AUDITED FINANCIAL STATEMENTS OF SUBSIDIARIES OF

ROYAL ORCHID HOTELS LIMITED

FOR THE YEAR ENDED 31 MARCH 2018

Sl No	**Name of the subsidiary**
	Indian Subsidiary
1	Icon Hospitality Private Limited
2	Maruti Comforts & Inn Private Limited
3	Cosmos Premises Private Limited
4	Ksheer Sagar Developers Private Limited
5	J H Builders Private Limited
6	Ksheer Sagar Buildcon Private Limited
7	Raj Kamal Buildcon Private Limited
8	Royal Orchid Associated Hotels Private Limited
9	River Shore Developers Private Limited
10	AB Holdings Private Limited
11	Royal Orchid Goa Private Limited
12	Royal Orchid Hyderabad Private Limited
13	Royal Orchid Maharashtra Private Limited
14	Royal Orchid Mumbai Private Limited
15	Royal Orchid Shimla Private Limited
16	Royal Orchid South Private Limited
17	Royal Orchid Jaipur Private Limited
	Foreign Subsidiary
18	Multi Hotels Limited

ICON HOSPITALITY PRIVATE LIMITED

Audited Financial Statements

for the year ended

31 March 2018

INDEPENDENT AUDITOR'S REPORT
To The Members of Icon Hospitality Private Limited
Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Icon Hospitality Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the Ind AS 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 Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its loss, total comprehensive loss, the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.

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

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-
Monisha Parikh
(Partner)
(Membership No. 47840)

Bengaluru, May 24, 2018
MP/SS/MSK/2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **Icon Hospitality Private Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

Sd/-
Monisha Parikh
(Partner)
(Membership No. 47840)

Bengaluru, May 24, 2018
MP/SS/MSK/2018

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

(c) According to the information and explanations given to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lenders.

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

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans that are covered under the provisions of sections 185 or 186 of the Act, made investments or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.

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

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

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

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities other than dues relating to Karnataka Labour Welfare Fund.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and services Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable other than the following:

Name of Statute	Nature of Dues	Amount (₹ in lakhs)	Period to which the Amount Relates	Due Date
Karnataka Labour Welfare Fund Act, 1965	Compensation	30.61	March 2003 to September 2014	Various Dates

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Goods and Service Tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (₹ in lakhs)
Customs Act, 1962	Differential Dues and Penalty	Commissioner of Customs, Export	2013-14	323.36

viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders, except as under:

Particulars	Amount of default of repayment (₹ in lakhs)	Period of default
Interest to Debenture holders	89.54	Above 365 days

ix) In our opinion and according to information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and the term loans have been applied by the company during the year for the purpose for which they were raised.

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

xi) The Company has not paid or provided managerial remuneration during the year and hence reporting under clause (xi) of the Order is not applicable.

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

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

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

xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-
Monisha Parikh
(Partner)
(Membership No. 47840)

Bengaluru, May 24, 2018
MP/SS/MSK/2018

Icon Hospitality Private Limited
Balance Sheet as at 31 March 2018

	Notes	As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 01 April 2016 ₹ in lakhs
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	5,456.64	5,741.28	6,134.06
(b) Capital Work in progress	3A	-	-	12.37
(c) Other intangible assets	3B	-	0.41	1.09
(d) Financial assets				
(i) Other financial assets	4	64.03	10.17	9.93
(e) Other non-current assets	5	37.87	78.98	27.33
		5,558.54	**5,830.84**	**6,184.78**
Current assets				
(a) Inventories	6	36.25	14.03	13.57
(b) Financial assets				
(i) Trade receivables	7	195.83	171.57	174.75
(ii) Cash and cash equivalents	8	144.71	338.07	11.57
(iii) Bank balances other than cash and cash equivalents	9	-	53.75	53.75
(iv) Other financial assets	10	2.51	13.57	21.80
(c) Other current assets	11	26.66	32.12	21.28
		405.96	**623.11**	**296.72**
TOTAL ASSETS		**5,964.50**	**6,453.95**	**6,481.50**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	12	1,900.41	1,900.41	1,900.41
(b) Instruments entirely equity in nature	13	301.49	301.49	201.49
(c) Other equity	14	1,089.41	1,603.56	1,991.39
		3,291.31	**3,805.46**	**4,093.29**
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	15	1,649.67	1,721.85	352.52
(b) Provisions	16	50.70	37.04	27.57
(c) Deferred Tax Liabilities, Net	17	-	-	-
		1,700.37	**1,758.89**	**380.09**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	18	-	-	250.00
(ii) Trade payables	19	586.63	564.05	584.86
(iii) Other financial liabilities	20	115.27	25.41	736.91
(b) Other current liabilities	21	264.27	294.17	433.44
(c) Provisions	22	6.65	5.97	2.91
		972.82	**889.60**	**2,008.12**
TOTAL EQUITY AND LIABILITIES		**5,964.50**	**6,453.95**	**6,481.50**

See accompanying notes forming part of these financial statements.

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sd/-
Monisha Parikh
Partner

Place: Bengaluru
Date: 24 May 2018

For and on behalf of the Board of Directors

Sd/-
Chetan Tewari
Managing Director

Sd/-
P. Satish Pai
Director

Sd/-
Ranabir Sanyal
Company Secretary

Sd/-
Karthik J
Chief Financial Officer

Place: Bengaluru
Date: 24 May 2018

Icon Hospitality Private Limited
Statement of Profit and Loss for the year ended 31 March 2018

	Notes	Year ended 31 March 2018 ₹ in lakhs	Year ended 31 March 2017 ₹ in lakhs
Revenue			
Revenue from operations	23	2,117.77	1,900.61
Other income	24	31.94	23.14
Total revenue		**2,149.71**	**1,923.75**
Expenses			
Food and beverages consumed	25	240.87	232.20
Employee benefits expense	26	479.16	417.58
Finance costs	27	252.12	208.80
Depreciation and amortisation	28	416.96	417.98
Other expenses	29	1,217.27	974.97
Total expenses		**2,606.38**	**2,251.53**
Profit before tax		**(456.67)**	**(327.78)**
Tax expense	30		
Current tax		-	-
Deferred tax charge/(credit)		-	-
		-	**-**
Profit after tax		**(456.67)**	**(327.78)**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
a) Remeasurement (losses)/gains in defined benefit plans		(8.19)	(3.66)
Income tax effect			
Net of items that will not be reclassified to profit or loss		(8.19)	(3.66)
Other comprehensive income/(loss), net of tax		**(8.19)**	**(3.66)**
Total comprehensive income / (loss) for the period		**(464.86)**	**(331.44)**
Earnings per equity share of ₹ 100 each			
Basic/Diluted	30	(24.46)	(17.44)

See accompanying notes to Financial Statements.

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sd/-
Monisha Parikh
Partner

For and on behalf of the Board of Directors

Sd/-
Chetan Tewari
Managing Director

Sd/-
P. Satish Pai
Director

Sd/-
Ranabir Sanyal
Company Secretary

Sd/-
Karthik J
Chief Financial Officer

Place: Bengaluru
Date: 24 May 2018

Place: Bengaluru
Date: 24 May 2018

Icon Hospitality Private Limited
Statement of Changes in Equity for the year ended 31 March 2018

A. Equity share capital

Equity shares of ₹ 100 each, fully paid-up	Equity shares Number	Equity shares Amount ₹ in lakhs
As at 1 April 2016	19,00,409	1,900.41
Add: Issued and subscribed during the year	-	-
As at 31 March 2017	**19,00,409**	**1,900.41**
Add: Issued and subscribed during the year	-	-
As at 31 March 2018	**19,00,409**	**1,900.41**

B. Instruments entirely equity in nature

Compulsorily Convertible Debentures ₹ 100 each	Compulsorily Convertible Debentures Number	Compulsorily Convertible Debentures Amount ₹ in lakhs
Balance as at 01 April 2016	**2,01,493**	**201.49**
Add: Alloted during the year	99,997	100.00
Balance as at 31 March 2017	**3,01,490**	**301.49**
Add: Alloted during the year	-	-
Balance as at 31 March 2018	**3,01,490**	**301.49**

C. Other equity

For the year ended 31 March 2018

₹ in lakhs

	Reserves and Surplus			Items of OCI	Total
	Securities Premium Account	Retained Earnings	Contribution from Holding Company	Defined Benefit Obligation Remeasurement	
Balance as at 31 March 2017	**3,577.34**	**(1,975.73)**	**5.61**	**(3.66)**	**1,603.56**
Profit for the period	-	(456.67)	-	-	(456.67)
Other comprehensive loss, net of tax	-	-	-	(8.19)	(8.19)
Total Comprehensive Income	**-**	**(456.67)**	**-**	**(8.19)**	**(464.86)**
Interest on Compulsorily Convertible Debentures (entirely equity in nature)	-	(54.27)	-	-	(54.27)
Deferred Employee Cost charged by Holding Company	-	-	4.98	-	4.98
Balance as at 31 March 2018	**3,577.34**	**(2,486.67)**	**10.59**	**(11.85)**	**1,089.41**

For the year ended 31 March 2017

₹ in lakhs

	Reserves and Surplus			Items of OCI	Total
	Securities Premium Account	Retained Earnings	Contribution from Holding Company	Defined Benefit Obligation Remeasurement	
Balance as at 1 April 2016	**3,577.34**	**(1,585.95)**	**-**	**-**	**1,991.39**
Profit for the year	-	(327.78)	-	-	(327.78)
Other comprehensive loss, net of tax	-	-	-	(3.66)	(3.66)
Total comprehensive income	**-**	**(327.78)**	**-**	**(3.66)**	**(331.44)**
Interest on Compulsorily Convertible Debentures (entirely equity in nature)	-	(62.00)	-	-	(62.00)
Deferred Employee Cost charged by Holding Company	-	-	5.61	-	5.61
Balance as at 31 March 2017	**3,577.34**	**(1,975.73)**	**5.61**	**(3.66)**	**1,603.56**

See accompanying notes to Financial Statements.
In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sd/-
Monisha Parikh
Partner

For and on behalf of the Board of Directors

Sd/-
Chetan Tewari
Managing Director

Sd/-
P. Satish Pai
Director

Sd/-
Ranabir Sanyal
Company Secretary

Sd/-
Karthik J
Chief Financial Officer

Place: Bengaluru
Date: 24 May 2018

Place: Bengaluru
Date: 24 May 2018

Icon Hospitality Private Limited
Cash Flow Statement for the year ended 31 March 2018

	Year ended 31 March 2018 ₹ in lakhs	Year ended 31 March 2017 ₹ in lakhs
A. Cash flow from operating activities		
Net profit before tax	**(456.67)**	**(327.78)**
Adjustments for:		
Depreciation and amortisation	416.96	417.98
Property, plant and equipment written off	60.74	-
Interest income	(12.93)	(7.27)
Interest expense, net	252.12	208.80
Employee share based payment	4.98	5.61
Liability no longer required, written back	(7.01)	(10.01)
Provision for doubtful receivable	0.66	14.38
Operating profit before working capital changes	**258.85**	**301.70**
Changes in working capital:		
(Decrease)/Increase in provisions	6.15	8.86
Increase/(decrease) in trade payables and other liabilities	1.87	(161.17)
Decrease/(Increase) in trade receivables	(24.92)	(11.20)
(Increase)/Decrease in inventories	(22.22)	(0.46)
(Increase)/Decrease in Other Financial assets	(44.28)	11.04
(Increase)/Decrease in Other Current assets	(4.30)	(10.83)
Cash generated from operations	**171.14**	**137.94**
Direct taxes paid/ (received) (net)	(9.42)	4.81
Net cash generated from operating activities	**180.56**	**133.13**
B. Cash flows from investing activities		
Purchase of property, plant and equipment (including changes in capital work-in-progress and project advances)	(148.53)	(58.01)
Interest received	11.74	3.25
Change in other bank balances	53.75	-
Net cash (used in)/generated from investing activities	**(83.04)**	**(54.76)**
C. Cash flows from financing activities		
Interest paid	(257.55)	(312.45)
Proceeds from borrowings	-	1,800.00
Repayment of secured borrowings	(33.33)	(1,339.43)
Proceeds from Debenture application money pending allotment	-	225.00
Repayment of Debenture application money pending allotment	-	(125.00)
Net cash (used in) from financing activities	**(290.88)**	**248.12**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(193.36)**	**326.49**
Cash and cash equivalents at the beginning of the year	**338.07**	**11.57**
Cash and cash equivalents at the end of the year (refer note 8)	**144.71**	**338.07**

See accompanying notes to Financial Statements.
In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sd/-
Monisha Parikh
Partner

Place: Bengaluru
Date: 24 May 2018

For and on behalf of the Board of Directors

Sd/-
Chetan Tewari
Managing Director

Sd/-
P. Satish Pai
Director

Sd/-
Ranabir Sanyal
Company Secretary

Sd/-
Karthik J
Chief Financial Officer

Place: Bengaluru
Date: 24 May 2018

Icon Hospitality Private Limited
Notes to the financial statements

1 Corporate Information

Icon Hospitality Private Limited ('Icon' or 'the Company') was incorporated on 28 January 2003 as a private limited company providing hospitality services. The Company operates Royal Orchid Central in Bangalore, India. For its daily operations, the Company has also entered into an agreement with Royal Orchid Associated Hotels Private Limited, a subsidiary of the holding Company for which it pays management fee.

1A The Company has suffered a loss of ₹ 456.67 lakhs during the year and has an accumulated deficit ₹ 2486.67 lakhs as at 31 March 2018 (refer note 'Other equity' under Statement of changes in equity). Further, the current liabilities exceed current assets by ₹ 566.86 lakhs as on the Balance Sheet date. In view of its term loan restructuring plan for improving operating cash flows through cost synergies, exploring avenues of enhancing revenues, operational and financial support from the Holding Company etc., the Company is confident of improving and maintaining sustainable operating cash flows and accordingly the financial statements are prepared and presented on a going concern basis, which contemplates realization of assets and settlement of liabilities in the normal course of business.

2 Summary of significant accounting policies

a) Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Upto the year ended 31 March 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the section 133 of the Companies Act, 2013 and the relevant provisions of Companies Act, 2013 ("the Act"), as applicable. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 01 April 2016. Refer Note 38 on first-time adoption exemptions/exceptions availed by the Company.

b) Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for services.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair valued, such as value in use quantification as per Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:
Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
Level 3 inputs are unobservable inputs for the asset or liability.

c) Use of estimates

The preparation of the financial statements in conformity with the recognition and measurement principals of Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities and disclosure relating to contingent liabilities as at the date of financial statements and the reported amounts of income and expenditure during the reported year. The Management believes that the estimates used in preparation of the financial statements are 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.
In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Litigation

From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

2 Summary of significant accounting policies (cont'd)

c) Use of estimates (cont'd)

Income taxes
Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Statement of Profit and Loss.
Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.

