Property, Plant and Equipment**

(₹ in Lakhs)

Particulars	Freehold Land	Plant and Machinery	Air Conditioners and Office Equipment's	Motor Vehicles	Computers	Total
<b>Gross Block at Deemed Cost</b>						
At 1st April 2016	2.58	2.58	0.09	47.64	0.19	53.08
Acquisition	-	0.63	2.00	-	0.59	3.22
<b>As at 31st March 2017</b>	<b>2.58</b>	<b>3.21</b>	<b>2.09</b>	<b>47.64</b>	<b>0.78</b>	<b>56.30</b>
<b>Accumulated depreciation</b>						
At 1st April 2016	-	0.03	0.00	14.28	0.01	14.32
Depreciation for the year	-	0.21	0.16	14.28	0.09	14.74
<b>As at 31st March 2017</b>	<b>-</b>	<b>0.24</b>	<b>0.16</b>	<b>28.56</b>	<b>0.10</b>	<b>29.06</b>
<b>Net Block</b>						
<b>As at 31st March 2017</b>	<b>2.58</b>	<b>2.97</b>	<b>1.93</b>	<b>19.08</b>	<b>0.68</b>	<b>27.24</b>
<b>As at 31st March 2016</b>	<b>2.58</b>	<b>2.55</b>	<b>0.09</b>	<b>33.36</b>	<b>0.18</b>	<b>38.76</b>

**Note - 3**  
**Property, Plant and Equipment**

(₹ in Lakhs)

Particulars	Freehold Land	Plant and Machinery	Air Conditioners and Office	Air Conditioners and Office Equipment's	Motor Vehicles	Total
<b>Gross Block at Deemed Cost</b>						
At 1st April 2017	2.58	3.21	2.09	47.64	0.78	56.30
Additions during the year	-	-	0.47	-	1.01	1.48
Additions on acquisition of an undertaking ( Refer note 46)	-	149.55	0.46	-	-	150.01
<b>As at 31st March 2018</b>	<b>2.58</b>	<b>152.76</b>	<b>3.02</b>	<b>47.64</b>	<b>1.79</b>	<b>207.79</b>
<b>Accumulated depreciation</b>						
At 1st April 2017	-	0.24	0.16	28.56	0.10	29.06
Depreciation for the year	-	6.23	0.42	13.30	0.64	20.59
Impairment	-	17.17	-	-	-	17.17
<b>As at 31st March 2018</b>	<b>-</b>	<b>23.64</b>	<b>0.58</b>	<b>41.86</b>	<b>0.74</b>	<b>66.82</b>
<b>Net Block</b>						
<b>As at 31st March 2018</b>	<b>2.58</b>	<b>129.12</b>	<b>2.44</b>	<b>5.78</b>	<b>1.05</b>	<b>140.97</b>
<b>As at 31st March 2017</b>	<b>2.58</b>	<b>2.97</b>	<b>1.93</b>	<b>19.08</b>	<b>0.68</b>	<b>27.24</b>

**Note 4 - Investments Property**

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Gross carrying amount		
Opening balance	-	-
Additions on acquisition of an undertaking ( Refer note 46)	10,404.11	-
Depreciation for the year	-38.01	-
<b>Closing balance</b>	<b>10,366.10</b>	<b>-</b>
<b>Net carrying amount</b>	<b>10,366.10</b>	<b>-</b>

Investment in properties include a portion carved out of the slump sale where the management is of the opinion that these would be let out on long leases. This is based on the market feedback received by the company. The investment properties consist of commercial properties, which based on the intention of the Management in the normal of course of business are held for the purposes of leasing. Further, fair value of these properties in Balance Sheet approximates ₹ 10647 lakhs.

There are no rental income in respect of above investment properties for FY 2017-18. Further there are no expenses incurred in respect of these properties.

These valuation are based on valuation performed by an accredited independent valuer. The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

**Note 5A - Investments**

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
<b>Investment in Joint Ventures</b>		
<b>Investment in equity instruments at cost- Unquoted</b>		
5,208 (5,208 as at 31st March 2017) Equity Shares of Columbia Chrome (I) Private Limited	3.89	4.42
<b>Investment in Limited Liability Partnership at cost- Unquoted</b>		
Swayam Realtors & Traders LLP	1,075.16	-
<b>Total</b>	<b>1,079.05</b>	<b>4.42</b>
Aggregate amount of unquoted investment	1,079.05	4.42

Refer Note 48 for disclosures as required by 'Ind AS 112 - Disclosure of Interests in Other Entities'.

**Note 5B: Investments - Mutual Funds and bonds**

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Investment in Mutual Fund at fair value through profit or loss- Quoted 1,716,974.406 (PY NIL) Units of L&T Short Term Opportunities Fund - Reg-Growth	285.28	-
Investment in Government Securities at amortized cost- Unquoted 6 years National Savings Certificate	0.28	0.28
<b>Total</b>	<b>285.56</b>	<b>0.28</b>
Aggregate amount of quoted investment and market value thereof	285.28	-
Aggregate amount of unquoted investment	0.28	0.28

6 Loans (Non-current)  
Unsecured, considered good and valued at amortised cost (₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
<b>Loans to Related Parties (Refer Note 43)</b>		
Marathon Realty Private Limited*	31,584.18	28,933.20
Columbia Chrome (I) Private Limited	7,355.29	6,488.91
Swayam Realtors & Traders LLP	1,149.55	758.89
<b>Total</b>	<b>40,089.02</b>	<b>36,181.00</b>

6.1 \* Pursuant to an agreement, the Company has given advances to explore for the opportunities in a project to Marathon Realty Pvt. Ltd., with whom it is going to jointly execute the said project. At periodic intervals surplus amounts are returned as they are not immediately required for the project.

7 Other Financial Assets (Non-current)  
Unsecured, considered good and valued at amortized cost (₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Security deposits	11.64	8.27
<b>Total</b>	<b>11.64</b>	<b>8.27</b>

8 Deferred Tax Assets (₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
The balance comprises of temporary differences attributable to:		
Difference in WDV of PPE as per Books and as per Tax Laws	27.10	28.46
Employee benefits allowed on payment basis	31.54	17.81
Provision for doubtful debts	30.73	31.63
Fair Valuation of Investments in mutual funds	-15.45	-
Adjustment on account of consolidation	1,544.36	1,835.42
<b>Total</b>	<b>1,618.28</b>	<b>1,913.32</b>

8.1 Movement in Deferred Tax Assets  
For the year ended 31st March 2017

Particulars	As at 31-Mar-16	Recognized in		As at 31-Mar-17
		Statement of Profit or Loss	OCI	
Property, plant and equipment	34.95	-6.49	-	28.46
Employee benefits	18.64	2.34	-3.17	17.81
Provision for doubtful debts	-	31.63	-	31.63
Adjustment on account of consolidation	1,633.79	201.63	-	1,835.42
<b>Total</b>	<b>1,687.38</b>	<b>229.11</b>	<b>-3.17</b>	<b>1,913.32</b>

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For the year ended 31st March 2018

(₹ in Lakhs)

Particulars	As at 31-Mar-17	Recognized in		As at 31-Mar-18
		Statement of Profit or Loss	OCI	
Property, plant and equipment	28.46	-1.36	-	27.10
Employee benefits	17.81	18.73	-5.00	31.54
Provision for doubtful debts	31.63	-0.90	-	30.73
Fair Valuation of Investments in mutual funds	-	-15.45	-	-15.45
Adjustment on account of consolidation	1,835.42	-291.06	-	1,544.36
<b>Total</b>	<b>1,913.32</b>	<b>-290.04</b>	<b>-5.00</b>	<b>1,618.28</b>

8.2 A reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before "income taxes" is summarized below:

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Enacted Income Tax rate	34.61%	34.61%
Profit before tax	3,852.81	10,598.86
Current Tax on Profit before Tax at enacted rates	1,333.38	3,668.05
<b>Tax effect of the amounts not deductible/(taxable) in calculating taxable income</b>		
Additional tax expense on account of MAT (MAT credit utilized)	-573.58	836.73
Permanent disallowances	64.98	50.41
Income exempt from Income Tax	-	-0.32
Income considered for capital gains / adjusted against brought forward capital losses	-	-2,373.81
Tax in respect of earlier years	-64.16	-6.57
Change in rate of tax in respect of deferred tax recognized on consolidation	291.07	-
Others	1.19	9.82
<b>Total Income Tax Expense</b>	<b>1,052.88</b>	<b>2,184.32</b>
Effective Tax Rate	27.33%	20.61%

8.3 The current tax expense for the year ended 31st March 2018 is provided in accordance with the Section 115JB of Income Tax Act 1961 is ₹ 826.52 lakhs (P.Y. ₹ 2420.00 lakhs). The Company is eligible to carry forward MAT Credit aggregating to ₹ 1,500.18 lakhs (P.Y. ₹ 2,073.76 lakhs) as per Section 115JAA of the Income Tax Act 1961. However, the Company has not recognized the same as an asset in the books of account on prudence basis.