Defined benefit plans
The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

d) Revenue recognition
Revenue from contracts with customers is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

Income from operations
Revenues comprise income from the sale of room nights, food and beverages and allied services during a guest's stay at the hotel. Room revenue is recognised based on occupation and revenue from sale of food, beverages and other allied services, as the respective services are rendered with reasonable certainty of ultimate collection. Other revenues are recognised as and when the services are performed or the right to receive claim is established, with reasonable certainty for ultimate collection. Rebates and discounts granted to customers are reduced from revenue.

Income from management and technical services are recognised as the services are rendered based on the terms of the contract.

Unbilled revenues' represent revenues recognised on services rendered, for which amounts are to be billed in subsequent periods.

Interest income
Interest income is reported on an accrual basis using the effective interest method and is included under the head "other income" in the Statement of Profit and Loss.

e) Employee benefits
Employee benefits include provident fund, employee state insurance scheme, labour welfare fund, gratuity and compensated absences. Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan
Retirement benefit in the form of provident fund and employee state insurance scheme is a defined contribution scheme. The Company is generally liable for specified contributions to a separate entity and has no obligation to pay any further amounts. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service

Defined benefit plan
Gratuity
The liability recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Compensated absences
Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the Balance Sheet date.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost.
Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period. Further, as required under Ind AS compliant Schedule III, the Company transfers those amounts recognized in other comprehensive income to retained earnings in the statement of changes in equity and in the balance sheet.

2 Summary of significant accounting policies (cont'd)

e) Employee benefits (cont'd)

Short-term employee benefits

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related services. The accruals for employee entitlements of benefits such as salaries, bonuses and annual leave represent the amount which the Company has a present obligation to pay as a result of the employees' services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the Balance Sheet date.

f) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs. Initial estimate of costs of dismantling and removing the item and restoring the site on which it is located is also included if there is an obligation to restore it.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount

Depreciation is charged to Statement of Profit and Loss so as to expense the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Asset Category	**Useful lives (in years)**
Buildings	30
Plant and equipment	15
Furniture and fixtures	8
Vehicles	6
Office equipment	5
Computer equipment	3

The Company has evaluated the applicability of component accounting as prescribed under Ind AS 16 and Schedule II of the Companies Act, 2013, the management has not identified any significant component having different useful lives.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

Capital work in progress represents projects under which the property, plant and equipment are not yet ready for their intended use and are carried at cost determined as aforesaid.

g) Intangible Assets

Intangible assets include cost of acquired software. Intangible assets are initially measured at acquisition cost including directly attributable costs of preparing the asset for its intended use.

Intangible assets are amortised over a period of three years.

For transition to Ind AS, the Company has elected to continue with carrying value of all of its intangible assets recognized as of 01 April 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

h) Impairment of assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

2 Summary of significant accounting policies (cont'd)

i) Foreign currency translations

The functional currency of the Company is Indian rupee (₹).

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value denominated in a foreign currency are retranslated at the rates prevailing at the date when the fair value was determined.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction.
Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

j) Inventories

Inventory comprises food, beverages, stores and spare parts and are valued at the lower of cost and net realisable value.
Cost includes cost of purchase and other costs incurred in bringing the goods to their present location and condition and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion to make the sale.

k) Government grants

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

(a) related to or used for assets are included in the Balance Sheet as deferred income and recognised as income over the period in which the associated obligations are fulfilled.

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

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

l) Income Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

i) Current tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.
Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax :

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.
Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.
Deferred tax liabilities are generally recognized for all taxable temporary differences.
The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

2 Summary of significant accounting policies (cont'd)

l) Income Taxes (cont'd)

ii) Deferred taxes (cont'd)
Deferred tax liabilities and assets are measured at tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.
Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
Minimum Alternative Tax (“MAT”) credit forming part of Deferred tax assets is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

n) Provisions and contingencies

Provisions
A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets
Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

o) Statement of Cash Flows
Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

p) Earnings Per Share
Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year. 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.

2 Summary of significant accounting policies (cont'd)

q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the business of operating and managing hotels/ resorts and providing related services, which constitutes its single reportable segment.

r) Financial Instruments

(i) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.
When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss directly attributable transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Classification

• Cash and Cash Equivalents – Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.
• Debt Instruments - The Company classifies its debt instruments as subsequently measured at amortised cost, fair value through Other Comprehensive Income or fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

(a) Financial assets at amortised cost -

Financial assets are subsequently measured at amortised cost if these financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

(b) Financial assets at fair value through Other Comprehensive Income (FVOCI) -

Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. Movements in the carrying value are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Statement of Profit and Loss. Interest income on such financial assets is included as a part of the Company's income in
the Statement of Profit and Loss using the effective interest rate method.

(c) Financial assets at fair value through profit or loss (FVTPL) -

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on such debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship as well as interest income is recognised in the Statement of Profit and Loss.

• Equity Instruments - The Company subsequently measures all equity investments (other than the investment in subsidiaries, joint ventures and associates which are measured at cost) at fair value. Where the Company has elected
to present fair value gains and losses on equity investments in Other Comprehensive Income ("FVOCI"), there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payment is established.

At the date of transition to Ind AS, the Company has made an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value of equity investments that are not held for trading.

When the equity investment is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Retained Earnings directly.

De-recognition

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

2 Summary of significant accounting policies (cont'd)

r) Financial Instruments (cont'd)

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised 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 a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. During the years reported, no hedge relationship was designated.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(iii) Impairment of financial assets

The Company assesses, at each reporting date, whether a financial asset or a group of financial assets is impaired. Ind AS-109 on Financial Instruments, requires expected credit losses to be measured through a loss allowance. For trade receivables only, the Company recognises expected lifetime losses using the simplified approach permitted by Ind AS-109, from initial recognition of the receivables. For other financial assets (not being equity instruments or debt instruments measured subsequently at FVTPL) the expected credit losses are measured at the 12 month expected credit losses or an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition.

s) Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21,Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force form 01 April 2018. The Company is in process of evaluating the effect of this on the financial statements and expects the impact to be not material.

Ind AS 115- Revenue from Contract with Customers:

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

a. Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

b. Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch-up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 01 April 2018

The Company has completed an initial qualitative assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its financial statements. The quantitative impact of adoption of Ind AS 115 on the financial statements in the period of initial application is not expected to be material.

Icon Hospitality Private Limited
Notes to the financial statements

3 Property, plant and equipment

	As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 01 April 2016 ₹ in lakhs
Carrying amounts of:			
Land (Freehold)	2,535.18	2,535.18	2,535.18
Buildings	1,244.10	1,334.05	1,386.94
Plant and equipments	1,600.69	1,825.26	2,119.22
Furniture and fixtures	70.90	4.94	7.53
Vehicles	3.27	41.18	84.52
Office equipments	-	-	-
Computer equipments	2.50	0.67	0.67
	5,456.64	**5,741.28**	**6,134.06**

Cost or deemed cost:

₹ in lakhs

Particulars	Land (Freehold)	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Computer equipments	Total
Gross Block								
Balance as at 01 April 2016	**2,535.18**	**2,036.11**	**3,981.59**	**528.56**	**366.26**	**655.44**	**80.49**	**10,183.63**
Additions	-	12.38	11.77	-	-	-	0.36	24.51
Disposals/written off	-	-	-	-	-	-	-	-
Balance as at 31 March 2017	**2,535.18**	**2,048.49**	**3,993.36**	**528.56**	**366.26**	**655.44**	**80.85**	**10,208.14**
Additions	-	16.03	102.29	71.21	-	-	3.11	192.64
Disposals/written off	-	69.39	51.27	17.04	-	-	-	137.70
Balance as at 31 Mar 2018	**2,535.18**	**1,995.13**	**4,044.38**	**582.73**	**366.26**	**655.44**	**83.96**	**10,263.08**
Accumulated depreciation								
Balance as at 01 April 2016	**-**	**649.17**	**1,862.37**	**521.03**	**281.74**	**655.44**	**79.82**	**4,049.57**
Charge for the year	-	65.27	305.73	2.59	43.34	-	0.36	417.29
Disposal/written off	-	-	-	-	-	-	-	-
Balance as at 31 March 2017	**-**	**714.44**	**2,168.10**	**523.62**	**325.08**	**655.44**	**80.18**	**4,466.86**
Charge for the year	-	65.24	306.87	5.25	37.91	-	1.28	416.55
Disposal/written off	-	28.65	31.28	17.04	-	-	-	76.97
Balance as at 31 March 2018	**-**	**751.03**	**2,443.69**	**511.83**	**362.99**	**655.44**	**81.46**	**4,806.44**
Net block								
Balance as at 01 April 2016	**2,535.18**	**1,386.94**	**2,119.22**	**7.53**	**84.52**	**-**	**0.67**	**6,134.06**
Balance as at 31 March 2017	**2,535.18**	**1,334.05**	**1,825.26**	**4.94**	**41.18**	**-**	**0.67**	**5,741.28**
Balance as at 31 March 2018	**2,535.18**	**1,244.10**	**1,600.69**	**70.90**	**3.27**	**-**	**2.50**	**5,456.64**

Note:

i Unless otherwise stated all assets are owned by the Company and none of the assets are given on lease.

ii Certain property, plant and quipment are pledged against secured borrowings, the details relating to which have been described in Note 15 pertaining to Borrowings.

		As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 01 April 2016 ₹ in lakhs
3A	**Capital work-in-progress**	-	-	12.37

3B Other intangible assets

₹ in lakhs

Particulars	Computer softwares	Total
Balance as at 01 April 2016	**16.16**	**16.16**
Additions	-	-
Disposals/written off	-	-
Balance as at 31 March 2017	**16.16**	**16.16**
Additions	-	-
Disposals/written off	-	-
Balance as at 31 Mar 2018	**16.16**	**16.16**
<u>Accumulated depreciation</u>		
Balance as at 01 April 2016	**15.07**	**15.07**
Charge for the year	0.68	0.68
Disposal/written off	-	-
Balance as at 31 March 2017	**15.75**	**15.75**
Charge for the year	0.41	0.41
Disposal/written off	-	-
Balance as at 31 March 2018	**16.16**	**16.16**
<u>Net block</u>		
Balance as at 01 April 2016	**1.09**	**1.09**
Balance as at 31 March 2017	**0.41**	**0.41**
Balance as at 31 March 2018	**-**	**-**

		As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 01 April 2016 ₹ in lakhs
4	**Other non-current financial assets**			
	Bank deposits with more than 12 months maturity	53.75	-	-
	Security deposits	10.28	9.72	9.93
	Dues from other parties	-	0.45	-
		64.03	**10.17**	**9.93**
5	**Other non-current assets**			
	Advance tax, net of provision ₹ 49.74 lakhs (31 March 2017: ₹ 49.74 lakhs; 01 April 2016: ₹ 49.74 lakhs)	26.35	33.11	27.33
	Balances with Government authorities (Goods and Service Tax)	1.00	-	-
	Capital advances			
	-Unsecured, considered good	1.76	45.87	-
	Others	8.76	-	-
		37.87	**78.98**	**27.33**
6	**Inventories**			
	(At lower of cost or net realisable value)			
	Food and beverages	31.31	10.92	10.75
	Stores and spares	4.94	3.11	2.82
		36.25	**14.03**	**13.57**

Note:

a) The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹ 240.87 lakhs (for the year ended March 31, 2017: ₹ 232.20 lakhs).

b) The mode of valuation of inventories has been stated in note 2.

Icon Hospitality Private Limited
Notes to the financial statements

		As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 01 April 2016 ₹ in lakhs
7	**Trade receivables**			
	Unsecured, considered good	195.83	171.57	174.75
	Unsecured, considered doubtful	58.72	58.06	43.68
		254.55	**229.63**	**218.43**
	Less: Allowance for doubtful receivable (expected credit loss allowance)	(58.72)	(58.06)	(43.68)
		195.83	**171.57**	**174.75**

Note:
No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

		As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 01 April 2016 ₹ in lakhs
8	**Cash and cash equivalents**			
	Balances with banks			
	- in current accounts	50.17	47.62	-
	- in deposit accounts (with maturity upto 3 months)	86.00	285.00	8.47
	Cash on hand	8.54	5.45	3.10
		144.71	**338.07**	**11.57**
9	**Other bank balances**			
	Balances with banks			
	- in deposit accounts (with maturity more than 3 months but less than 12 months)	-	53.75	53.75
		-	**53.75**	**53.75**
10	**Other financial assets**			
	Interest accrued on deposits	1.57	3.05	-
	Dues from Holding Company (refer note 31(ii))	-	-	1.90
	Unbilled revenue	-	10.28	9.47
	Other receivables	0.94	0.24	10.43
		2.51	**13.57**	**21.80**
11	**Other current assets**			
	(Unsecured, considered good)			
	Advances to suppliers	3.02	4.76	12.40
	Prepaid expenses	16.50	23.05	8.88
	Advances to employees	7.14	4.31	-
		26.66	**32.12**	**21.28**

Icon Hospitality Private Limited
Notes to the financial statements

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number	Amounts ₹ in lakhs	Number	Amounts ₹ in lakhs	Number	Amounts ₹ in lakhs
12 Share capital						
Authorised share capital						
Equity shares of ₹ 100 each	20,00,000	2,000.00	20,00,000	2,000.00	20,00,000	2,000.00
	20,00,000	**2,000.00**	**20,00,000**	**2,000.00**	**20,00,000**	**2,000.00**
Issued, subscribed and fully paid up						
Equity shares of ₹ 100 each	19,00,409	1,900.41	19,00,409	1,900.41	19,00,409	1,900.41
	19,00,409	**1,900.41**	**19,00,409**	**1,900.41**	**19,00,409**	**1,900.41**

a) Reconciliation of share capital

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number	Amounts ₹ in lakhs	Number	Amounts ₹ in lakhs	Number	Amounts ₹ in lakhs
Balance at the beginning of the year	19,00,409	1,900.41	19,00,409	1,900.41	9,87,762	987.76
Add: Fresh Issue	-	-	-	-	18,623	18.62
Add: Conversion of Compulsorily Convertible Debentures into equity share capital	-	-	-	-	7,27,340	727.34
Add: Conversion of unsecured loans into equity share capital	-	-	-	-	1,66,684	166.69
Balance at the end of the year	19,00,409	1,900.41	19,00,409	1,900.41	19,00,409	1,900.41

b) Details of shares held by the holding company and its subsidiary

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number	Amounts ₹ in lakhs	Number	Amounts ₹ in lakhs	Number	Amounts ₹ in lakhs
Equity shares of ₹100 each with voting rights						
Royal Orchid Hotels Limited - Holding Company	9,70,536	970.54	9,70,536	970.54	9,70,536	970.54
Royal Orchid Goa Private Limited - Subsidiary of the Holding Company	1	0.00	1	0.00	1	0.00
	9,70,537	**970.54**	**9,70,537**	**970.54**	**9,70,537**	**970.54**

c) Shareholders holding more than 5% of the shares of the Company

Equity shares of ₹100 each with voting rights	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares
Royal Orchid Hotels Limited - Holding Company	9,70,536	51.07%	9,70,536	51.07%	9,70,536	51.07%
Mr. P. Dayanand Pai	9,17,872	48.30%	9,17,872	48.30%	9,17,872	48.30%
	18,88,408	**99.37%**	**18,88,408**	**99.37%**	**18,88,408**	**99.37%**

d) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each equity share is entitled to one vote per share. Dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and shall be payable in Indian Rupees. In the event of liquidation of the Company, the shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately

The Company has not issued any bonus shares or any shares for consideration other than cash nor has there been any buy back of shares during five years immediately preceding 31 March 2018.

Icon Hospitality Private Limited
Notes to the financial statements

13 Instruments entirely equity in nature

Compulsorily Convertible Debentures ₹ 100 each	Compulsorily Convertible Debentures Number	Amount ₹ in lakhs
Balance as at 01 April 2016	**2,01,493**	**201.49**
Add: Alloted during the year	99,997	100.00
Balance as at 31 March 2017	**3,01,490**	**301.49**
Add: Alloted during the year	-	-
Balance as at 31 March 2018	**3,01,490**	**301.49**

Note :
Compulsory Convertible Debentures are convertible at par on or before 5 years at the option of the Debenture Holder from the date of allotment.

14 Other Equity
For the year ended 31 March 2018

₹ in lakhs

	Reserves and Surplus			Items of OCI	Total
	Securities Premium Account	Retained Earnings	Contribution from Holding Company	DBO Remeasurem ent	
Balance as at 31 March 2017	**3,577.34**	**(1,975.73)**	**5.61**	**(3.66)**	**1,603.56**
Profit for the period	-	(456.67)	-	-	(456.67)
Other comprehensive loss, net of tax	-	-	-	(8.19)	(8.19)
Total Comprehensive Income	**-**	**(456.67)**	**-**	**(8.19)**	**(464.86)**
Interest on Compulsorily Convertible Debentures (entirely equity in nature)	-	(54.27)		-	(54.27)
Deferred Employee Cost charged by Holding Company	-	-	4.98	-	4.98
Balance as at 31 March 2018	**3,577.34**	**(2,486.67)**	**10.59**	**(11.85)**	**1,089.41**

For the year ended 31 March 2017

₹ in lakhs

	Reserves and Surplus			Items of OCI	Total
	Securities Premium Account	Retained Earnings	Contribution from Holding Company	DBO Remeasurem ent	
Balance as at 1 April 2016	3577.34	(1,585.95)	**-**	**-**	**1,991.39**
Profit for the year	-	(327.78)	-	-	(327.78)
Other comprehensive loss, net of tax	-	-	-	(3.66)	(3.66)
Total comprehensive income	**-**	**(327.78)**	**-**	**(3.66)**	**(331.44)**
Interest on Compulsorily Convertible Debentures (entirely equity in nature)	-	(62.00)		-	(62.00)
Deferred Employee Cost charged by Holding Company	-	-	5.61	-	5.61
Balance as at 31 March 2017	**3,577.34**	**(1,975.73)**	**5.61**	**(3.66)**	**1,603.56**

		As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 01 April 2016 ₹ in lakhs
15	**Non-current borrowings**			
	Secured			
	Term loans from banks (refer note (i))	-	-	1,077.57
	Term loan from others (refer note (ii))	1,764.94	1,747.26	-
	Vehicle loans (refer note (iii))	-	-	11.86
		1,764.94	**1,747.26**	**1,089.43**
	Less: Current maturities of non-current borrowings (refer note (v) below)	115.27	25.41	736.91
		1,649.67	**1,721.85**	**352.52**

Notes:

I) Details of terms of repayment, guarantee and security for a vehicle loan

(i) Term loan from banks

The Company had availed a term loan facility of ₹ 4,500.00 lakhs from State Bank of Hyderabad and State Bank of Travancore (herein referred as SBH Consortium) for acquisition of the hotel premises. The loan was repayable in 32 quarterly instalments and bears interest rates ranging between 15.70% and 16.75%. The loan was secured by way of paripassu charge in favour of SBH Consortium equitable mortgage of the hotel property and a first charge on all movable fixed assets of the Company, both present and future and personal guarantee of a Director of the Company and one of the Directors of the Holding Company. The balance outstanding as at 31 March 2018 is ₹ Nil (31 March 2017 : Nil ; 01 April 2016: ₹ 1,077.57 lakhs).

(ii) Term loan from others

a) During the year ended 31 March 2017, the Company had availed an Indian rupee term loan ('the loan') of ₹ 1800.00 lakhs from SREI Infrastructure Private Limited (SREI) towards repaying the debt from SBH Consortium and to meet the working capital and capital expenditure requirements of the Company. The loan is secured by way of mortgage of the hotel property and exclusive charge by way of hypothecation of all movable assets, current assets, loans and advances, long term and short term investments of the Company, both present and future. Further, the loan is secured by way of exclusive charge by way of pledge of 100% of fully paid-up equity shares of the Company and by Corporate Guarantee of the Holding Company and the personal guarantees of a Director of the Company and a Director of the Holding Company.
The loan is repayable in 108 equal monthly instalments of ₹ 16.67 lakhs post moratorium of 12 months from the initial disbursement date and bear an annual interest rate of 14% i.e. SREI Benchmark Rate +/- 3.75% (spread).

b) During the year ended 31 March 2018, the Company has entered in to an agreement with Tourism Finance Corporation of India Ltd (TFCI) for availing term loan of Rs. 2000.00 lakhs towards repayment of term loan from SREI. The loan is repayable in 141 monthly instalments commencing from 15 July 2018 and bears an interest rate of 11.30% (MCLR) + premium of 0.70%. The loan is secured by way of mortgage of the hotel property and exclusive charge by way of hypothecation of all movable assets, current assets, loans and advances, long term and short term investments of the Company, both present and future. Further, the loan is secured by way of exclusive charge by way of pledge of 100% of fully paid-up equity shares of the Company and by Corporate Guarantee of the Holding Company and the personal guarantee of a Director of the Company.

The term loan balance outstanding as at 31 March 2018 is ₹ 1,764.94 lakhs (31 March 2017: ₹ 1,747.26 lakhs; 01 April 2016: Nil)

(iii) Vehicle loans

The vehicle loans are secured by the hypothecation of the vehicles concerned. The loans are repayable in 60 monthly instalments as per the repayment schedule ending in January 2017 at an interest rate of 10.51% p.a.
During the previous year, the Company has repaid the vehicle loans and the balance outstanding as at 31 March 2018 is ₹ Nil (as at 31 March 2017- ₹ Nil).

(iv) There are no dues towards repayment of instalments/interest to the banks/financial institution as at 31 March 2018 (as at 31 March 2017 - ₹ Nil: as at 01 April 2016- Term loan of ₹ 125.01 lakhs and interest of ₹ 51.82 lakhs payable to banks for the quarter ended on that date was unpaid).

(v) The current portion of the vehicle loan where instalments are due within one year have been classified as "current maturities of long-term debt" under other financial liabilities. (refer note 20)

		31 March 2018	31 March 2017	01 April 2016
16	**Long-term provisions**			
	Employee benefits			
	Gratuity (refer note 32(b))	41.40	28.12	21.09
	Compensated absences (refer note 32(c))	9.30	8.92	6.48
		50.70	**37.04**	**27.57**

		As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 01 April 2016 ₹ in lakhs
17	**Deferred tax liability, net**			
	Deferred tax liabilities	298.64	367.49	409.59
	Deferred tax assets	298.64	367.49	409.59
	Net deferred tax liabilities/ (assets)	-	-	-

Significant components of deferred tax asset / (liability) for the year ended March 31, 2018 are as follows :

₹ in lakhs

	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
(i) Difference between written down value of fixed assets as per books of accounts and Income Tax Act,1961.	367.49	(68.85)	-	298.64
(ii) Unabsorbed carry forward losses	(367.49)	68.85	-	(298.64)
Total	-	-	-	-

Significant components of deferred tax asset / (liability) for the year ended March 31, 2017 are as follows :

₹ in lakhs

	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
(i) Difference between written down value of fixed assets as per books of accounts and Income Tax Act,1961.	409.59	(42.10)	-	367.49
(ii) Unabsorbed carry forward losses	(409.59)	42.10	-	(367.49)
Total	-	-	-	-

The Company has a net deferred tax asset as at 31 March 2018 significantly arising from unabsorbed depreciation and brought forward tax losses. As a matter of prudence, and as it is not probable that taxable profits will be available to set off deferred tax arising out of such brought forward losses and unabsorbed depreciation, the Company has recognised deferred tax asset on unabsorbed depreciation only to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax Act.

18	**Current borrowings**			
	Secured			
	Loans repayable on demand from a bank (refer note below)	-	-	250.00
		-	-	**250.00**

Note:

Loan repayable on demand secured by hypothecation of current assets of the Company which includes stocks, receivables etc. In addition, there is extension of charge on the fixed assets of the hotel property including equitable mortgage of land and hotel building. Further the Chairman and Managing Director of the Holding Company and directors of the Company have given personal guarantee as security to the bank. Bank overdraft bears a floating interest rate ranging between 14.25% - 15.70%. Balance outstanding as at 31 March 2018 is ₹ Nil (31 March 2017 is ₹ Nil, 1 April 2016 is ₹ 250 lakhs)

Icon Hospitality Private Limited
Notes to the financial statements

		As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 01 April 2016 ₹ in lakhs
19	**Trade payables**			
	Dues of micro enterprises and small enterprises	-	-	-
	Dues of creditors other than micro enterprises and small enterprises (refer note (i) below)	586.63	564.05	584.86
		586.63	**564.05**	**584.86**

(i) Based on the information available with the Company, there are no outstanding dues in respect of Micro and Small enterprises at the Balance Sheet date. The above disclosure has been determined to the extent such parties have been identified on the basis of information available to the Company. This has been relied upon by the auditors.

20	**Other financial liabilities**			
	Current maturities of non-current debt (refer note 15)	115.27	25.41	736.91
		115.27	**25.41**	**736.91**
21	**Other current liabilities**			
	Statutory dues	51.35	58.43	49.49
	Interest accrued and due	89.54	89.54	158.78
	Interest accrued but not due (refer note 31(ii))	82.83	33.99	6.39
	Dues to related parties (refer note 31(ii))	9.93	26.23	128.07
	Advance received from customers	17.62	12.93	32.67
	Book overdraft	10.43	68.04	57.95
	Others	2.57	5.01	0.09
		264.27	**294.17**	**433.44**
22	**Short-term provisions**			
	Employee benefits			
	Gratuity (refer note 32(b))	3.10	2.76	0.61
	Compensated absences (refer note 32(c))	3.55	3.21	2.30
		6.65	**5.97**	**2.91**

Icon Hospitality Private Limited
Notes to the financial statements

		Year ended 31 March 2018 ₹ in lakhs	Year ended 31 March 2017 ₹ in lakhs
23	**Revenue from operations**		
	From sale of services at hotel		
	- Room nights	1,517.39	1,249.15
	- Food and beverages	563.47	613.54
	- Other services	36.91	37.92
		2,117.77	**1,900.61**
24	**Other income**		
	Interest income		
	from deposits with banks	10.26	6.30
	from income tax refund	2.67	0.97
	Provisions no longer required, written back	7.01	10.01
	Miscellaneous	12.00	5.86
		31.94	**23.14**
25	**Food and beverages consumed**		
	Opening stock	10.92	10.75
	Add : Purchases during the year	261.26	232.37
		272.18	**243.12**
	Less : Closing stock	31.31	10.92
		240.87	**232.20**
26	**Employee benefits expense**		
	Salaries and wages	386.01	343.58
	Contribution to provident fund	25.61	15.54
	Gratuity expense (refer note 32(b))	10.58	7.22
	Share based payments to employees	4.98	5.61
	Staff welfare expenses	51.98	45.63
		479.16	**417.58**
27	**Finance costs**		
	Interest expenses		
	on term loan	252.12	180.34
	on overdraft with a bank	-	28.46
		252.12	**208.80**
28	**Depreciation and amortisation expense**		
	Depreciation on tangible assets (refer note 3)	416.55	417.30
	Amortisation on intangible assets (refer note 3B)	0.41	0.68
		416.96	**417.98**

		Year ended 31 March 2018 ₹ in lakhs	Year ended 31 March 2017 ₹ in lakhs
29	**Other expenses**		
	Linen and room supplies	51.07	40.19
	Catering and other kitchen supplies	25.80	20.59
	Cablenet charges	4.54	4.93
	Uniform washing and laundry	23.16	24.25
	Music and entertainment	8.03	7.59
	Contract charges	54.22	60.91
	Power, fuel and water	201.31	192.43
	Management fee	144.55	113.55
	Security charges	15.85	17.25
	Communication	32.60	34.59
	Printing and stationery	12.98	11.10
	Subscription charges	3.15	0.18
	Rent	39.21	40.10
	Repairs and maintenance		
	- Buildings	49.69	41.43
	- Plant and equipment	25.13	21.22
	- Others	31.59	14.63
	Insurance	9.93	8.57
	Commission and brokerage	155.28	81.68
	Rates and taxes	82.09	85.17
	Legal and professional	65.21	58.43
	Travelling and conveyance	16.01	22.92
	Advertisement and business promotion	32.65	19.28
	Allowance for doubtful receivable (expected credit loss allowance)	0.66	14.38
	Directors' sitting fees	0.50	0.20
	Bank charges	55.20	20.26
	Property, plant and equipment written off	60.74	-
	Miscellaneous	16.12	19.14
		1,217.27	**974.97**

30	**Earnings per share**		
	Weighted average number of shares outstanding	19,00,409	19,00,409
	Net profit/(loss) after tax attributable to equity shareholders (₹ in lakhs)	(464.86)	(331.44)
	Basic and diluted earnings per share in ₹ (refer Note below)	(24.46)	(17.44)
	Nominal value per equity share in ₹	100.00	100.00

Note:
Since effect of conversion of the convertible dilutive instruments are antidilutive, the same has been ignored in computing Diluted earnings per share.