8.4 The Company has not created deferred tax assets on long term capital loss of ₹ 10806.16 lakhs (P.Y. ₹ 10806.16 lakhs) based on the non-availability of virtual certainty of future taxable long term capital gains. Further, the Company has also not created deferred tax assets on provision for doubtful debts / advances of ₹ 670.70 lakhs (P.Y. ₹ 670.70 lakhs) based on conservative approach for allow ability of expense by tax authority in future.

## 9 Non-current Tax Assets

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Income taxes paid [Net of provision ₹ 5,561.00 lakhs (₹ 6,007.00 lakhs as at 31st March 2017) ]	1,482.06	1,049.83
<b>Total</b>	<b>1,482.06</b>	<b>1,049.83</b>

## 10 Other Non-current Assets

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Advance for land	503.25	503.25
Less: Provision for doubtful advance	-503.25	-503.25
<b>Total</b>	<b>-</b>	<b>-</b>

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

## 11 Inventories

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
<b>Finished Goods (At lower of cost and net realizable value)</b>		
Era - Car Park	4.50	4.50
Innova - Car Park	305.59	306.00
Futurex - Car Park	526.50	-
Futurex - Phase II	9,044.76	-
<b>Total Finished Goods</b>	<b>9,881.35</b>	<b>310.50</b>
<b>Work in Progress</b>		
WIP CTS 93	54.61	54.61
WIP Kings Project	6,021.42	1,178.50
Project WIP CTS Conwood 2/142	2.32	1.76
Land Cost - CTS 87/pt	69.66	64.15
Project WIP CTS 88A/pt, 97pt, 97/1 (Refer note i below)	617.86	382.27
Project WIP Marathon Futurex	11,560.73	-
<b>Total Work in Progress</b>	<b>18,326.60</b>	<b>1,681.29</b>
<b>Total</b>	<b>28,207.95</b>	<b>1,991.79</b>

### Notes:

i. The plot of land has been charged by way of mortgage against the loan availed by the Company.

## 12 Trade Receivable

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Related Parties (Refer Note 43)	3.92	26,274.09
Others	167.46	167.46
Less: Provision for doubtful debts	-167.46	-167.46
<b>Total</b>	<b>3.92</b>	<b>26,274.09</b>

### Break up of Security Details

(₹ in Lakhs)

Secured, considered good	3.92	26,274.09
Unsecured, considered doubtful	167.46	167.46
	171.38	26,441.55
Less: Provision for doubtful debts	-167.46	-167.46
<b>Total</b>	<b>3.92</b>	<b>26,274.09</b>

## 13 Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Balance with Bank - in Current Account	1,047.73	32.49
Cash on hand	1.19	0.95
<b>Total</b>	<b>1,048.92</b>	<b>33.44</b>

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## 14 Bank Balances other than Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Unpaid dividend account	15.07	14.83
Fractional entitlement	0.08	0.82
<b>Total</b>	<b>15.15</b>	<b>15.65</b>

## 15 Loans (Current)

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Unsecured, considered good:		
Loans to staff	0.77	0.27
Loans others	3,810.30	-
<b>Total</b>	<b>3,811.07</b>	<b>0.27</b>

## 16 Other Financial Assets (Current)

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Bank deposit with original maturity of more than 12 months	69.19	42.38
Interest accrued on investment (Includes interest on fixed deposit)	4.89	1.97
Other receivable		
-from others	109.02	91.40
Less: Provision for doubtful debts	-105.52	-91.40
<b>Total</b>	<b>77.58</b>	<b>44.35</b>

## 17 Other Current Assets

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Advance for land / project		
-to Related Party	-	16.81
-to others	-	1,853.04
Advance to suppliers	3.26	36.86
Prepaid expenses	2.03	1.06
Dues from Government Authorities	282.54	99.36
<b>Total</b>	<b>287.83</b>	<b>2,007.13</b>



## 18 Equity Share Capital

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
<b>Authorized Share Capital</b>		
5,02,50,000 (4,97,50,000 as at 31st March 2017) Equity Shares of Rs. 10 each	5,025.00	4,975.00
25,000 (25,000 as at 31st March 2017) 6% Redeemable Cumulative Preference Shares of Rs. 100 each	25.00	25.00
1,00,000, (Nil as at 31st March 2017) 0% Cumulative Preference Shares of Rs.100/- each	100.00	-
<b>Total</b>	<b>5,150.00</b>	<b>5,000.00</b>
<b>Issued, Subscribed and Paid-up</b>		
2,30,00,000 (2,84,37,345 as at 31st March 2017) Equity Shares of Rs. 10 each	2,300.00	2,843.73
<b>Total</b>	<b>2,300.00</b>	<b>2,843.73</b>

### a Terms / Rights attached to Equity Shares

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

### b Terms / Right attached to Preference Shares

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

(₹ in Lakhs)

Particulars	Number of Shares	Amount
Outstanding as at 31st March 2017	28,437,345	2,843.73
Shares extinguished on buy back	5,437,345	543.73
Outstanding as at 31st March 2018	23,000,000	2,300.00

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

**Name:** Ithaca Informatics Pvt. Ltd.

**Nature of Relationship:** Holding Company

(₹ in Lakhs)

Particulars	Number of Shares	Amount
Equity holding as at 31st March 2017	21,327,000	2,132.70
Equity holding as at 31st March 2018	17,241,323	1,724.13

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

Name of the Shareholder: Ithaca Informatics Pvt. Ltd.

Particulars	Number of Shares	Holding
Equity holding as at 31st March 2017	21,327,000	75.00%
Equity holding as at 31st March 2018	17,241,323	75.00%

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- f Aggregate number of equity shares issues for consideration other than Cash and shares bought back during the period of five years preceding the reporting date:

Particulars	As at 31-Mar-18	As at 31-Mar-17
Equity Shares bought back	5,437,345	-

- g The shareholders of the Company have approved sub-division of equity shares of the Company from one (1) equity share of face value ₹ 10 each fully paid up to two (2) equity shares of face value ₹ 5 each fully paid up, with effect from April 6, 2018.
- h During the year the Company completed the buy back scheme of equity shares as sanctioned by the shareholders and approved by the concerned regulatory authorities. In terms of the said scheme the Company bought back 54,37,345 number of equity shares of ₹ 10/- each at a premium of ₹ 265/- per share. The shares so bought has been extinguished from the paid up equity share capital of the Company and correspondingly the General Reserves have been depleted to the extent of the premium paid. The equity share capital has been reduced by 54,37,345 number of equity shares of ₹10/- each aggregating to ₹ 543.74 lakhs. The General Reserves have been depleted by ₹ 14,408.96 lakhs being premium paid of ₹ 265/- per share of 54,37,345 number of equity shares extinguished. Capital redemption reserve was created to the extend of share capital extinguished amounting to ₹ 543.73 lakhs.

### 19 Other Equity

(Refer Statement of Changes in Equity for detailed movement)

- a. Movement in Other Equity

#### a. Movement in Other Equity

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
<b>Capital Redemption Reserve</b>		
Opening balance	-	-
Add: Buy back of shares (Refer Note no. 18 (h))	543.73	-
Closing balance	<b>543.73</b>	-
<b>Capital Reserve</b>		
Opening balance	-	-
Capital reserve in respect of business combination (Refer note no. 46)	-1,301.19	-
Closing balance	<b>-1,301.19</b>	-
<b>General Reserves</b>		
Opening balance	33,887.67	33,887.67
Less: Utilized for buy back of shares	-14,408.96	-
Closing balance	<b>19,478.71</b>	<b>33,887.67</b>
<b>Retained Earnings</b>		
Opening balance	30,856.30	22,784.82
Profit for the year	3,874.57	8,413.74
Less: Buy Back of shares (Refer Note no. 18 (h))	-543.73	-
Equity dividend paid	-230.00	-284.37
Dividend distribution tax paid on equity dividend	-46.83	-57.89
<b>Closing balance</b>	<b>33,910.31</b>	<b>30,856.30</b>
<b>Other Comprehensive Income</b>		
Opening balance	10.15	3.44
Additions / (Deletions) during the year	9.44	6.71
Closing balance	<b>19.59</b>	<b>10.15</b>
<b>Total</b>	<b>52,651.16</b>	<b>64,754.12</b>

b. Nature and Purpose of Reserves

**i. Capital Redemption Reserve**

Capital Redemption Reserve is the reserve created on account of buy back of shares.

**ii. Capital Reserve**

Capital Reserve is the reserve created during business combination of Marathon Realty Private Limited with the Company

**iii. General Reserve**

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

**iv. Retained Earnings**

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

**v. Other Comprehensive Income (OCI)**

The Company has elected to recognize changes in the fair value of certain investments in equity shares in other comprehensive income. These changes are accumulated within the FVTOCI equity investment reserve within equity. Also Re-measurement of Defined Benefit Plan in respect of post employment are changed to Other Comprehensive Income

**20 Borrowings (Non-current)**

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Term loan from financial institution (Secured)	11,654.26	1,131.27
<b>Total</b>	<b>11,654.26</b>	<b>1,131.27</b>

Name of the Lender	Balance as at March 31, 2018	Tenor	Rate of interest & Repayment	Secured by
Kotak Mahindra Investments Limited* <sup>^</sup> (Working Capital Term Loan)	3,400.00	42 Months	12.7% p.a and payable in 24 equal monthly installment of Rs. 562.5 lakhs commencing from 19th month from the date of first disbursement.	(i)Mortgage development rights of approx 88,076 sq fts of FSI translated to 1,35,871 sq fts on floor 27(part) to 31st (part) at commercial project named Marathon Future x Further secured by:- (ii) First charge on Unit No. B-901 admeasuring 13,552 sq fts and proportionate car parks at commercial project Marathon Future X (iii) Escrow account Debt Service Reserve Account ("DSRA") and monies deposited therein including any investments made from Escrow Account.
Kotak Mahindra Investments Limited* <sup>^</sup>	2,333.33	36 Months	Interest is payable on monthly basis at Base Rate plus 4.35% (i.e. 13.65% p.a.) and entire loan is repayable by 18 equal monthly installments of Rs.166 lakhs for first 17 installments and 18th installment of Rs. 178 lakhs.	(i) Loan is secured by way of mortgage of 26th & 27th Floor aggregating 34,212 sq fts of saleable area in project Marathon futurex along with 44 car parks located at future x and all the receivable/cash flow including advance booking amount of these units. (ii) Escrow account Debt Service Reserve Account ("DSRA") and monies deposited therein including any investments made from Escrow Account.
Kotak Mahindra Investments Limited* <sup>^</sup>	4,169.83	48 Months	11.70% p.a and payable in 23 equal monthly installment of Rs. 230 lakhs starting from the 25th months from first disbursement and last installment of Rs.210 lakhs in the 48th months from first disbursement.	(i) Mortgage development 4 ready units No A-603, A-1305B, A-703 and B-2102 admeasuring a total of approx 37,838 sq fts in the commercial project named Marathon Future x along with 44 car parking located at futurex X being developed by MNRL and all the receivable/cash flow including advance booking amount of these units. Further secured by:- (ii) First charge on 26th and 27th floor admeasuring approx 34,212 sq fts saleable built up area at commercial project Marathon Future X being developed by MNRL and all the receivable/cash flow including advance booking amount of these units. (iii) Escrow account Debt Service Reserve Account ("DSRA") and monies deposited therein including any investments made from Escrow Account.

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Name of the Lender	Balance as at March 31, 2018	Tenor	Rate of interest & Repayment	Secured by
LIC Housing Finance Ltd*^	513.50	54 Months	Interest is payable on monthly basis at LHPLR minus 150 bps (i.e. 13.7%) and loan is payable by 2 equal monthly installment of Rs. 200 lakhs and 3rd installment of Rs. 113 lakhs commencing from July'2019.	Loan is secured by way of mortgage on Unit No. B 602,2201,2202 & 2203 admeasuring 38,204 sq fts of saleable area of commercial project named Marathon Future X being developed by the MRPL and all the receivable/cash flow including advance booking amount of these units.
LIC Housing Finance Ltd*^	2,980.00	72 Months	Interest is payable on monthly basis at LHPLR minus 270 bps (i.e. 12.5%) and loan is payable by 23 equal monthly installment of Rs. 225 lakhs and 24th installment of Rs. 305 lakhs commencing from the end of moratorium period of 24 months.	Loan is secured by way of mortgage on Unit No. 2401, 2402, 2403, 2404, 2501, 2502, 2503, 2504 admeasuring carpet area 64,070 sq fts of saleable area of commercial project named Marathon Future X being developed by the MRPL and all the receivable/ cash flow including advance booking amount of these units.
L & T Infrastructure Finance Co. Ltd*	2,486.37	84 Months	The applicable rate of interest is 14.5%. The lender have right to reset the spread on expiry of 12 months from first disbursement and every year thereafter. The loans is repayable in 84 months with moratorium period on principal payment for a period of 60 months. After the expiry of moratorium period, the loan is repayable in 8 equal quarterly installments.	<p>i) First Charge Mortgage development rights of the free sale component of the project phase I Marathon Embrace acquired by the Borrower by virtue pf the letter of intent dated 08.06.2012, revised letter of intent dated 20.11.2012 and amended letter of intent dated 24.11.2016 and any subsequent letter of intent or any amendments there to.</p> <p>ii) Free sale component adm 4480.05 sq mtrs built up along with the admissible fungible FSI of the sale building of the project phase I Marathon Embrace excluding sold flats if any</p> <p>(iii) Escrow account Debt Service Reserve Account ("DSRA") and monies deposited therein including any investments made from Escrow Account.</p>
L & T Infrastructure Finance Co. Ltd*	4,952.30	108 Months	The applicable rate of interest is 15.25%. The lender have right to reset the spread on expiry of 12 months from first disbursement and every year thereafter. The loan is repayable door to door of 9 years with repayment in 2 annual installment, commencing at the end of 8th and 9th year from the date of first disbursement in the following manner 8th year and 9th year ` 2500 lakhs together with unpaid and accrued interest on the installment.	<p>i) Second Charge Mortgage development rights of the free sale component of the project phase I Marathon Embrace acquired by the Borrower by virtue pf the letter of intent dated 08.06.2012, revised letter of intent dated 20.11.2012 and amended letter of intent dated 24.11.2016 and any subsequent letter of intent or any amendments thereto.</p> <p>ii) Free sale component adm 4480.05 sq mtrs built up along with the admissible fungible FSI of the sale building of the project phase I Marathon Embrace as more particularly mentioned in Annexure D.</p> <p>(iii) Escrow account Debt Service Reserve Account ("DSRA") and monies deposited therein including any investments made from Escrow Account.</p>

\* Unconditional and irrevocable Personnel Guarantee of Mr. Chetan Shah and Mr. Mayur Shah.