31 Related parties

Parties where control exists

Name of party	Nature of relationship
Royal Orchid Hotels Limited	Holding Company
Royal Orchid Associated Hotels Private Limited	Fellow subsidiary
Maruti Comforts & Inn Private Limited	Fellow subsidiary
Cosmos Premises Private Limited	Fellow subsidiary

Key Management Personnel (KMP)

Mr. P. Dayanand Pai	Director
Mr. Chetan Tewari	Managing Director
Mr. Karthik Jayaram	Chief Financial Officer

Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual

Mr. Chander K Baljee
Mrs. Sunita Baljee
Mrs. Mohini D Pai

i. *Transactions with related parties during the year:*

₹ in lakhs

Nature of transactions	**Year ended 31 March 2018**	**Year ended 31 March 2017**
Interest on Compulsorily Convertible Debentures/Debenture application money		
Royal Orchid Hotels Limited	54.27	62.00
Management fee expense		
Royal Orchid Associated Hotels Private Limited	144.55	113.55
Consultancy charges		
Mrs. Sunita Baljee	-	34.48
Mrs. Mohini D Pai	18.00	-
Employee Stock Option scheme		
Royal Orchid Hotels Limited	4.98	5.61

31 Related parties (cont'd)

ii. *Balances payable to related parties is summarised below:* **₹ in lakhs**

Nature of transactions	**As at 31 March 2018**	**As at 31 March 2017**	**As at 01 April 2016**
Trade Payable			
Royal Orchid Associated Hotels Private Limited	370.65	369.16	324.89
Mrs. Sunita Baljee	-	517.50	2,832.68
Mrs. Mohini D Pai	2.70	-	-
Interest accrued			
Royal Orchid Hotels Limited	131.52	82.68	69.48
Mr. P. Dayanand Pai	40.84	40.84	40.84
Dues to related parties			
Royal Orchid Hotels Limited	9.93	26.23	125.12
Maruti Comforts & Inn Private Limited	-	-	1.38
Cosmos Premises Private Limited	-	-	1.58
Dues from related parties			
Royal Orchid Hotels Limited	-	-	1.90
Personal guarantees received by the Company			
Mr. Chander K. Baljee	-	1,800.00	4,500.00
Mr. P. Dayanand Pai	2,000.00	1,800.00	4,500.00
Mr. P. Satish Pai	-	-	4,500.00
Corporate guarantee received by the Company			
Royal Orchid Hotels Limited	2,000.00	1,800.00	4,500.00

Icon Hospitality Private Limited
Notes to the financial statements

32 Employee benefit plans

a) Defined contribution plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 25.61 lakhs (Year ended 31 March 2017: ₹ 15.54 lakhs) for Provident Fund contributions, and ₹ 8.30 lakhs (Year ended 31 March 2017: ₹ 4.90 lakhs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b) Defined benefit plans

The Company offers gratuity benefit scheme to its employees in India as per 'The Payment of Gratuity Act, 1972'. Under the act, employee who has completed five years of service is entitled to gratuity benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The following table sets out the status of the gratuity plan as required under Indian Accounting Standard (Ind AS) - 19 - Employee benefits:

		Year ended 31 March 2018 ₹ in lakhs	Year ended 31 March 2017 ₹ in lakhs
(i)	**The amounts recognised in the Balance Sheet are as follows:**		
	Present value of the obligation as at the end of the year	44.50	30.87
	Fair value of plan assets as at the end of the year	-	-
	Net liability/ (assets) recognized in the Balance Sheet	**44.50**	**75.37**
(ii)	**Changes in the present value of defined benefit obligation**		
	Defined benefit obligation as at beginning of the year	30.87	21.70
	Service cost	8.28	5.49
	Interest cost	2.30	1.73
	Actuarial losses/(gains) arising from		
	- change in demographic assumptions	-	-
	- change in financial assumptions	(1.59)	1.69
	- experience variance (i.e. Actual experiences assumptions)	9.78	1.97
	Benefits paid	(5.14)	(1.71)
	Defined benefit obligation as at the end of the year	**44.50**	**30.87**
(iii)	**Components of net gratuity costs are**		
	Service cost	8.28	5.49
	Net interest cost on the net defined benefit liability	2.30	1.73
	Components of defined benefit costs recognised in Statement of Profit and Loss	**10.58**	**7.22**
(iv)	**Other comprehensive income**		
	Change in financial assumptions	(1.59)	1.69
	Experience variance (i.e. actual experience vs assumptions)	9.78	1.97
	Return on plan assets, excluding amount recognized in net interest expense	-	-
	Change in demographic assumptions	-	-
	Components of defined benefit costs recognized in other comprehensive income	**8.19**	**3.66**
(v)	**Assumptions used for actuarial valuation of gratuity**		
	Discount rate	7.80%	7.45%
	Salary escalation rate	7.00%	7.00%
	Mortality rates *(IAL: Indian Assured Lives Mortality (2006-08))*	100% of IAL	100% of IAL

The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

32 Employee benefit plans (cont'd)

(vi) Experience adjustments:

Particulars	As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs
Defined Benefit Obligation	44.50	30.87
Fair value of plan assets	-	-
(Surplus)/deficit	44.50	30.87
Experience adjustments on liabilities: gain/(loss)	9.78	1.97
Experience adjustments on plan assets: gain/(loss)	-	-

(vii) Sensitivity analysis

Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:

a. Interest Rate Risk:

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of liability (as shown in financial statements).

b. Liquidity Risk:

This is the risk that the Company is not able to meet the short term benefit payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

c. Salary Escalation Risk:

The present value of the above benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

d. Demographic Risk:

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

e. Regulatory Risk:

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (for example, increase in the maximum liability on gratuity of ₹ 10 lakhs).

f. Asset Liability Mismatching or Market Risk:

The duration of the liability is longer compared to duration of assets exposing the company to market risks for volatilities/fall in interest rate.

g. Investment Risk:

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	Year ended 31 March 2018		Year ended 31 March 2017	
	Increase ₹ in lakhs	Decrease ₹ in lakhs	Increase ₹ in lakhs	Decrease ₹ in lakhs
Discount Rate (- / + 1%)	40.42	49.27	27.91	34.36
Salary Growth Rate (- / + 1%)	49.26	40.36	34.34	27.87
Mortality rate (- / + 10%)	44.51	44.49	30.88	30.87

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

There is no change in the method of valuation for the prior period.

(viii) Maturity analysis of Defined Benefit Obligation

Particulars	As at 31 March 2018	As at 31 March 2017
Weighted average duration (based on discounted cashflows)	10 years	11 years
Expected cash flows over the next (valued on undiscounted basis):		
1 year	3.10	2.76
2 to 5 years	17.12	10.80
6 to 10 years	16.42	11.72
More than 10 years	80.68	56.32

c) Actuarial assumptions considered to determine the provision required for compensated absences is same as gratuity provision

33 Segment information

The Company's business comprises the operation of a hotel, the services of which represents one business segment. Further, the Company derives its entire revenue from services rendered in India. Consequently, the disclosure of business and geographic segment- wise information is not applicable to the Company.

34 Capital management

For the purpose of the Company's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

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 in the financial covenants of any interest-bearing loans and borrowing in the current period.

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 Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade payables, less cash.

₹ in lakhs

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Non-current borrowings	1,764.94	1,747.26	1,089.43
Current borrowings	-	-	250.00
Less: Cash and cash equivalents	(144.71)	(338.07)	(11.57)
Less: Bank balances other than cash and cash equivalents	-	(53.75)	(53.75)
Net debt	**1,620.23**	**1,355.44**	**1,274.11**
Equity	1,900.41	1,900.41	1,900.41
Instruments entirely equity in nature	301.49	301.49	201.49
Other Equity	1,089.41	1,603.56	1,991.39
Total capital	**3,291.31**	**3,805.46**	**4,093.29**
Capital and net debt	**4,911.54**	**5,160.90**	**5,367.40**
Gearing ratio	**33%**	**26%**	**24%**

34 Commitments and contingencies

(a) During the prior years, the Company had received an Order from Office of the Commissioner of Customs (Export) imposing differential duties and penalties amounting to ₹ 323.36 lakhs plus applicable interests for certain alleged violations of the Export Promotion Capital Goods Scheme. The Company has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai and an unconditional stay in the matter is granted till the disposal of the appeal. Based on a detailed evaluation and independent advise obtained, the management believes that the case will be settled in its favour. Accordingly, these financial statements do not include adjustments, if any, on the above account.

(b) Others - Bonus to employees for the financial year 2014-15 is ₹ 3.24 lakhs (31 March 2017 - ₹ 3.24 lakhs; 01 April 2016:₹ 3.24 lakhs).

(c) Estimated amount of contracts remaining to be executed on capital account and not provided for tangible assets as at 31 March 2018 is ₹ Nil (31 March 2017 - ₹ 26.63 lakhs ; 01 April 2016 - ₹ Nil).

35 Payment to auditors

	As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs
for audit fees	5.75	5.00
for reimbursement of expenses	0.21	-
	5.96	**5.00**

36 Fair value measurements

(i) Financial instruments by category

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

₹ in lakhs

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A. Financial assets			
a) Measured at amortised cost			
Non-current assets			
(i) Other financial assets	64.03	10.17	9.93
Current assets			
(i) Trade receivables	195.83	171.57	174.75
(ii) Cash and cash equivalents	144.71	338.07	11.57
(iii) Bank balances other than cash and cash equivalents	-	53.75	53.75
(iv) Other financial assets	2.51	13.57	21.80
	407.08	**587.13**	**271.80**
b) Measured at fair value through OCI	-	-	-
c) Measured at fair value through profit or loss	-	-	-
Total financial assets	**407.08**	**587.13**	**271.80**
B. Financial liabilities			
a) Measured at amortised cost			
Non-current liabilities			
(i) Borrowings	1,649.67	1,721.85	352.52
Current liabilities			
(i) Borrowings	-	-	250.00
(ii) Trade payables	586.63	564.05	584.86
(iii) Other financial liabilities	115.27	25.41	736.91
	2,351.57	**2,311.31**	**1,924.29**
b) Measured at fair value through OCI	-	-	-
c) Measured at fair value through profit or loss	-	-	-
Total financial liabilities	**2,351.57**	**2,311.31**	**1,924.29**

Notes:

(i) The fair value of trade receivables, trade payables and other Current financial assets and liabilities are considered to be equal to the carrying amounts of these items due to their short – term nature.

(ii) The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(iii) The management assessed that for amortised cost instruments, the fair value approximates largely to the carrying amount.

37 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on it's financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

The Company's risk management activity focuses on actively securing the Company’s short to medium-term cash flows by minimising the exposure to volatile financial markets.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below.

(A) Credit risk analysis
Credit risk is the risk that a counterparty fails to discharge an obligation to the Company, resulting in a financial loss. The Company is exposed to this risk for various financial instruments. The Company’s maximum exposure to credit risk is limited to the carrying amount of financial assets, as summarised below:

₹ in lakhs

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Non-current assets			
(i) Other financial assets	64.03	10.17	9.93
Current assets			
(i) Trade receivables	195.83	171.57	174.75
(ii) Cash and cash equivalents	144.71	338.07	11.57
(iii) Bank balances other than cash and cash equivalents	-	53.75	53.75
(iv) Other financial assets	2.51	13.57	21.80
Total financial assets	**407.08**	**587.13**	**271.80**

A1: Trade and other receivables
Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the Company 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. On account of adoption of Ind AS 109, Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain. The provision for expected credit loss takes into account available external and internal credit risk factors and Company's historical experience for customers.

The allowance/reversal for life time expected credit loss on customer balances for the year ended 31 March 2018 and as at 31 March 2017 is given below:

₹ in lakhs

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Balance at the beginning of the year	58.06	43.68	43.68
Impairment loss recognised	0.66	14.38	-
Impairment loss reversed	-	-	-
Balance at the end of the year	**58.72**	**58.06**	**43.68**

A2: Cash and cash equivalents
The credit risk for cash and cash equivalents, and derivative financial instruments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Financial assets that are neither past due nor impaired
Cash and cash equivalents, advances recoverable, loans and advances to employees, security deposit and other financial assets are neither past due nor impaired.

Financial assets that are past due but not impaired
There is no other class of financial assets that is past due but not impaired.

37 Financial risk management (cont'd)

(B) Liquidity risk
Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for non-current financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, usually on a month on month basis. Non-current liquidity needs for a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Company's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Company's non-derivative financial liabilities that have contractual maturities (including interest payments where applicable) are summarised below:

Maturities of financial liabilities

₹ in lakhs

As at 31 March 2018	**Less than 1 year**	**1 year to 5 years**	**More than 5 years**	**Total**
Borrowings	-	665.00	984.67	1,649.67
Trade payable	586.63	-	-	586.63
Other financial liabilities	115.27	-	-	115.27
Total	**701.90**	**665.00**	**984.67**	**2,351.57**

As at 31 March 2017	**Less than 1 year**	**1 year to 5 years**	**More than 5 years**	**Total**
Borrowings	-	800.00	921.85	1,721.85
Trade payable	564.05	-	-	564.05
Other financial liabilities	25.41	-	-	25.41
Total	**589.46**	**800.00**	**921.85**	**2,311.31**

As at 01 April 2016	**Less than 1 year**	**1 year to 5 years**	**More than 5 years**	**Total**
Borrowings	250.00	352.52	-	602.52
Trade payable	584.86	-	-	584.86
Other financial liabilities	736.91	-	-	736.91
Total	**1,571.77**	**352.52**	**-**	**1,924.29**

37 Financial risk management (cont'd)

(C) Market risk
The Company is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk, which result from both its operating and investing activities.

(i) Foreign currency risk
The predominant currency of the Company's revenues and operating cash flows is Indian Rupees (INR). The Company does not have foreign currency denominated financial assets and liabilities which expose the Company to currency risk.

(ii) Interest rate risk

(ii.a) Liabilities
The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at 31 March 2018, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits pay fixed interest rates.

Interest rate risk exposure
Below is the overall exposure of the Company to interest rate risk:

₹ in lakhs

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Variable rate borrowing	1,764.94	1,747.26	1,339.43
Fixed rate borrowing	-	-	-
Total borrowings	**1,764.94**	**1,747.26**	**1,339.43**
Amount disclosed under other current financial liabilities	115.27	25.41	736.91
Amount disclosed under borrowings	1,649.67	1,721.85	602.52

Sensitivity
Below is the sensitivity of profit or loss in interest rates.

₹ in lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Interest sensitivity		
Interest rates – increase by 100 basis points (100 bps)	17.65	17.47
Interest rates – decrease by 100 basis points (100 bps)	17.65	17.47

(ii.b) Assets
The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

38 First-time adoption of Ind AS

These are the Company’s first financial statements prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013 (previous GAAP).

Accordingly, the Company has prepared the financial statements for the comparitive period as at and for the year ended 31 March 2017 that comply with the applicable Ind AS, as described in the summary of significant accounting policies. In preparing these financial statements, the Company’s opening balance sheet was prepared as at 1 April 2016, the Company’s date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at 1 April 2016 and the comparitive financial statements as at and for the year ended 31 March 2017.

A. Ind AS optional exemptions

A1. Deemed cost for property, plant and equipment, investment property and intangible assets

Ind AS 101 permits a first-time adopter to elect, the continuation of carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 "Intangible Assets". Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value as at the date of transition.

B. Ind AS mandatory exemptions

B1. Estimates

In accordance with Ind AS, as at the date of transition to Ind AS an entity's estimates shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP except impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition this was not required under the previous GAAP.

B2. Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 Financial Instruments are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

a) The effects of the retrospective application or retrospective restatement are not determinable; or

b) The retrospective application or restatement requires assumptions about what management’s intent would have been in that period; or

c) The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

38 First-time adoption of Ind AS (cont'd)

B3. De-recognition of financial assets and liabilities

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires a first-time adopter to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 First-time Adoption of Indian Accounting Standards, allows a first-time adopter to apply the de-recognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively from the date of transition to Ind AS.

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS as at the periods specified below.

C1. Reconciliation of other equity

The Company has also prepared a reconciliation of equity as at 31 March 2017 and 1 April 2016 under the previous GAAP with the equity as reported in these financial statements under Ind AS, that reflect the impact of Ind AS on the components of Balance sheet which is presented below:

₹ in lakhs

Particulars		**As at 31 March 2017**	**As at 01 April 2016**
Equity as reported under previous GAAP		**1,533.84**	**1,954.26**
Adjustments on account of:			
(i) Measurement of financial assets and liabilities at amortised cost	1	52.74	-
(ii) Depreciation due to change in the value of property, plant and equipment arising from government grants	2	16.98	37.13
(iii) ESOP expense charged by Holding Company	3	5.61	-
(iv) Adjustment to reserves on account of deferred employee cost charged by Holding Company	3	(5.61)	-
Equity under Ind AS		**1,603.56**	**1,991.39**

C2. Reconciliation of Total Comprehensive Income / (Loss)

₹ in lakhs

Particulars		**Year ended 31 March 2017**
Profit / (Loss) as reported under previous GAAP		**(420.42)**
Adjustments on account of:		
(i) Interest on Compulsorily convertible Debentures (entirely equity in nature) reclassified under Other Equity as per Ind AS 109	5	62.00
(ii) Depreciation due to change in the value of fixed assets arising from government grants	2	(20.15)
(iii) Loan Processing charges reversed on account of Effective Interest rate	1	52.74
(iv) Measurement of defined benefit obligation	4	3.66
(v) On account of recognition of expenses under fair valuation of ESOP	3	(5.61)
Profit after tax as reported under Ind AS		**(327.78)**
Other comprehensive income / (loss), items that will not be classified in to Statement of Profit and Loss	4	(3.66)
Total comprehensive income as reported under Ind AS	**6**	**(331.44)**

C3.

There are no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

38 First-time adoption of Ind AS (cont'd)

C4. Notes

1 Borrowings

Ind AS 109, 'Financial Instruments' requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in the Statement of Profit and Loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to the Statement of Profit and Loss as and when incurred. Accordingly, borrowings as at 01 April 2016 and 31 March 2017 have been reduced with a corresponding adjustment to retained earnings.

2 Government grant

Under the previous GAAP, the Export Promotion Capital Goods (EPCG) benefit received was netted off with the value of property, plant and equipment (PPE). Under Ind AS, the value of PPE has been grossed up and the EPCG benefit is treated as deferred revenue to the extent the export obligations are not met.

3 Employee stock option plan

Under previous GAAP, the intrinsic value of the employee stock option plan was recognised as an expense over the vesting period. Under Ind AS, the compensation cost of employee stock option plan is recognised based on the fair value of the options determined using an appropriate pricing model at the date of grant. Accordingly, the difference between the intrinsic value of the employee stock option plan and the fair value of the option on the date of grant has been adjusted in opening retained earnings and statement of Profit and Loss for 1 April 2016 and 31 March 2017 respectively.

4 Defined benefit obligation

Both under the previous GAAP and Ind AS, the Company recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to Statement of profit and loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced by such amount with a corresponding adjustment on defined benefit plans has been recognized in the OCI net of tax.

5 Reclassification of interest on instruments entirely equity in nature

As per Ind AS 109, the classification of a financial instrument or a component of a financial instrument as either a financial liability or an equity instrument determines the treatment of interest, dividends and other gains and losses relating to that instrument or component of that instrument. Accordingly, interest on Compulsorily convertible debentures which are instruments entirely equity in nature has been classified as an item under Other equity. Under previous GAAP, the same has been considered as part of finance cost in Statement of Profit and Loss.

6 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in Statement of Profit or Loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as ‘other comprehensive income’ includes re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under the previous GAAP.

39 Approval of Financial Statements

The financial statements were approved for issue by the board of directors on 24 May 2018.

For and on behalf of the Board of Directors

Sd/-
Chetan Tewari
Managing Director

Sd/-
P. Satish Pai
Director

Sd/-
Ranabir Sanyal
Company Secretary

Sd/-
Karthik J
Chief Financial Officer

Place: Bengaluru
Date: 24 May 2018

MARUTI COMFORTS & INN PRIVATE LIMITED

Audited Financial Statements

for the year ended

31 March 2018

INDEPENDENT AUDITOR'S REPORT

To The Members of Maruti Comforts & Inn Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Maruti Comforts & Inn Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the Ind AS 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 Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our 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 Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Company as on 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

      i. The Company does not have any pending litigations, which would impact its financial position.

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-
Monisha Parikh
Partner
(Membership No. 47840)

Bengaluru, May 26, 2018
MP/SS/MSK/2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **Maruti Comforts & Inn Private Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-
Monisha Parikh
Partner
(Membership No. 47840)

Bengaluru, May 26, 2018
MP/SS/MSK/2018

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

(c) According to the information and explanations given to us and based on the examination of lease agreements, we report that in respect of buildings constructed on leased land, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

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

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans that are covered under the provisions of section 185 of the Act and provisions of section 186 of the Act in respect to granting of loans, making investments and providing guarantees and securities are not applicable

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

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

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

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Goods and Services Tax as on March 31, 2018 on account of disputes.

viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to debenture holders. The Company has not taken any loans or borrowings from financial institutions, banks and government.

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

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

xi) The Company has not paid or provided managerial remuneration during the year and hence reporting under clause (xi) of the order is not applicable.

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

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

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

xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-
Monisha Parikh
(Partner)
(Membership No. 47840)

Bengaluru, May 26, 2018
MP/SS/MSK/2018

Maruti Comforts & Inn Private Limited
Balance Sheet as at 31 March 2018

	Notes	As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 1 April 2016 ₹ in lakhs
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	794.55	846.28	896.26
(b) Financial assets				
(i) Other financial assets	4	34.31	34.02	34.97
(c) Deferred tax assets, net	5	40.18	48.15	-
(d) Other non-current assets	6	295.52	295.71	322.70
		1,164.56	**1,224.16**	**1,253.93**
Current assets				
(a) Inventories	7	28.51	38.28	29.83
(b) Financial assets				
(i) Trade receivables	8	113.15	104.45	123.76
(ii) Cash and cash equivalents	9	80.84	52.33	65.30
(iii) Bank balances other than cash and cash equivalents	10	87.45	25.69	6.00
(iv) Other financial assets	11	8.17	40.31	4.54
(c) Other current assets	12	31.97	23.35	21.83
		350.09	**284.41**	**251.26**
TOTAL ASSETS		**1,514.65**	**1,508.57**	**1,505.19**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	13	624.97	624.97	624.97
(b) Instruments entirely equity in nature	14	106.65	106.65	106.65
(c) Other equity	15	446.88	348.47	168.23
		1,178.50	**1,080.09**	**899.85**
Liabilities				
Non-current liabilities				
(a) Provisions	16	21.03	17.98	17.95
(b) Deferred tax liabilities, net	5	-	-	22.34
		21.03	**17.98**	**40.29**
Current liabilities				
(a) Financial liabilities				
(i) Trade payables	17	172.29	194.05	433.17
(ii) Other financial liabilities	18	70.36	140.05	83.27
(b) Other current liabilities	19	60.96	74.30	45.77
(c) Provisions	20	3.03	2.10	2.84
(d) Current tax liabilities, net	21	8.48	-	-
		315.12	**410.50**	**565.05**
TOTAL EQUITY AND LIABILITIES		**1,514.65**	**1,508.57**	**1,505.19**

See accompanying notes forming part of these financial statements.
In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sd/-
Monisha Parikh
Partner

Place: Bengaluru
Date: 26 May 2018

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Director
DIN: 03448511

Sd/-
Ravi S Doddi
Director
DIN: 00101115

Sd/-
Dr. Ranabir Sanyal
Company Secretary
MM No. F7814

Place: Bengaluru
Date: 26 May 2018

Maruti Comforts & Inn Private Limited
Statement of Profit and Loss for the year ended 31 March 2018

	Notes	Year ended 31 March 2018 ₹ in lakhs	Year ended 31 March 2017 ₹ in lakhs
Revenue			
Revenue from operations	22	1,772.70	1,546.37
Other income	23	40.88	57.21
Total revenue		**1,813.58**	**1,603.58**
Expenses			
Food and beverages consumed	24	299.38	272.23
Employee benefits expense	25	445.06	390.09
Finance costs	26	1.09	4.83
Depreciation	27	71.03	71.01
Other expenses	28	856.60	719.14
Total expenses		**1,673.16**	**1,457.30**
Profit before tax		**140.42**	**146.28**
Tax expense	0		
Current tax		-	22.46
Deferred tax (credit)/charge		30.83	(70.49)
		30.83	**(48.03)**
Profit for the year		**109.59**	**194.31**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
a) Remeasurement (losses)/gains in defined benefit plans		3.13	0.01
b) Income tax		(0.87)	-
			-
Net of items that will not be reclassified to profit or loss		**2.26**	**0.01**
Other comprehensive income, net of tax		**2.26**	**0.01**
Total comprehensive income for the period		**111.85**	**194.32**
Earnings per equity share of ₹ 100 each	29		
Basic		17.54	31.09
Diluted		14.98	26.56

See accompanying notes to Financial Statements.

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sd/-
Monisha Parikh
Partner

Place: Bengaluru
Date: 26 May 2018

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Director
DIN: 03448511

Sd/-
Ravi S Doddi
Director
DIN: 00101115

Sd/-
Dr. Ranabir Sanyal
Company Secretary
MM No. F7814

Place: Bengaluru
Date: 26 May 2018

Maruti Comforts & Inn Private Limited
Statement of Changes in Equity for the year ended 31 March 2018

A. Equity share capital

Equity shares of ₹ 100 each, fully paid-up	Equity shares Number	Equity shares Amount ₹ in lakhs
As at 1 April 2016	6,24,969	62.50
Add/Less: Changes during the year	-	-
As at 31 March 2017	**6,24,969**	**62.50**
Add/Less: Changes during the year	-	-
As at 31 March 2018	**6,24,969**	**62.50**

B. Instruments entirely equity in nature

Compulsorily Convertible Debentures ₹ 100 each	Compulsorily Convertible Debentures Number	Compulsorily Convertible Debentures Amount ₹ in lakhs
Balance as at 01 April 2016	1,06,650	106.65
Add/Less: Changes during the year	-	-
Balance as at 31 March 2017	**1,06,650**	**106.65**
Add/Less: Changes during the year	-	-
Balance as at 31 March 2018	**1,06,650**	**106.65**

C. Other equity

For the year ended 31 March 2018

(₹ in lakhs)

	Reserves and Surplus			Items of OCI	Total
	Securities Premium Account	Retained Earnings	Contribution from Holding Company	Defined Benefit Obligations Remeasurement	
Balance as at 31 March 2017	**386.94**	**(44.63)**	**5.12**	**1.04**	**348.47**
Profit for the year	-	109.59	-	-	109.59
Other comprehensive income, net of tax	-	-	-	2.26	2.26
Total Comprehensive Income	**-**	**109.59**	**5.12**	**2.26**	**111.85**
Interest on Compulsorily Convertible Debentures (entirely equity in nature)		(19.20)	-		(19.20)
Deferred Employee cost charged by Holding Company	-	-	5.76	-	5.76
Balance as at 31 March 2018	**386.94**	**45.76**	**10.88**	**3.30**	**446.88**

For the year ended 31 March 2017

(₹ in lakhs)

	Reserves and Surplus			Items of OCI	Total
	Securities Premium Account	Retained Earnings	Contribution from Holding Company	Defined Benefit Obligations Remeasurement	
Balance as at 1 April 2016	**386.94**	**(219.74)**	**-**	**1.03**	**168.23**
Profit for the year	-	194.31	-	-	194.31
Other comprehensive income, net of tax	-	-	-	0.01	0.01
Total Comprehensive income	**-**	**194.31**	**-**	**0.01**	**194.32**
Interest on Compulsorily Convertible Debentures (entirely equity in nature)		(19.20)	-	-	(19.20)
Deferred Employee cost charged by Holding Company	-	-	5.12	-	5.12
Balance as at 31 March 2017	**386.94**	**(44.63)**	**5.12**	**1.04**	**348.47**

See accompanying notes to Financial Statements.
In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sd/-
Monisha Parikh
Partner

Place: Bengaluru
Date: 26 May 2018

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Director
DIN: 03448511

Sd/-
Ravi S Doddi
Director
DIN: 00101115

Sd/-
Dr. Ranabir Sanyal
Company Secretary
MM No. F7814

Place: Bengaluru
Date: 26 May 2018

Maruti Comforts & Inn Private Limited
Cash Flow Statement for the year ended 31 March 2018