^ Corporate guarantee of Marathon Nextgen Realty Ltd.

**21 Other Financial Liabilities (Non-current)**

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Rent rates & taxes	21.60	19.54
<b>Total</b>	<b>21.60</b>	<b>19.54</b>

**Note:**

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

**22 Provisions (Non-current)**

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Provision for Employee Benefits (Refer Note 42)		
Gratuity	63.33	26.93
Leave Encashment	19.58	7.51
<b>Total</b>	<b>82.91</b>	<b>34.44</b>

**23 Trade Payable**

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Micro and Small Enterprises*	-	10.80
Related Parties	10,714.35	-
Others	323.17	146.97
<b>Total</b>	<b>11,037.52</b>	<b>157.77</b>

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

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
The principal amount remaining unpaid at the end of the year	-	10.80
The interest amount remaining unpaid at the end of the year	-	-
The interest amount paid in terms of Section 16 of MSMED Act, 2006	-	-
The Balance of MSME parties as at the end of the year	-	10.80

**24 Other Financial Liabilities (Current)**

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Current maturities of Term loan from financial institution (Secured) (Refer note 20)	9,126.50	-
Interest accrued but not due on long-term borrowing	54.58	8.67
Unpaid dividend	15.40	14.84
Director's remuneration payable (Refer Note 43)	36.00	40.61
Society dues payable*	662.16	177.14
Bank overdraft	-	101.30
Employee dues payable	54.11	21.57
Other payable	343.79	53.07
<b>Total</b>	<b>10,292.54</b>	<b>417.20</b>

\* Society Dues payable are after netting off of Fixed Deposit and interest accrued thereon of ₹ 391.27 lakhs (₹ 829.39 lakhs as at 31st March 2017) and receivable related to society of ₹ 719.94 lakhs (₹ 719.94 lakhs as at 31st March 2017).

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## 25 Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Statutory dues	55.97	96.75
Advance from customers	414.10	82.83
<b>Total</b>	<b>470.07</b>	<b>179.58</b>

## 26 Provisions (Current)

(₹ in Lakhs)

Particulars	for the year ended 31-Mar-18	for the year ended 31-Mar-17
Provision for Employee Benefits (Refer Note 42)		
Gratuity	4.54	12.74
Leave encashment	10.50	0.69
<b>Total</b>	<b>15.04</b>	<b>13.43</b>

## 27 Revenue from Operations

(₹ in Lakhs)

Particulars	for the year ended 31-Mar-18	for the year ended 31-Mar-17
<b>Sale of Products / Services</b>		
Sale of property / Relinquishment of rights	1,300.00	19,310.90
<b>Other Operating Revenue</b>		
Car parking rental	-	3.05
Income from hiring and other charges	15.21	-
<b>Total</b>	<b>1,315.21</b>	<b>19,313.95</b>

## 28 Other Income

(₹ in Lakhs)

Particulars	for the year ended 31-Mar-18	for the year ended 31-Mar-17
Dividend received (On non-current investments measured at FVTOCI)	-	0.15
Interest on loans / project advances	5,615.56	4,424.58
Interest on bank guarantee	50.65	507.09
Liabilities no longer required written back	-	3.53
Fair Value gain on financial assets	8.09	-
Interest income on Bank deposits	0.02	-
Miscellaneous income	3.30	24.58
<b>Total</b>	<b>5,677.62</b>	<b>4,959.93</b>

## 29 Project Development Expenses

(₹ in Lakhs)

Particulars	for the year ended 31-Mar-18	for the year ended 31-Mar-17
Cost of material consumed	287.67	172.26
Construction expenses	15,870.19	1,038.86
Payment to Municipal Authorities	76.34	35.38
Additions on acquisition of an undertaking	11,155.56	-
<b>Total</b>	<b>27,389.76</b>	<b>1,246.50</b>

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

(₹ in Lakhs)

Particulars	for the year ended 31-Mar-18	for the year ended 31-Mar-17
<b>Opening Balance</b>		
Work in progress	1,681.29	434.80
Finished stock	310.50	310.50
Leasehold land	-	12,451.76
	1,991.79	13,197.06
Less:		
<b>Closing Balance</b>		
Work in progress	18,326.60	1,681.29
Finished stock	9,881.35	310.50
Leasehold land	-	-
	28,207.95	1,991.79
(Increase) / Decrease in value	-26,216.16	11,205.27
<b>Total</b>	<b>-26,216.16</b>	<b>11,205.27</b>

### 31 Employee Benefits Expense

(₹ in Lakhs)

Particulars	for the year ended 31-Mar-18	for the year ended 31-Mar-17
Salary, wages and commission	454.34	338.41
Contribution to Provident and other funds	16.19	16.41
Gratuity	17.53	5.70
Leave encashment	22.66	2.19
Staff welfare expenses	1.10	0.59
Total	511.82	363.30

### 32 Finance Costs

(₹ in Lakhs)

Particulars	for the year ended 31-Mar-18	for the year ended 31-Mar-17
Interest on loan	1,005.08	8.67
Less: Transferred to work in progress	-579.43	-8.67
Interest on delayed payment of taxes	-	29.85
Advisory Fees	30.00	-
Total	455.65	29.85

## 33 Other Expenses

Particulars	(₹ in Lakhs)	
	for the year ended 31-Mar-18	for the year ended 31-Mar-17
Rent	240.53	240.92
Power	1.49	2.67
Repairs and maintenance	-	1.19
Rates and taxes	26.33	97.49
Professional fees	196.45	105.77
Insurance	4.46	2.39
Brokerage	7.53	2.93
Auditors' remuneration (Refer Note 41)	12.00	15.76
Provision for doubtful debts	14.12	91.40
Advertisement and publicity	14.88	17.54
Directors' Sitting Fees	10.00	5.60
Corporate Social Responsibility expenditure (Refer Note 44)	185.00	144.00
Security Charges	40.76	29.89
Loss due to fire*	23.70	-
Printing & Stationery	7.22	5.31
Motor Car Expenses	8.82	7.22
Miscellaneous expenses	129.87	45.28
<b>Total</b>	<b>923.17</b>	<b>815.36</b>

\*The Net loss of Rs.23.70 Lakhs is on account of accidental fire at Marathon Innova IT commercial complex building on November 1,2016 due to which part of the building was damaged. The amount of loss due to fire is after adjusting Insurance claim of Rs.10.74 Lakhs.

## 34 Financial Risk Management

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

- i Market Risk
- ii Credit Risk
- iii Liquidity Risk

**i Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risks: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as at March 31, 2018 and March 31, 2017.

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

**a Interest rate risk and sensitivity**

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

Interest Rate Sensitivity	Increase / decrease in Basis Points	Effect on profit before tax
For the year ended 31st March 2018	+50	-138.70
INR Borrowing	-50	138.70
For the year ended 31st March 2017	+50	-18.06
INR Borrowing	-50	18.06



#### **b Commodity price risk and sensitivity**

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

#### **c Financial instruments and cash deposits**

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

#### **d Competition and price risk**

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

#### **ii Credit Risk**

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

The Company's maximum exposure to credit risk as at 31st March, 2018 and 31st March, 2017 is the carrying value of each class of financial assets.

#### **a Trade and Other Receivables**

Customer credit risk for realty sales is managed by entering into sale agreements in the case of sale of under-construction flats/premises which stipulate construction milestone based payments and interest clauses in case of delays and also by requiring customers to pay the total agreed sale value before handover of possession of the premises/flats, thereby substantially eliminating the Company's credit risk in this respect. In the case of sale of finished units, sale agreements are executed only upon/against full payment.