	Year ended 31 March 2018 ₹ in lakhs	Year ended 31 March 2017 ₹ in lakhs
A. Cash flow from operating activities		
Net profit before tax	**140.42**	**146.28**
Adjustments for:		
Depreciation	71.03	71.01
Interest expense, net	1.05	1.61
Share based payments to employees	5.76	5.12
Allowance for doubtful receivables	2.21	3.11
Interest income	(1.88)	(1.27)
Liability no longer required, written back	(4.78)	(5.73)
Operating profit before working capital changes	**213.81**	**220.13**
Changes in working capital:		
Decrease/(Increase) in inventories	9.77	(8.46)
Decrease/(Increase) in trade receivables and unbilled revenue	(3.64)	11.76
Decrease/(Increase) in other current and non-current assets	35.34	(19.65)
(Decrease)/Increase in provisions	7.10	(0.70)
(Decrease) in trade payables and other liabilities	(117.32)	(165.32)
Cash generated from operations	**145.06**	**37.77**
Direct taxes paid (net)	35.42	8.55
Net cash generated from operating activities	**109.64**	**29.22**
B. Cash flows from investing activities		
Purchase of property, plant and equipment	(19.30)	(21.03)
Interest received	1.84	0.45
Change in other bank balances	(61.76)	(19.69)
Net cash used in investing activities	**(79.21)**	**(40.27)**
C. Cash flows from financing activities		
Interest paid	(1.92)	(1.92)
Net cash used in financing activities	**(1.92)**	**(1.92)**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**28.51**	**(12.97)**
Cash and cash equivalents at the beginning of the year	**52.33**	**65.30**
Cash and cash equivalents at the end of the year	**80.84**	**52.33**

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sd/-
Monisha Parikh
Partner

Place: Bengaluru
Date: 26 May 2018

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Director
DIN: 03448511

Sd/-
Ravi S Doddi
Director
DIN: 00101115

Sd/-
Dr. Ranabir Sanyal
Company Secretary
MM No. F7814

Place: Bengaluru
Date: 26 May 2018

Maruti Comforts & Inn Private Limited
Notes to the financial statements

1 Corporate Information

Maruti Comforts & Inn Private Limited ('the Company') was incorporated on 16 March 1994, to carry on the business of hotels and related services. For its daily operations, the Company has also entered into an agreement with a fellow subsidiary for which it pays management fee based on a pre determined percentage of operating revenues and profits.

2 Summary of significant accounting policies

a) Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Upto the year ended 31 March 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the section 133 of the Companies Act, 2013 and the relevant provisions of Companies Act, 2013 ("the Act"), as applicable. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 01 April 2016. Refer Note 38 on first-time adoption exemptions/exceptions availed by the Company.

b) Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for services.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair valued, such as value in use quantification as per Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:
Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
Level 3 inputs are unobservable inputs for the asset or liability.

c) Use of estimates

The preparation of the financial statements in conformity with the recognition and measurement principals of Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities and disclosure relating to contingent liabilities as at the date of financial statements and the reported amounts of income and expenditure during the reported year. The Management believes that the estimates used in preparation of the financial statements are 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.
In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

2 Summary of significant accounting policies (cont'd)

c) Use of estimates (cont'd)

Income taxes
Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Statement of Profit and Loss.
Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.

Defined benefit plans
The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

d) Revenue recognition
Revenue from contracts with customers is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

Income from operations
Revenues comprise income from the sale of room nights, food and beverages and allied services during a guest's stay at the hotel. Room revenue is recognised based on occupation and revenue from sale of food, beverages and other allied services, as the respective services are rendered with reasonable certainty of ultimate collection. Other revenues are recognised as and when the services are performed or the right to receive claim is established, with reasonable certainty for ultimate collection. Rebates and discounts granted to customers are reduced from revenue.

Income from management and technical services are recognised as the services are rendered based on the terms of the contract.

Unbilled revenues' represent revenues recognised on services rendered, for which amounts are to be billed in subsequent periods.

Interest income
Interest income is reported on an accrual basis using the effective interest method and is included under the head "other income" in the Statement of Profit and Loss.

e) Employee benefits
Employee benefits include provident fund, employee state insurance scheme, labour welfare fund, gratuity and compensated absences. Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan
Retirement benefit in the form of provident fund and employee state insurance scheme is a defined contribution scheme. The Company is generally liable for specified contributions to a separate entity and has no obligation to pay any further amounts. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service

Defined benefit plan
Gratuity
The liability recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Compensated absences
Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the Balance Sheet date.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost.
Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period. Further, as required under Ind AS compliant Schedule III, the Company transfers those amounts recognized in other comprehensive income to retained earnings in the statement of changes in equity and in the balance sheet.

2 Summary of significant accounting policies (cont'd)

e) Employee benefits (cont'd)

Short-term employee benefits
The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related services. The accruals for employee entitlements of benefits such as salaries, bonuses and annual leave represent the amount which the Company has a present obligation to pay as a result of the employees' services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the Balance Sheet date.

f) Property, plant and equipment
Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and impairment losses, if any.
All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs. Initial estimate of costs of dismantling and removing the item and restoring the site on which it is located is also included if there is an obligation to restore it.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.
An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount

Depreciation is charged to Statement of Profit and Loss so as to expense the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Asset Category	Useful lives (in years)
Buildings	30
Plant and equipment	15
Furniture and fixtures	8
Vehicles	6
Office equipment	5
Computer equipment	3

The Company has evaluated the applicability of component accounting as prescribed under Ind AS 16 and Schedule II of the Companies Act, 2013, the management has not identified any significant component having different useful lives.
Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.
The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

Capital work in progress represents projects under which the property, plant and equipment are not yet ready for their intended use and are carried at cost determined as aforesaid.

g) Intangible Assets
Intangible assets include cost of acquired software. Intangible assets are initially measured at acquisition cost including directly attributable costs of preparing the asset for its intended use.
Intangible assets are amortised over a period of three years.

For transition to Ind AS, the Company has elected to continue with carrying value of all of its intangible assets recognized as of 01 April 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

h) Impairment of assets
Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.
Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.
If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.
When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

2 Summary of significant accounting policies (cont'd)

i) Foreign currency translations

The functional currency of the Company is Indian rupee (₹).

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value denominated in a foreign currency are retranslated at the rates prevailing at the date when the fair value was determined.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction.
Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

j) Assets taken on lease:

Operating Lease

A Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company is classified as operating lease. Payments made under operating lease are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.
For leases which include both land and building elements, basis of classification of each element is assessed on the date of transition, 01 April 2016, in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard.

j) Inventories

Inventory comprises food, beverages, stores and spare parts and are valued at the lower of cost and net realisable value.
Cost includes cost of purchase and other costs incurred in bringing the goods to their present location and condition and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion to make the sale.

k) Income Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

i) Current tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.
Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax :

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.
Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.
Deferred tax liabilities are generally recognized for all taxable temporary differences.
The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

2 Summary of significant accounting policies (cont'd)

k) Income Taxes (cont'd)

ii) Deferred taxes (cont'd)

Deferred tax liabilities and assets are measured at tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternative Tax ("MAT") credit forming part of Deferred tax assets is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

m) Provisions and contingencies

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

n) Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

o) Earnings Per Share

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year. 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.

2 Summary of significant accounting policies (cont'd)

p) Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the business of operating and managing hotels/ resorts and providing related services, which constitutes its single reportable segment.

q) Financial Instruments

(i) Financial assets
Initial recognition and measurement
Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.
When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss directly attributable transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Classification
• Cash and Cash Equivalents – Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.
• Debt Instruments - The Company classifies its debt instruments as subsequently measured at amortised cost, fair value through Other Comprehensive Income or fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

(a) Financial assets at amortised cost -
Financial assets are subsequently measured at amortised cost if these financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

(b) Financial assets at fair value through Other Comprehensive Income (FVOCI) -
Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. Movements in the carrying value are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Statement of Profit and Loss. Interest income on such financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

(c) Financial assets at fair value through profit or loss (FVTPL) -
Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on such debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship as well as interest income is recognised in the Statement of Profit and Loss.

• Equity Instruments - The Company subsequently measures all equity investments (other than the investment in subsidiaries, joint ventures and associates which are measured at cost) at fair value. Where the Company has elected to present fair value gains and losses on equity investments in Other Comprehensive Income ("FVOCI"), there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payment is established.

At the date of transition to Ind AS, the Company has made an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value of equity investments that are not held for trading.

When the equity investment is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Retained Earnings directly.

De-recognition
A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

2 Summary of significant accounting policies (cont'd)

q) Financial Instruments (cont'd)

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised 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 a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. During the years reported, no hedge relationship was designated.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(iii) Impairment of financial assets

The Company assesses, at each reporting date, whether a financial asset or a group of financial assets is impaired. Ind AS-109 on Financial Instruments, requires expected credit losses to be measured through a loss allowance. For trade receivables only, the Company recognises expected lifetime losses using the simplified approach permitted by Ind AS-109, from initial recognition of the receivables. For other financial assets (not being equity instruments or debt instruments measured subsequently at FVTPL) the expected credit losses are measured at the 12 month expected credit losses or an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition.

r) Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21,Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.
The amendment will come into force form 01 April 2018. The Company is in process of evaluating the effect of this on the financial statements and expects the impact to be not material.

Ind AS 115- Revenue from Contract with Customers:

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:
a. Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.
b. Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch-up approach)
The effective date for adoption of Ind AS 115 is financial periods beginning on or after 01 April 2018
The Company has completed an initial qualitative assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its financial statements. The quantitative impact of adoption of Ind AS 115 on the financial statements in the period of initial application is not expected to be material.

Maruti Comforts & Inn Private Limited
Notes to the financial statements

3 Property, plant and equipment

Carrying amounts of:	As at 31 March, 2018 ₹ in lakhs	As at 31 March, 2017 ₹ in lakhs	As at 01 April, 2016 ₹ in lakhs
Buildings	648.20	670.18	698.78
Plant and equipments	124.43	138.03	148.29
Furniture and fixtures	12.55	29.19	44.23
Vehicles	-	-	-
Office equipments	0.18	0.10	0.07
Computer equipments	9.19	8.78	4.89
	794.55	**846.28**	**896.26**

Cost or deemed cost:

(₹ in lakhs)

Particulars	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Computer equipments	Total
Gross Block							
Balance as at 01 April 2016	**1,282.29**	**435.84**	**421.42**	**12.85**	**58.17**	**40.47**	**2,251.04**
Additions	0.62	9.51	3.34	-	0.07	7.49	21.03
Disposals	-	-	-	-	-	-	-
Balance as at 31 March 2017	**1,282.91**	**445.35**	**424.76**	**12.85**	**58.24**	**47.96**	**2,272.07**
Additions	6.64	6.26	1.62	-	0.12	4.66	19.30
Disposals							-
Balance as at 31 Mar 2018	**1,289.55**	**451.61**	**426.38**	**12.85**	**58.36**	**52.62**	**2,291.37**
Accumulated depreciation							
Balance as at 01 April 2016	**583.51**	**287.55**	**377.19**	**12.85**	**58.10**	**35.58**	**1,354.78**
Charge for the year	29.22	19.77	18.38	-	0.04	3.60	71.01
Disposal	-	-	-	-	-	-	-
Balance as at 31 March 2017	**612.73**	**307.32**	**395.57**	**12.85**	**58.14**	**39.18**	**1,425.79**
Charge for the year	28.62	19.86	18.26	-	0.04	4.25	71.03
Disposal	-	-	-		-	-	-
Balance as at 31 March 2018	**641.35**	**327.18**	**413.83**	**12.85**	**58.18**	**43.43**	**1,496.82**
Net block							
Balance as at 01 April 2016	**698.78**	**148.29**	**44.23**	**-**	**0.07**	**4.89**	**896.26**
Balance as at 31 March 2017	**670.18**	**138.03**	**29.19**	**-**	**0.10**	**8.78**	**846.28**
Balance as at 31 March 2018	**648.20**	**124.43**	**12.55**	**-**	**0.18**	**9.19**	**794.55**

Note:
Unless otherwise stated all assets are owned by the Company and none of the assets are given on lease.

		As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 01 April 2016 ₹ in lakhs
4	**Other non-current financial assets**			
	Security deposits	34.31	34.02	34.97
		34.31	**34.02**	**34.97**
5	**Deferred tax assets, net**			
	Deferred tax liabilities	(59.39)	(58.14)	(65.93)
	Deferred tax assets	99.57	106.29	43.59
	Net deferred tax assets/(liabilities)	**40.18**	**48.15**	**(22.34)**

Significant components of deferred tax (liability) /asset for the year ended March 31, 2018 are as follows :

₹ in lakhs

	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
(i) Difference between written down value of fixed assets as per books of accounts and Income Tax Act,1961.	(58.14)	(1.25)	-	(59.39)
(ii) Brought forward losses	58.14	(47.08)	-	11.06
(iii) Re-measurement of defined benefit liability	-	10.74	(0.87)	9.87
(iv) Provision for doubtful receivables	-	6.35	-	6.35
(iv) Disallowance u/s 40a(ia) of Income Tax Act, 1961	-	0.42	-	0.42
(v) MAT carry forward	48.15	23.72	-	71.87
Total	**48.15**	**(7.10)**	**(0.87)**	**40.18**

Significant components of deferred tax (liability) / asset for the year ended March 31, 2017 are as follows :

₹ in lakhs

	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
(i) Difference between written down value of fixed assets as per books of accounts and Income Tax Act,1961.	(65.93)	7.80	-	(58.14)
(ii) Brought forward losses	17.90	40.23	-	58.14
(iii) MAT carry forward	25.69	22.46	-	48.15
Total	**(22.34)**	**70.49**	**-**	**48.15**

		As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 01 April 2016 ₹ in lakhs
6	**Other non-current assets**			
	Prepaid expenses	249.89	269.22	280.67
	Advance tax ,net of provision ₹ 25.69 lakhs (as at 31 March 2017: ₹ 49.76 lakhs; as at 01 April, 2016: ₹ 25.69 lakhs)	45.63	26.49	42.03
		295.52	**295.71**	**322.70**
7	**Inventories**			
	(At lower of cost or net realisable value)			
	Food and beverages	23.84	29.71	21.70
	Stores and spares	4.67	8.57	8.13
		28.51	**38.28**	**29.83**

Note:

a) The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹ 299.38 lakhs (for the year ended March 31, 2017: ₹ 272.23 lakhs).

b) The mode of valuation of inventories has been stated in note 2.