#### **Impairment**

#### **Expected credit loss assessment for customers as at 31st March 2017 and 31st March 18:**

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

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

(₹ in Lakhs)

<b>Particulars</b>	<b>2017-18 Amount (Rs.)</b>	<b>2016-17 Amount (Rs.)</b>
Balance as at beginning of the year	258.86	167.46
Impairment loss recognized	14.12	91.40
Balance as at end of the year	272.98	258.86

#### **b Loans**

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

#### **Expected credit loss assessment of loans as at 31 March 2017 and 31st March 18:**

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

#### **iii Liquidity Risk**

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

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

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borrowing facilities.

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

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

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

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

As at 31st March 2018

(₹ in Lakhs)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total	Carrying Amount*
Borrowings **	9,181.08	6,654.26	5,310.53	21,145.88	20,835.35
Rent, rates and taxes	-	21.60	-	21.60	21.60
Trade payable	11,037.52	-	-	11,037.52	11,037.52
Unpaid dividend	15.40	-	-	15.40	15.40
Director's remuneration payable	36.00	-	-	36.00	36.00
Society dues payable	662.16	-	-	662.16	662.16
Employee dues payable	54.11	-	-	54.11	54.11
Other payable	343.79	-	-	343.79	343.79

As at 31st March 2017

(₹ in Lakhs)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total	Carrying Amount*
Borrowings **	202.15	839.04	-	1,041.19	1,139.94
Rent, rates and taxes	-	19.54	-	19.54	19.54
Trade payable	157.77	-	-	157.77	157.77
Unpaid dividend	14.84	-	-	14.84	14.84
Director's remuneration payable	40.61	-	-	40.61	40.61
Society dues payable	177.14	-	-	177.14	177.14
Book overdraft	101.30	-	-	101.30	101.30
Employee dues payable	21.57	-	-	21.57	21.57
Other payable	53.07	-	-	53.07	53.07

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

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

### 35 Capital Risk Management

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended 31st March, 2018 and 31st March, 2017.

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

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

### 36 Fair Value of Financial Instruments

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

(₹ in Lakhs)

Particulars	As at 31st March 2018		As at 31st March 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Asset designated at fair value through statement Profit & Loss A/c Investment	285.28	285.28	-	-
Financial Asset designated at amortized cost Investment	0.28	NA	0.28	NA
Loans	43,900.09	NA	36,181.27	NA
Security deposit	11.64	NA	8.27	NA
Trade receivable	3.92	NA	26,274.09	NA
Cash and bank balances	1,064.07	NA	49.08	NA
Bank deposit with original maturity of more than 12 months	69.19	NA	42.38	NA
Interest accrued on investment	4.89	NA	1.97	NA
<b>Financial liabilities at amortized cost</b>				
Borrowings	20,780.76	NA	1,131.27	NA
Trade payable	11,037.52	NA	157.77	NA
Rent Rates and Taxes	21.60	NA	19.54	NA
Interest accrued but not due	54.58	NA	8.67	NA
Unpaid dividend	15.40	NA	14.84	NA
Directors' remuneration payable	36.00	NA	40.61	NA
Society dues payable	662.16	NA	177.14	NA
Book overdraft	-	NA	101.30	NA
Employee dues payable	54.11	NA	21.57	NA
Other payable	343.79	NA	53.07	NA

#### Fair value hierarchy

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

The categories used are as under:

Level 1 : Quoted prices for identical instruments in an active market;

Level 2 : Directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3 : Inputs which are not based on observable market data.

Fair value hierarchy for financial assets and liabilities measured at fair value:

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
	Level 1	Level 1
Other investments	285.28	-

**Note 1:** Carrying amount of financial assets and liabilities other than disclosed above approximate the fair value.

**Note 2:** Fair value of loans and borrowings approximates the carrying values considering the discount rate which is based on the market rate. The discount rate is equivalent to the Effective Interest Rate of such loans and borrowings. There is no significant change in the market rate for discounting of such loans and borrowings.

**Note 3:** Fair value of investment in Mutual funds units (Quoted) is based on market value of such instruments on reporting date.

**Note 4:** Fair value of investment in unquoted instruments is based on independent value's report.

**37 Contingent Liabilities**

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Claim against company not acknowledged as debts: Disputed liabilities appealed *		
- Central Excise duty	105.41	105.41
- PF and ESIC dues (Refer note a and b below)	47.51	47.51
- Income Tax Demand	4.31	3.41
- Sales Tax Demand (Refer note c below)	430.47	430.47
- Income Tax Demand in respect of Swayam Realtors & Traders LLP	(Refer note d below)	
- MVAT demand	(Refer note e below)	
Total	587.70	586.80

\*As certified by Management

- a The Employees Provident Fund Authorities have issued a show cause notice against the Company raising a claim of ₹ 38.83 lakhs purportedly being arrears pertaining to damages and delayed payment of interest. The Company appealed against the order in the Provident Fund Appellate Tribunal and pending hearing the recovery of principal interest and damages has been stayed.
- b The Employees' State Insurance Corporation has raised a claim of ₹ 8.67 lakhs purportedly being arrears of contribution, damages and delayed payment interest. The company had made a representation to the Board for Industrial and Financial Reconstruction in this regard, besides filing an appeal in the ESIC court.
- c The Sales tax department has issued notice of demand u/s 32 of The Maharashtra Value Added Tax Act, 2002 dated 26th February, 2015 for ₹ 430.47 lakhs for the period 01.04.2008 to 31.03.2009. The said demand is under appeal and the Company expects that there will not be any liability on the same in future.
- d In Respect of Disputed income tax demand for AY 2014-15 ₹ 17.84 lakhs, for AY 2009-10 Rs. ₹ 154.23 lakhs and for AY 2010-11 ₹ 178.62 lakhs .Our share is restricted to our holding of 40%
- e The Company had, in the Financial Year 2016-17 availed of the amnesty scheme offered by the Maharashtra Value Added Tax (MVAT) authorities in respect of its liability for the financial years 2006-07,2007-08 and 2009-10. The VAT liability that arose as a result of participating in the said amnesty as assessed by the nodal department has been duly discharged by the Company and same is accounted for in that year."Subsequently, on September 29,2017 the Assistant Commissioner of Sales Tax - Investigation had suo moto passed an ex parte order raising a demand of ₹ 4590.10 lakhs along with applicable interest and penalties for the financial years 2006-07,2007-08 and 2009-10, disregarding the amnesty orders issued for the same periods by the MVAT department. The Company has not discharged this liability as it has been advised that the action of the Investigation wing is ultra vires the amnesty scheme and the Company has preferred an appeal with Deputy Commissioner of Sales Tax for the said years on the orders passed by paying the requisite deposit under protest. The Sales Tax department had granted a stay on the demand raised by the Investigating wing and has remanded the matter to the nodal department to investigate on the merits of the case taking into consideration that the company has already availed of the amnesty scheme. The Company does not envisage any further liability in the matter.

**38 Segment Reporting**

The 'management approach' as defined in "Ind AS 108 - Operating Segments" requires disclosure of segment-wise information based on the manner in which the Chief Operating Decision Maker (CODM) evaluates the performance and allocates resources in cases where a reporting entity operates in more than one business segment. Since the Company is primarily engaged in the business of real estate development which the Management and CODM recognize as the sole business segment, the disclosure of such segment-wise information is not required and accordingly, not provided.

**39 Earning Per Share**

(₹ in Lakhs)

Particulars	for the year ended 31-Mar-18	for the year ended 31-Mar-17
Profit after tax as per the Statement of Profit and Loss	3,874.57	8,413.74
Profit for the year attributable to equity shareholders	3,874.57	8,413.74
Weighted average number of equity shares	244.45	284.37
Basic and diluted earnings per share	15.85	29.59
Nominal value per equity share	10.00	10.00

**40 Lease****Operating Lease Arrangement**

The Company has been operating from the premises owned by group Company Marathon Realty Private Limited. During the year, Company had entered into formal agreement for payment of rent on the premises occupied by it. The rental payable per month has been ₹ 20.00 lakhs per month. The lease does not have any non-cancellable portion. Tenure of the lease agreement is valid till 31st March 2018."Total rent charged to the Statement of Profit and loss is ₹ 240.53 lakhs (Previous year ₹ 240.92 lakhs)

#### 41 Auditors' Remuneration

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Statutory audit fees (including limited review and consolidation)	10.50	10.25
Tax audit fees	1.50	1.75
Fees for certification and other services	-	3.50
Reimbursement of expenses	0.20	0.26
Total	12.20	15.76

#### 42 Employee Benefits

##### a. Defined Contribution Plans

Amounts recognized in the Statement of Profit and Loss:

(₹ in Lakhs)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Contribution to Provident and other funds	16.19	16.41

##### b. Defined Benefit Plan (Gratuity) and other Long-term Employee Benefits (Leave Encashment)

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is not funded and payout is done by company on resignation / retirement of employees.

Disclosure as per Valuation Reports of Independent Actuary

##### A. Movement in Obligation

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment	
	Year ended 31st March 2018	Year ended 31st March 2017	Year ended 31st March 2018	Year ended 31st March 2017
<b>Change in present value of obligations</b>				
Defined Benefit Obligation at the beginning of the year	39.67	43.14	8.20	6.05
Current service cost	3.93	2.25	4.41	0.73
Interest cost	2.79	3.45	0.92	0.48
Past Service Cost	12.78	-	-	-
Actuarial (Gains)/Losses	-	-	17.33	-
Remeasurements - Due to financial assumptions	-2.29	1.32	-	0.35
Remeasurements - Due to demographic assumptions	3.74	-	-	-
Remeasurements - Due to experience adjustments	12.99	-10.49	-	0.63
Benefits paid	-5.73	-	-0.78	-0.04
<b>Defined Benefit Obligation at the end of the year</b>	<b>67.87</b>	<b>39.67</b>	<b>30.07</b>	<b>8.20</b>

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## B. Amounts recognized in the Statement of Profit and Loss

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment	
	as at 31st March 2018	as at 31st March 2017	as at 31st March 2018	as at 31st March 2017
Current service cost	3.93	2.25	4.41	0.73
Interest cost	2.79	3.45	0.92	0.48
Past Service Cost	12.78	-	-	-
Actuarial (Gains)/Losses	-	-	17.33	0.98
<b>Amount recognized in profit or loss</b>	<b>19.50</b>	<b>5.70</b>	<b>22.66</b>	<b>2.19</b>
Remeasurements - Due to financial assumptions	-2.29	1.32	-	-
Remeasurements - Due to demographic assumptions	3.74			
Remeasurements - Due to experience adjustments	12.99	-10.49	-	-
<b>Amount recognized in OCI</b>	<b>14.44</b>	<b>-9.17</b>	<b>-</b>	<b>-</b>
<b>Total amount recognized in the Statement of Profit and Loss</b>	<b>33.94</b>	<b>-3.47</b>	<b>22.66</b>	<b>2.19</b>

## C. Amount recognized in Balance Sheet

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment	
	as at 31st March 2018	as at 31st March 2017	as at 31st March 2018	as at 31st March 2017
Present value of obligation	67.87	39.67	30.07	8.20
Fair value of plan assets	-	-	-	-
<b>Amount recognized in Balance Sheet</b>	<b>67.87</b>	<b>39.67</b>	<b>30.07</b>	<b>8.20</b>

## D. Assumptions

The principal actuarial assumptions used for estimating the Company's defined benefit obligations and other long term employee benefits are set out below:

(₹ in Lakhs)

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	as at 31st March 2018	as at 31st March 2017	as at 31st March 2018	as at 31st March 2017
Mortality rate	IALM 2006-08 (Mod.) Ult.	IALM 2006-08 (Mod.) Ult.	IALM 2006-08 (Mod.) Ult.	IALM 2006-08 (Mod.) Ult.
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	5.00%	5.00%	5.00%	5.00%
Withdrawal rate	2.00%	1.00%	2.00%	1.00%
Normal retirement age	60 years	58 years	60 years	58 years
Discount rate	7.85%	7.50%	7.85%	7.50%
Salary escalation rate	7.00%	7.00%	7.00%	7.00%
Expected return on plan assets	NA	NA	NA	NA

### E. Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the weighted key assumptions are:

(₹ in Lakhs)

Particulars	as at	as at	as at	as at
	31st March 2018	31st March 2017	31st March 2018	31st March 2017
	Gratuity	Gratuity	Leave Encashment	Leave Encashment
Salary escalation rate + 1%	72.26	41.41	31.94	9.60
Salary escalation rate - 1%	63.88	38.09	28.41	8.09
Withdrawal rate + 1%	69.85	41.05	30.18	8.26
Withdrawal rate - 1%	65.61	38.07	29.96	8.13
Discount rate + 1%	61.96	37.13	28.44	7.53
Discount rate - 1%	74.77	42.65	31.95	8.98

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method (Projected Unit Credit Method) used to calculate the liability recognized in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

### F. Maturity Profile

(₹ in Lakhs)

Particulars	as at 31st March 2018		as at 31st March 2017	
	Gratuity	Gratuity	Leave Encashment	Leave Encashment
Year 1	4.54	12.74	1.16	0.69
Year 2	3.32	8.33	0.84	3.14
Year 3	10.97	0.49	3.46	0.14
Year 4	3.16	0.52	0.79	0.15
Year 5	5.55	0.55	1.36	0.16
Year 6-10	27.95	3.38	16.25	0.95
Weighted average duration (in years)	12.31	12.83	12.31	14.92

### G. Best Estimate of Contribution

(₹ in Lakhs)

Particulars	as at 31st March 2018		as at 31st March 2017	
	Gratuity	Leave	Leave Encashment	Encashment
Best Estimate of Contribution for the Company during the next year	4.54	19.83	10.50	4.10

Note: Above disclosures with respect to employee benefits have been made to the extent of availability of data, as per actuarial valuation report.

### 43 List of Related Parties and Transactions during the year as per Ind AS-24 "Related Party Disclosures"

- a) Controlling Company  
Ithaca Informatics Pvt Ltd (74.96%)
- b) Key Management Personnel  
Mr. Chetan R. Shah – Managing Director  
Mr. S. Ramamurthi – Whole Time Director & CFO  
Mr. Mayur R. Shah - Director  
Ms. Shailaja C. Shah - Director  
Mr. Veeraraghavan Ranganathan - Director  
Mr. Anup Shah - Director  
Mr. Padmanabha Shetty - Director  
Mr. Deepak Shah - Director (w.e.f. 9th February 2017)  
Mr. V Nagarajan
- c) Relatives of Key Management Personnel having transactions during the year  
Ms. Ansuya R. Shah (Mother of Managing Director)  
Mr. Ramniklal Z. Shah (Father of Managing Director)  
Ms. Sonal M. Shah (Wife of Mr. Mayur R Shah-Director)
- d) Joint Ventures (% of holding)  
Columbia Chrome (I) Pvt Ltd (40%)  
Swayam Realtors & Traders LLP (40%)
- e) Entities over which Key Management Personnel / their relatives exercise significant influence and having transactions during the year  
IXOXI Equip-Hire LLP  
Marathon Infotech Pvt Ltd  
Marathon Realty Pvt Ltd  
Marathon IT Infrastructure Pvt Ltd  
Sanvo Resorts Pvt Ltd  
Matrix Enclaves Projects Developments Pvt Ltd  
Matrix Waste Management Pvt Ltd  
Nexzone Fiscal Services Pvt Ltd  
Nexzone Utilities Pvt Ltd  
United Enterprises  
Ramniklal Z. Shah Trust  
Terrapolis Assets Pvt Ltd





## 43 Part C Outstanding Balances:

Particulars	Columbia Chrome (I) Pvt Ltd (40%)	Swayam Realtors & Traders LLP (40%)	IXOXI Equip-Hire LLP	Marathon Realty Pvt Ltd	Matrix Waste Management Pvt Ltd	Chetan R. Shah	Marathon IT Infrastructure Pvt Ltd	Sanvo Resorts Pvt Ltd	Terrapolis Assets Pvt Ltd	Total
<b>Loan receivable</b>										
As at 31st March 2018	7,355.29	1,149.55	-	31,584.18	-	-	-	-	-	43,899.32
As at 31st March 2017	-6,488.91	-758.89	-	-28,933.20	-	-	-	-	-	-36,181.00
<b>Trade receivable (Note vii)</b>										
As at 31st March 2018	-	-	-	-	-	-	1.81	2.03	0.08	3.92
As at 31st March 2017	-	-	-	-26,274.09	-	-	-	-	-	-26,274.09
<b>Other receivable</b>										
As at 31st March 2018	-	-	-	-	-	-	-	-	-	0.00
As at 31st March 2017	-	-	-	-	-16.81	-	-	-	-	-16.81
<b>Other Payable</b>										
As at 31st March 2018	-	0.83	-	-	-	-	-	-	-	0.83
As at 31st March 2017	-	-	-	-	-	-	-	-	-	-
<b>Trade payable</b>										
As at 31st March 2018	-	-	3.12	10,711.23	-	-	-	-	-	10,714.35
As at 31st March 2017	-	-	-9.60	-	-	-	-	-	-	-9.60
<b>Director's remuneration payable</b>										
As at 31st March 2018	-	-	-	-	-	36.00	-	-	-	36.00
As at 31st March 2017	-	-	-	-	-	-40.61	-	-	-	-40.61



**Notes:**

- i. The leasehold land (999 years lease) is given as security against loan availed by Marathon Realty Pvt. Ltd. However, as at 31st March 2017, the rights relating to the said land have been relinquished by the Company towards Marathon Realty Pvt. Ltd.
- ii. As per definitive agreements to be executed w.r.t. 35 acres of land to be developed.
- iii. The Managing Director, Mr. Chetan R. Shah and his brother, Mr. Mayur Shah have given unconditional and irrevocable personal guarantee against loan availed by the Company.
- iv. The Company has entered into an agreement with Matrix Waste Management Pvt. Ltd. for revenue or area sharing based on 12.5% of revenue generated from the developed area for which development rights have been acquired by the Company.
- v. The Company has entered into an agreement with Ithaca Informatics Pvt. Ltd. for revenue or area sharing based on 12.5% of revenue generated from the developed area for which development rights have been acquired by the Company.
- vi. All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.
- vii. For the year ended 31st March, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (FY 2016-2017: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.
- viii. Amount appearing as ₹ 0.00 are amounts representing amounts less than ₹ 1000.

**44 Corporate Social Responsibility (CSR) Expenditure**

a. Gross amount required to be spent during the year: ₹ 183.16 lakhs (P.Y ₹ 140.03 lakhs)

b. Amount spent during the year on:

(₹ in Lakhs)

Particulars	In cash	Yet to be paid in cash	Total
i. Paid to Ramniklal Z Shah for education purpose (Refer note 43)	185.00	-	185.00
	-144.00	-	-144.00

Figures in brackets pertain to previous year

**45 Proposed Dividend**

Proposed dividend on Equity Shares not recognized:

(₹ in Lakhs)

Particulars	for the year ended 31-Mar-18	for the year ended 31-Mar-17
Final dividend for the year ended [₹. 2* (P.Y. ₹ 1)** per share ]	920.00	230.00
Dividend distribution tax on proposed dividend	189.15	46.82

\*\* During the year the Company bought back 54,37,345 Lakhs number of equity shares of ₹ 10 each on July 6, 2017.

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## 46 Acquisition of an undertaking by the company

### Accounting Treatment:

The Company had entered into a Business Transfer Agreement (BTA) w.e.f January 1, 2018 to purchase an undertaking "Marathon Futorex IT Park "together with its assets and liabilities for a lump sum consideration of ₹ 9300 lakhs from Marathon Realty Private Limited. This has resulted in transfer of assets, liabilities and reserves in accordance with the terms of the BTA at the following summarized values:

Particulars	Amount	Amount
<b>A. Assets Taken Over</b>		
Inventories	11,205.55	
Immovable properties	10,404.11	
Property Plant and Equipment	150.01	
		21,759.67
<b>B. Liabilities Taken Over</b>		
Loans	13,730.00	
Employee Benefit Obligations - Gratuity and Leave Encashment	30.86	
		13,760.86
<b>Net Assets Taken over [A-B]</b>		7,998.81
<b>Consideration Paid</b>		9,300.00
<b>Balance charged to capital reserve</b>		<b>-1,301.19</b>

The accompanying notes are an integral part of financial statements.  
As per our report of even date.

For and on behalf of the Board of Directors

**For Rajendra & Co.**  
**Chartered Accountants**  
**ICAI Firm Registration No. 108355W**

Chetan R. Shah  
Chairman &  
Managing Director  
DIN: 00135296

S. Ramamurthi  
CFO &  
Whole time Director  
DIN: 00135602

Akshay R. Shah  
Partner  
Membership No. 103316  
Place: Mumbai  
Date: May 22, 2018

K. S. Raghavan  
Company Secretary

47 Additional Information, as required under Schedule III to the Companies Act, 2013, of Consolidated Entities

a. Statement of Net Assets and Profit/Loss and Other Comprehensive Income considered in Consolidated Financial Statements

Name of the entity in the Group	Net Asset i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	As at 31st March 2018	As % of consolidated profit or loss	Year ended 31st March 2018	As % of consolidated OCI	Year ended 31st March 2018	As % of total comprehensive income	Year ended 31st March 2018
Parent Marathon Nextgen Realty Limited	104.96%	57,678.81	79.78%	3,091.00	100.00%	9.44	79.83%	3,100.44
Indian Joint Ventures (Investment as per the equity method)								
1. Columbia Chrome (I) Private Limited	0.01%	3.89	-0.01%	-0.53	0.00%	-	-0.01%	-0.53
2. Swayam Realtors & Traders LLP	1.96%	1,075	27.75%	1,075.15	0.00%	-	27.68%	1,075.15
Adjustment on account of consolidation	-6.93%	-3,806.69	-7.51%	-291.05	0.00%	-	-7.49%	-291.06
<b>Total</b>	<b>100.00%</b>	<b>54,951.16</b>	<b>100.00%</b>	<b>3,874.57</b>	<b>100.00%</b>	<b>9.44</b>	<b>100.00%</b>	<b>3,884.01</b>

Name of the entity in the Group	Net Asset i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net	As at 31st March 2017	As % of consolidated profit or loss	Year ended 31st March 2017	As % of consolidated OCI	Year ended 31st March 2017	As % of total comprehensive income	Year ended 31st March 2017
Parent Marathon Nextgen Realty Limited	105.19%	71,109.08	104.54%	8,795.52	100.00%	6.71	104.53%	8,802.24
Indian Joint Ventures (Investment as per the equity method)								
1. Columbia Chrome (I) Private Limited	0.01%	4.42	-0.01%	-0.80	0.00%	-	-0.01%	-0.80
2. Swayam Realtors & Traders LLP	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Adjustment on account of consolidation	-5.20%	-3,515.65	-4.53%	-380.98	0.00%	-	-4.52%	-380.98
<b>Total</b>	<b>100.00%</b>	<b>67,597.85</b>	<b>100.00%</b>	<b>8,413.74</b>	<b>100.00%</b>	<b>6.71</b>	<b>100.00%</b>	<b>8,420.46</b>

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## 48 Interest in Other Entities

a. The Consolidated Financial Statements present the Consolidated Accounts of the Company with its following Joint Ventures:

Particulars	Country of Incorporation	Principle Activity	Proportion of Ownership Interest as at	
			31st March 2018	31st March 2017
Columbia Chrome (I) Private Limited	India	Construction	40%	40%
Swayam Realtors & Traders LLP	India	Construction	40%	40%

## b. Summarised Financial Position

(₹ in Lakhs)

Particulars	Columbia Chrome (I) Private		Swayam Realtors & Traders LLP	
	Year ended 31st March 2018	Year ended 31st March 2017	Year ended 31st March 2018	Year ended 31st March 2017
<b>Non-current assets</b>	592.63	592.63	38,288.77	35,111.84
<b>Current assets</b>	19,910.37	18,171.78	35,890.63	34,949.79
<b>Total Assets (A)</b>	<b>20,503.00</b>	<b>18,764.41</b>	<b>74,179.40</b>	<b>70,061.63</b>
<b>Non-current liabilities</b>	-	-	4,650.19	44.43
<b>Current liabilities</b>	20,493.27	18,753.36	66,707.15	71,439.31
<b>Total Liabilities (B)</b>	<b>20,493.27</b>	<b>18,753.36</b>	<b>71,357.34</b>	<b>71,483.74</b>
<b>Net Assets (A-B)</b>	<b>9.73</b>	<b>11.05</b>	<b>2,822.06</b>	<b>-1,422.11</b>
<b>Group's share of net assets *</b> (Carrying amount of interest in Joint Venture)	<b>3.89</b>	<b>4.42</b>	<b>1,075.15</b>	<b>-</b>
<b>Contingent Liabilities **</b>	-	-	<b>350.68</b>	<b>350.68</b>
<b>Commitments</b>	-	-	-	-

\*\*\* In addition to contingent liability of ₹ 350.68 Lakhs above, the LLP has takeover and discharged liability of erstwhile Khatau Makanji Spinning and Weaving LLP Limited (Khatau) pertaining to the properties and liabilities taken over in terms of the sanctioned scheme as formulated in an order dated February 22, 2007, passed by the Board for Industrial and Financial Reconstruction. "However if any statutory liability or Government dues of Khatau on before the date of sanctioned scheme pertaining to the properties and liabilities taken over in terms of the sanctioned scheme, does fructify then the same will be a liability of the LLP. The LLP is not aware of any such liability as accordingly will not be in a position to quantify the same."

**b. Summarised Financial Position**

(₹ in Lakhs)

Particulars	Columbia Chrome (I) Private		Swayam Realtors & Traders LLP	
	Year ended 31st March 2018	Year ended 31st March 2017	Year ended 31st March 2018	Year ended 31st March 2017
Total Revenue	-	-	18,333.77	105.54
Total Expenses	1.32	2.00	14,093.91	589.32
Loss before tax	-1.32	-2.00	4,239.86	-483.78
Tax Expense	-	-	-	-
Profit / (Loss) for the year	-1.32	-2.00	4,239.86	-483.78
Other Comprehensive Income (OCI)	-	-	6.98	-7.18
Total Comprehensive Income for the year	-1.32	-2.00	4,246.84	-490.96
Group's share of Profit / (Loss)	-0.53	-0.80	1075.15#	NA ^
Group's share of OCI	NA ^	NA ^		
Group's share of Total Comprehensive Income	-0.53	-0.80	NA ^	NA ^

#Group's share of profit in Current year from Swayam Realtors & Traders LLP had been considered after adjusting previous year unabsorbed losses to the extent of Group's investment in such Joint Venture.

^ Group's share of loss in Previous year from Swayam Realtors & Traders LLP had been considered only to the extent of Group's investment in such Joint Venture. Accordingly, carrying amount of investment is zero and there is no further share of loss / OCI recognised by the Group from such Joint Venture.

**d. Movement of Investment accounted for using Equity Method**

(₹ in Lakhs)

Particulars	Columbia Chrome (I) Private		Swayam Realtors & Traders LLP	
	Year ended 31st March 2018	Year ended 31st March 2017	Year ended 31st March 2018	Year ended 31st March 2017
Opening balance	4.42	5.22	-	-
Share of Profit / (Loss) #	-0.53	-0.80	1,075.15	-
<b>Closing balance</b>	<b>3.89</b>	<b>4.42</b>	<b>1,075.15</b>	<b>-</b>

# Group's share of loss in previous year from Swayam Realtors & Traders LLP had been considered only to the extent of Group's investment in such Joint Venture. Accordingly, carrying amount of investment is zero and there is no further share of loss / OCI recognised by the Group from such Joint Venture.

49 The comparative financial information of the Company for the year ended March 31, 2017 prepared in accordance with Indian Accounting Standards, included in these Standalone Financial Statements, have been audited by the predecessor auditors.

**50 Previous Year Figures**

The previous year figures are regrouped, recast and reclassified wherever necessary to make them comparable with the figures of the current year.

As per our report of even date.

For and on behalf of the Board of Directors

**For Rajendra & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 108355W

Chetan R. Shah  
Chairman &  
Managing Director  
DIN: 00135296

S. Ramamurthi  
CFO &  
Whole time Director  
DIN: 00135602

Akshay R. Shah  
Partner  
Membership No. 103316  
Place: Mumbai  
Date: May 22, 2018

K. S. Raghavan  
Company Secretary







**MARATHON NEXTGEN REALTY LTD**

Form No. MGT - 11

**PROXY FORM****(Pursuant to Section 105(6) of the Companies Act, 2013 and Rules 19(3) of the Companies (Management and Administration) Rules, 2014)**

Name of the member(s):

Registered address:

E-mail Id:

Folio No/Client Id:

DP ID:

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint

1. Name \_\_\_\_\_ Address: \_\_\_\_\_ E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him

2. Name \_\_\_\_\_ Address: \_\_\_\_\_ E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him

3. Name \_\_\_\_\_ Address: \_\_\_\_\_ E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him

as proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 41 st Annual General Meeting of the Company to be held on Wednesday, September 19,2018 at 3.30 P.M. at Walchand Hirachand Hall, 4 th floor, Indian Merchant Chambers, Churchgate, Mumbai 400020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No. No.	Description of Resolution
<b>Ordinary Business</b>	
1	To receive, consider and adopt the Financial Statements for the year ended on 31 st March, 2018 and the Reports of the Directors and Auditors thereon.
2	To declare Dividend, if any, for the financial year ended on 31st March 2018
3	To appoint a Director in place Ms. Shailaja C. Shah, who retires by rotation and and being eligible offers herself for re-appointment.
<b>SPECIAL BUSINESS</b>	
4	Re-appointment of Mr. Chetan R. Shah(DIN: 00135296)as Chairman & Managing Director

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2018

Affix Rs. 1  
Revenue  
Stamp\_\_\_\_\_  
Signature of Proxy Holder\_\_\_\_\_  
Signature of shareholder

This form duly filled up, stamped and signed by the appointer or his attorney duly authorized in writing or if the appointer is a Body Corporate, under the seal and signed by an attorney duly authorized by it shall be deposited at the Registered Office of the Company, not less than 48 hours before the time for holding meeting.

**MARATHON NEXTGEN REALTY LTD****ATTENDANCE SLIP****41ST ANNUAL GENERAL MEETING**

Reg. Folio / DP &amp; Client ID no. \_\_\_\_\_

No. of Shares held: \_\_\_\_\_

I certify that I am a registered shareholder / Proxy for the registered shareholder of the Company. I hereby accord my presence at the 41 st Annual General Meeting of the Company at Walchand Hirachand Hall ,4 th floor, Indian Merchant Chambers, Building Churchgate, Mumbai 400020 on Wednesday , September 19, 2018 at 3.30 P.M.

Members Name: \_\_\_\_\_

Proxy's Name: \_\_\_\_\_

**Note:**

Members / Proxy's signature

- Please fill this attendance slip and hand it over at the entrance of the Hall.
- Members / Proxy Holders / Authorized Representatives are requested to show their Photo ID Proof for attending the Meeting.
- Authorized Representatives of Corporate Members shall produce authorization issued in their favour.

**MARATHON**



**MARATHON NEXTGEN REALTY LTD**

802, Marathon Max,  
Jn. of Mulund-Goregaon Link Road, Mulund (W),  
Mumbai - 400 080.