Maruti Comforts & Inn Private Limited
Notes to the financial statements

		As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 1 April 2016 ₹ in lakhs
8	**Trade receivables**			
	Unsecured, considered good	113.15	104.45	123.76
	Unsecured, considered doubtful	22.83	20.62	17.51
		135.98	**125.07**	**141.27**
	Less: Allowance for doubtful receivables (expected credit loss allowance)	(22.83)	(20.62)	(17.51)
		113.15	**104.45**	**123.76**

Note:

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

9	**Cash and cash equivalents**			
	Balances with banks			
	- in current accounts	74.40	48.55	58.61
	Cash on hand	6.44	3.78	6.69
		80.84	**52.33**	**65.30**
10	**Bank balances other than cash and cash equivalents**			
	Balances with banks			
	- in deposit accounts (with maturity more than 3 months but less than 12 months)	87.45	25.69	6.00
		87.45	**25.69**	**6.00**
11	**Other current financial assets**			
	Unbilled revenue	-	7.26	2.82
	Interest accrued on deposits with banks	0.89	0.86	0.04
	Dues from related parties (refer note 30 (ii))	7.28	32.19	1.68
		8.17	**40.31**	**4.54**
12	**Other current assets**			
	(Unsecured, considered good)			
	Advances to suppliers	7.58	13.41	-
	Prepaid expenses	21.98	8.81	9.22
	Advances to employees	1.28	0.73	-
	Other receivables	1.13	0.40	12.61
		31.97	**23.35**	**21.83**

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number	Amounts ₹ in lakhs	Number	Amounts ₹ in lakhs	Number	Amounts ₹ in lakhs
13 Share capital						
Authorised share capital						
Equity shares of ₹ 100 each	15,00,000	1,500.00	15,00,000	1,500.00	15,00,000	1,500.00
	15,00,000	**1,500.00**	**15,00,000**	**1,500.00**	**15,00,000**	**1,500.00**
Issued, subscribed and fully paid up						
Equity shares of ₹ 100 each	6,24,969	624.97	6,24,969	624.97	6,24,969	624.97
	6,24,969	**624.97**	**6,24,969**	**624.97**	**6,24,969**	**624.97**

a) Reconciliation of share capital

There have been no changes in the number of equity shares and amount outstanding at the beginning and at the end of the reporting period.

b) Details of shares held by the holding company and its subsidiary

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number	Amounts ₹ in lakhs	Number	Amounts ₹ in lakhs	Number	Amounts ₹ in lakhs
Equity shares of ₹100 each with voting rights						
Royal Orchid Hotels Limited- Holding Company	4,07,635	407.64	4,07,635	407.64	4,07,635	407.64
Royal Orchid Goa Private Limited- Subsidiary of the Holding Company	1	-	1	-	1	-
	4,07,636	**407.64**	**4,07,636**	**407.64**	**4,07,636**	**407.64**

c) Shareholders holding more than 5% of the shares of the Company

	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares
Equity shares of ₹100 each						
Royal Orchid Hotels Limited	4,07,635	65.22%	4,07,635	65.22%	4,07,635	65.22%
Senet Cables Private Limited	2,17,333	34.78%	2,17,333	34.78%	2,17,333	34.78%
	6,24,968	**100.00%**	**6,24,968**	**100.00%**	**6,24,968**	**100.00%**

d) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 100 per share. Each equity share is entitled to one vote per share. Dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and shall be payable in Indian Rupees. In the event of liquidation of the Company, the shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

The Company has not issued any bonus shares or any shares for consideration other than cash nor has there been any buy back of shares during five years immediately preceding 31 March 2018.

Maruti Comforts & Inn Private Limited
Notes to the financial statements

		As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
		Number	Amounts ₹ in lakhs	Number	Amounts ₹ in lakhs	Number	Amounts ₹ in lakhs
14	**Instruments entirely equity in nature**						
	Compulsorily Convertible Debentures ₹ 100 each						
	Balance at the beginning of the year	1,06,650	106.65	1,06,650	106.65	1,06,650	106.65
	Add/Less: Changes during the year	-	-	-	-	-	-
	Balance at the end of the year	**1,06,650**	**106.65**	**1,06,650**	**106.65**	**1,06,650**	**106.65**

15 Other Equity

For the year ended 31 March 2018

₹ in lakhs

	Reserves and Surplus			Items of OCI	Total
	Securities Premium Account	Retained Earnings	Contribution from Holding Company	DBO Remeasurement	
Balance as at 31 March 2017	**386.94**	**(44.63)**	**5.12**	**1.04**	**348.47**
Profit for the year	-	109.59	-	-	109.59
Other comprehensive income, net of tax	-	-	-	2.26	2.26
Total Comprehensive Income	**-**	**109.59**	**-**	**2.26**	**111.85**
Interest on Compulsorily Convertible Debentures (entirely equity in nature)		(19.20)			(19.20)
Deferred Employee cost charged by Holding Company	-	-	5.76	-	5.76
Balance as at 31 March 2018	**386.94**	**45.76**	**10.88**	**3.30**	**446.88**

For the year ended 31 March 2017

₹ in lakhs

	Reserves and Surplus			Items of OCI	Total
	Securities Premium Account	Retained Earnings	Contribution from Holding Company	DBO Remeasurement	
Balance as at 1 April 2016	**386.94**	**(219.74)**	**-**	**1.03**	**168.23**
Profit for the year	-	194.31	-	-	194.31
Other comprehensive income, net of tax	-	-	-	0.01	0.01
Total Comprehensive income	**-**	**194.31**	**-**	**0.01**	**194.32**
Interest on Compulsorily Convertible Debentures (entirely equity in nature)	-	(19.20)	-	-	(19.20)
Deferred Employee cost charged by Holding Company	-	-	5.12	-	5.12
Balance as at 31 March 2017	**386.94**	**(44.63)**	**5.12**	**1.04**	**348.47**

Maruti Comforts & Inn Private Limited
Notes to the financial statements

		As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 01 April 2016 ₹ in lakhs
16	**Long-term provisions**			
	Employee benefits			
	Gratuity (refer note 31 (b))	14.62	12.58	10.87
	Compensated absences (refer note 31 (c))	6.41	5.40	7.08
		21.03	**17.98**	**17.95**
17	**Trade payables**			
	Dues of creditors other than micro and small enterprises (refer note (i) below)	172.29	194.05	433.17
		172.29	**194.05**	**433.17**

(i) Based on the information available with the Company, there are no outstanding dues in respect of Micro and Small enterprises at the Balance Sheet date. The above disclosure has been determined to the extent such parties have been identified on the basis of information available to the Company. This has been relied upon by the auditors.

		As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 01 April 2016 ₹ in lakhs
18	**Other financial liabilities**			
	Interest accrued but not due (refer note 30 (ii))	53.22	35.94	18.66
	Dues to related parties (refer note 30 (ii))	17.14	103.36	64.61
	Others	-	0.75	-
		70.36	**140.05**	**83.27**
19	**Other current liabilities**			
	Statutory dues (Goods and Services Tax/ VAT/ Service Tax)	26.92	36.93	19.25
	Advance received from customers	33.83	36.56	-
	Other payables	0.21	0.81	26.52
		60.96	**74.30**	**45.77**
20	**Short-term provisions**			
	Employee benefits			
	Gratuity (refer 31 (b))	0.33	0.24	0.24
	Compensated absences (refer 31 (c))	2.70	1.86	2.60
		3.03	**2.10**	**2.84**
21	**Current tax liabilities, net**			
	Provision for taxes ,net of advances ₹ 42.91 lakhs (as at 31 March, 2017: ₹ Nil; as at 01 April, 2016: ₹ Nil)	8.48	-	-
		8.48	**-**	**-**

Maruti Comforts & Inn Private Limited
Notes to the financial statements

		Year ended 31 March 2018 ₹ in lakhs	Year ended 31 March 2017 ₹ in lakhs
22	**Revenue from operations**		
	From sale of services at hotel		
	- Room nights	616.46	584.02
	- Food and beverages	1,048.53	899.12
	- Other services	107.71	63.23
		1,772.70	**1,546.37**
23	**Other income**		
	Interest income		
	-from deposits with banks	1.88	1.27
	-from Others	0.93	1.25
	License Fee	30.67	46.11
	Provisions no longer required, written back	4.78	5.73
	Miscellaneous	2.62	2.85
		40.88	**57.21**
24	**Food and beverages consumed**		
	Opening stock	29.71	21.70
	Add : Purchases during the year	293.51	280.24
		323.22	**301.94**
	Less : Closing stock	23.84	29.71
		299.38	**272.23**
25	**Employee benefits expense**		
	Salaries and wages	379.13	330.81
	Contribution to provident fund	17.04	12.39
	Gratuity expense (refer note 31 (b))	6.02	4.61
	Share based payments to employees	5.76	5.12
	Staff welfare expenses	37.11	37.16
		445.06	**390.09**
26	**Finance costs**		
	Interest expense on delayed payment of statutory dues		
	- income tax	1.05	1.61
	- other statutory dues	0.04	3.22
		1.09	**4.83**
27	**Depreciation**		
	Depreciation on property, plant and equipment (refer note 3)	71.03	71.01
		71.03	**71.01**

		Year ended 31 March 2018 ₹ in lakhs	Year ended 31 March 2017 ₹ in lakhs
28	**Other expenses**		
	Guest transportation	7.65	13.11
	Linen and room supplies	17.51	13.36
	Catering and other kitchen supplies	18.84	19.01
	Cablenet charges	2.96	2.64
	Uniform washing and laundry	13.43	10.85
	Music and entertainment	12.94	17.41
	Contract charges	107.05	70.45
	Power, fuel and water	117.03	108.47
	Management and technical fee	111.18	143.51
	Garden, landscaping and decoration	15.78	9.17
	Security charges	14.73	14.01
	Communication	10.28	13.23
	Printing and stationery	5.10	5.83
	Subscription charges	2.37	5.92
	Rent	84.73	79.32
	Repairs and maintenance		
	- Buildings	6.75	3.53
	- Plant and equipment	26.48	22.21
	- Others	5.96	2.55
	Insurance	2.48	2.28
	Commission and brokerage	37.40	29.72
	Rates and taxes	43.75	33.56
	Legal and professional	95.79	56.40
	Travelling and conveyance	12.10	9.74
	Advertisement and business promotion	66.06	17.47
	Allowance for doubtful receivables	2.21	3.11
	Directors' sitting fees	1.98	2.07
	Miscellaneous	14.07	10.21
		856.60	**719.14**
29	**Earnings per share**		
	Basic		
	Weighted average number of shares outstanding	6,24,969	6,24,969
	Net profit after tax attributable to equity shareholders (₹ in lakhs)	109.59	194.31
	Basic earnings per share in ₹	17.54	31.09
	Nominal value per equity share in ₹	100	100
	Diluted		
	Weighted average number of shares outstanding	7,31,619	7,31,619
	Net profit after tax attributable to equity shareholders (₹ in lakhs)	109.59	194.31
	Diluted earnings per share in ₹	14.98	26.56
	Nominal value per equity share in ₹	100	100

30 Related parties

Parties where control exists

Name of party	Nature of relationship
Royal Orchid Hotels Limited	Holding company
Royal Orchid Associated Hotels Private Limited	Fellow subsidiary
Icon Hospitality Private Limited	Fellow subsidiary

Key Management Personnel (KMP)

Mr. Ravi S. Doddi	Whole Time Director
Mr. Amit Jaiswal	Director

Relative of a KMP

Mrs. Panna R. Doddi

Entity in which KMP is interested

Quantum Technologies

Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual

Mr. Arjun Baljee

i. Transactions with related parties during the year:

Nature of transactions	Year ended 31 March 2018 ₹ in lakhs	Year ended 31 March 2017 ₹ in lakhs
Management and technical fees expense		
Royal Orchid Associated Hotels Private Limited	111.18	143.51
Interest		
Royal Orchid Hotels Limited	19.20	19.20
Remuneration Payable		
Mr. Ravi S. Dodi	-	30.00
Mr. Arjun Baljee	30.00	-
Consultancy charges		
Quantum Technologies	60.00	7.50
Mr. Arjun Baljee	-	7.50
Mrs. Panna Doddi	30.00	30.00
Employee Stock Option scheme		
Royal Orchid Hotels Limited	5.76	5.12
Director's Sitting fees		
Amit Jaiswal	0.40	0.40
Ravi S Doddi	0.40	0.40

30 Related parties (cont'd)

ii. Balances receivable from /payable to related parties is summarised below:

Name of the related party	As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 01 April 2016 ₹ in lakhs
Interest accrued but not due			
Royal Orchid Hotels Limited	53.22	35.94	18.66
Trade payables			
Royal Orchid Associated Hotels Private Limited	21.46	2.75	261.28
Quantum Technologies	-	2.63	-
Mr. Arjun Baljee	-	2.44	-
Mr. Ravi S. Doddi	-	1.51	1.67
Mrs. Panna Doddi	-	2.11	3.32
Dues from related parties			
Mr. Ravi S. Doddi	7.28	7.28	-
Royal Orchid Hotels Limited	-	24.91	-
Icon Hospitality Private Limited	-	-	1.68
Dues to related parties			
Royal Orchid Hotels Limited	6.66	-	12.47
Royal Orchid Associated Hotels Private Limited	10.48	103.36	52.14

Maruti Comforts & Inn Private Limited
Notes to the financial statements

31 Employee benefit plans

a) Defined contribution plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 17.04 lakhs (Year ended 31 March 2017: ₹ 12.39 lakhs) for Provident Fund contributions, and ₹ 5.85 lakhs (Year ended 31 March 2017: ₹ 4.11 lakhs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b) Defined benefit plans

The Company offers gratuity benefit scheme to its employees in India as per 'The Payment of Gratuity Act, 1972'. Under the act, employee who has completed five years of service is entitled to gratuity benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The following table sets out the status of the gratuity plan as required under Indian Accounting Standard (Ind AS) - 19 - Employee benefits:

		Year ended 31 March 2018 ₹ in lakhs	Year ended 31 March 2017 ₹ in lakhs
(i)	**The amounts recognised in the Balance Sheet are as follows:**		
	Present value of the obligation as at the end of the year		
	Current Liabilitiy	0.33	0.24
	Non-current liability	14.62	12.58
	Fair value of plan assets as at the end of the year	-	-
	Net liability/ (assets) recognized in the Balance Sheet	**14.95**	**12.82**
(ii)	**Changes in the present value of defined benefit obligation**		
	Defined benefit obligation as at beginning of the year	12.82	11.11
	Service cost	5.07	3.72
	Interest cost	0.95	0.89
	Actuarial losses/(gains) arising from	-	-
	- change in demographic assumptions	-	-
	- change in financial assumptions	(0.68)	0.72
	- experience variance (i.e. Actual experiences assumptions)	(2.45)	(0.73)
	Benefits paid	(0.77)	(2.88)
	Defined benefit obligation as at the end of the year	**14.94**	**12.82**
(iii)	**Components of net gratuity costs are**		
	Service cost	5.07	3.72
	Net interest cost on the net defined benefit liability	0.95	0.89
	Components of defined benefit costs recognised in Statement of Profit and Loss	**6.02**	**4.61**
(iv)	**Other comprehensive income**		
	Change in financial assumptions	(0.68)	0.72
	Experience variance (i.e. actual experience vs assumptions)	(2.45)	(0.73)
	Return on plan assets, excluding amount recognized in net interest expense	-	-
	Change in demographic assumptions	-	-
	Components of defined benefit costs recognized in other comprehensive income	**(3.13)**	**(0.01)**
(v)	**Assumptions used for actuarial valuation of gratuity**		
	Discount rate	7.80%	7.45%
	Salary escalation rate	7.00%	7.00%
	Mortality rates *(IAL: Indian Assured Lives Mortality (2006-08))*	100% of IAL	100% of IAL

The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

31 Employee benefit plans (cont'd)

(vi) Experience adjustments:

Particulars	As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs
Defined Benefit Obligation	14.94	12.82
Fair value of plan assets	-	-
(Surplus)/deficit	14.94	12.82
Experience adjustments on liabilities: gain/(loss)	(2.45)	(0.73)
Experience adjustments on plan assets: gain/(loss)	-	-

(vii) Sensitivity analysis

Description of Risk Exposures
Valuations are performed on certain basic set of pre-determined assumptions which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:

a. Interest Rate Risk:
The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of liability (as shown in financial statements).

b. Liquidity Risk:
This is the risk that the Company is not able to meet the short term benefit payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

c. Salary Escalation Risk:
The present value of the above benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

d. Demographic Risk:
The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

e. Regulatory Risk:
Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (for example, increase in the maximum liability on gratuity of ₹ 10 lakhs).

f. Asset Liability Mismatching or Market Risk:
The duration of the liability is longer compared to duration of assets exposing the company to market risks for volatilities/fall in interest rate.

g. Investment Risk:
The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

(₹ in lakhs)

Particulars	Year ended 31 March 2018		Year ended 31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount Rate (- / + 1%)	13.22	17.00	11.56	14.32
Salary Growth Rate (- / + 1%)	17.00	13.19	14.31	11.54
Attrition Rate (- / + 50% of attrition rates)	14.82	15.05	12.66	13.00
Mortality rate (- / + 10%)	14.96	14.94	12.83	12.83

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

There is no change in the method of valuation for the prior period.

(viii) Maturity analysis of Defined Benefit Obligation

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Weighted average duration (based on discounted cashflows)	13 years	11 years
Expected cash flows over the next (valued on undiscounted basis):		
1 year	0.33	0.24
2 to 5 years	3.55	7.24
6 to 10 years	3.03	1.75
More than 10 years	41.27	25.06

c) Actuarial assumptions considered to determine the provision required for compensated absences is same as gratuity provision

32 Segment information

The Company's business comprises the operation of a hotel, the services of which represents one business segment. Further, the Company derives its entire revenue from services rendered in India. Consequently, the disclosure of business and geographic segment- wise information is not applicable to the Company.

33 Capital management

For the purpose of the Company's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

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 in the financial covenants of any interest-bearing loans and borrowing in the current period.

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 Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

34 Commitments and contingencies

Contingencies:

(a) Others- Bonus to employees for the financial year 2014-15 is ₹ 3.61 lakhs (31 March 2017 - ₹ 3.61 lakhs; as at 01 April 2016 - ₹ 3.61 lakhs).

35 Payment to auditors

	As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs
for audit fees	5.75	5.00
for reimbursement of expenses	0.30	-
	6.05	**5.00**

36 Operating leases

The Company operates Royal Orchid Resort & Convention Centre in Bangalore, India and for the said property, the Company has leased the land under a lease arrangement for a period of 30 years, which is cancellable at the end of 30 years. The lease agreement includes an escalation of 10% every 3 years over the lease period of the agreement.

The lease expense for non-cancellable operating leases recognised during the year ended 31 March 2018 is ₹ 84.73 lakhs (31 March 2017: ₹ 79.32 lakhs).

The details of lease commitments in terms of minimum lease payments within the non-cancellable period are as follows:

	As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs
Payments falling due:		
Within 1 year	73.29	73.29
Later than one year but not later than five years	318.49	302.41
Later than 5 years	1,937.56	2,020.38
Total	**2,329.34**	**2,396.08**

37 Fair value measurements

(i) Financial instruments by category

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

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A. Financial assets			
a) Measured at amortised cost			
Non-current assets			
(i) Other financial assets	34.31	34.02	34.97
Current assets			
(i) Trade receivables	113.15	104.45	123.76
(ii) Cash and cash equivalents	80.84	52.33	65.30
(iii) Bank balances other than cash and cash equivalents	87.45	25.69	6.00
(iv) Other financial assets	8.17	40.31	4.54
	323.92	**256.80**	**234.57**
b) Measured at fair value through OCI	-	-	-
c) Measured at fair value through profit or loss	-	-	-
Total financial assets	**323.92**	**256.80**	**234.57**
B. Financial liabilities			
a) Measured at amortised cost			
Non-current liabilities	**-**	**-**	**-**
Current liabilities			
(i) Trade payables	172.29	194.05	433.17
(ii) Other financial liabilities	70.36	140.05	83.27
	242.65	**334.10**	**516.44**
b) Measured at fair value through OCI	-	**-**	**-**
c) Measured at fair value through profit or loss	-	**-**	**-**
Total financial liabilities	**242.65**	**334.10**	**516.44**

Notes:

(i) The fair value of trade receivables, trade payables and other Current financial assets and liabilities are considered to be equal to the carrying amounts of these items due to their short – term nature.

(ii) The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(iii) The management assessed that for amortised cost instruments, the fair value approximates largely to the carrying amount.

38 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on it's financial performance. The primary market risk to the Company is foreign exchange exposure risk. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

The Company's risk management activity focuses on actively securing the Company’s short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below.

(A) Credit risk analysis
Credit risk is the risk that a counterparty fails to discharge an obligation to the Company, resulting in a financial loss. The Company is exposed to this risk for various financial instruments. The Company’s maximum exposure to credit risk is limited to the carrying amount of financial assets, as summarised below:

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Non-current assets			
(i) Other financial assets	34.31	34.02	34.97
Current assets			
(i) Trade receivables	113.15	104.45	123.76
(ii) Cash and cash equivalents	80.84	52.33	65.30
(iii) Bank balances other than cash and cash equivalents	87.45	25.69	6.00
(iv) Other financial assets	8.17	40.31	4.54
Total financial assets	**323.92**	**256.80**	**234.57**

A1: Trade and other receivables
Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the Company 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. On account of adoption of Ind AS 109, Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain. The provision for expected credit loss takes into account available external and internal credit risk factors and Company's historical experience for customers.

The allowance/reversal for life time expected credit loss on customer balances for the year ended 31 March 2018 and as at 31 March 2017 is given below:

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Balance at the beginning of the year	20.62	17.51
Impairment loss recognised	2.21	3.11
Impairment loss reversed	-	-
Balance at the end of the year	**22.83**	**20.62**

A2: Cash and cash equivalents
The credit risk for cash and cash equivalents, and derivative financial instruments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Financial assets that are neither past due nor impaired
Cash and cash equivalents, advances recoverable, loans and advances to employees, security deposit and other financial assets are neither past due nor impaired.

Financial assets that are past due but not impaired
There is no other class of financial assets that is past due but not impaired.

38 Financial risk management (cont'd)

(B) Liquidity risk
Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, usually on a month on month basis. Long-term liquidity needs for a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Company’s objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Company’s non-derivative financial liabilities that have contractual maturities (including interest payments where applicable) are summarised below:

Maturities of financial liabilities

(₹ in lakhs)

As at 31 March 2018	Less than 1 year	1 year to 5 years	More than 5 years	Total
Trade payable	172.29	-	-	172.29
Other financial liabilities	70.36	-	-	70.36
Total	**242.65**	**-**	**-**	**242.65**

As at 31 March 2017	Less than 1 year	1 year to 5 years	More than 5 years	Total
Trade payable	194.05	-	-	194.05
Other financial liabilities	140.05	-	-	140.05
Total	**334.10**	**-**	**-**	**334.10**

As at 01 April 2016	Less than 1 year	1 year to 5 years	More than 5 years	Total
Trade payable	433.17	-	-	433.17
Other financial liabilities	83.27	-	-	83.27
Total	**516.44**	**-**	**-**	**516.44**

(C) Market risk
The Company is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk, which result from both its operating and investing activities.

(i) Foreign currency risk
The predominant currency of the Company's revenues and operating cash flows is Indian Rupees (INR). The Company does not have foreign currency denominated financial assets and liabilities which expose the Company to currency risk.

(ii) Interest rate risk

(ii.a) Liabilities
The Company’s policy is to minimise interest rate cash flow risk exposures on long-term financing. As at 31 March 2018, the Company do not have external borrowings and therefore, there is no exposure to changes in market interest rates. The Company's investments in fixed deposits pay fixed interest rates.

(ii.b) Assets
The Company’s fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

39 First-time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013 (previous GAAP).

Accordingly, the Company has prepared the financial statements for the comparative period as at and for the year ended 31 March 2017 that comply with the applicable Ind AS, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at 1 April 2016 and the comparitive financial statements as at and for the year ended 31 March 2017.

A. Ind AS optional exemptions

A1. Deemed cost for property, plant and equipment
Ind AS 101 permits a first-time adopter to elect, the continuation of carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value as at the date of transition.

A2. Lease
Appendix C to Ind AS 17, Leases, requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, Leases, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101, First-time Adoption of Indian Accounting Standards, provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to apply this exemption for such contracts/ arrangements.

B. Ind AS mandatory exemptions

B1. Estimates
In accordance with Ind AS, as at the date of transition to Ind AS an entity's estimates shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP except impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition, this was not required under the previous GAAP.

B2. Classification and measurement of financial assets and liabilities
The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 Financial Instruments are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:
a) The effects of the retrospective application or retrospective restatement are not determinable; or
b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period; or
c) The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

39 First-time adoption of Ind AS (cont'd)

B3. De-recognition of financial assets and liabilities

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires a first-time adopter to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 First-time Adoption of Indian Accounting Standards, allows a first-time adopter to apply the de-recognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively from the date of transition to Ind AS.

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS as at the periods specified below.

C1. Reconciliation of other equity

The Company has also prepared a reconciliation of equity as at 31 March 2017 and 1 April 2016 under the previous GAAP with the equity as reported in these financial statements under Ind AS, that reflect the impact of Ind AS on the components of Balance sheet which is presented below:

(₹ in lakhs)

Particulars	**Notes**	**As at 31 March 2017**	**As at 01 April 2016**
Equity as reported under previous GAAP		**167.36**	**10.78**
Adjustments on account of:			
(i) Measurement of financial assets at amortised cost	5	(3.91)	(3.35)
(ii) Adjustment of lease rent reserve	3	185.02	160.80
Equity under Ind AS		**348.47**	**168.23**

C2. Reconciliation of Net Profit

(₹ in lakhs)

Particulars	**Notes**	**As at 31 March 2017**
Profit as reported under previous GAAP		**156.58**
Adjustments on account of:		
(i) Interest on Compulsorily convertible Debentures reclassified to Other Equity under Ind AS 109	4	19.20
(ii) Measurement of defined benefit obligation	2	0.01
(iii) Measurement of financial assets at amortised cost	5	0.24
(iv) On account of recognition of ESOP expenses under fair valuation	1	(5.12)
(v) Recognition of lease rentals on straight line basis	3	23.40
Profit after tax as reported under Ind AS		194.31
Other comprehensive income / (loss), items that will not be classified in to Statement of Profit and Loss	2	0.01
Total Comprehensive Income as reported under Ind AS	**6**	**194.32**

C3. Effect of Ind AS on Cashflow

There are no significant reconciliation items between consolidated cash flows prepared under Indian GAAP and those

C4. Notes on Reconciliation

1 Employee stock option plan

Under previous GAAP, the intrinsic value of the employee stock option plan was recognised as an expense over the vesting period. Under Ind AS, the compensation cost of employee stock option plan is recognised based on the fair value of the options determined using an appropriate pricing model at the date of grant. Accordingly, the difference between the intrinsic value of the employee stock option plan and the fair value of the option on the date of grant has been adjusted in opening retained earnings and statement of Profit and Loss for 1 April 2016 and 31 March 2017 respectively.

39 First-time adoption of Ind AS (cont'd)

2 Defined benefit obligation

Both under the previous GAAP and Ind AS, the Company recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to Statement of profit and loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced by such amount with a corresponding adjustment on defined benefit plans has been recognized in the OCI net of tax.

3 Operating Lease

Under the previous GAAP, operating lease payments were recognized as an expense in the statement of Profit and Loss on a straight-line basis. Under Ind AS, operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where scheduled increase in rent compensates with expected inflationary costs. Accordingly the lease equalization reserve has been written back with a corresponding adjustment to retained earnings.

4 Reclassification of Interest on Compulsorily Convertible Debentures

As per Ind AS 109, the classification of a financial instrument or a component of a financial instrument as either a financial liability or an equity instrument determines the treatment of interest, dividends and other gains and losses relating to that instrument or component of that instrument. Accordingly, interest on Compulsorily convertible debentures which are instruments entirely equity in nature has been classified as an item under Other equity. Under previous GAAP, the same has been considered as part of finance cost in Statement of Profit and Loss.

5 Security Deposit

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) were recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly, the Company has recognized these security deposits at fair value and subsequently measured them at amortized cost. Difference between the fair value and transaction value of the security deposit has been recognized as prepaid rent which would be amortized over a straight line basis over the period of the deposit.

6 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in Statement of Profit or Loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as ‘other comprehensive income’ includes re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under the previous GAAP.

40 Approval of Financial Statements

The financial statements were approved for issue by the board of directors on 26 May 2018.

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Director
DIN: 03448511

Sd/-
Ravi S Doddi
Director
DIN: 00101115

Sd/-
Dr. Ranabir Sanyal
Company Secretary
MM No. F7814

Place: Bengaluru
Date: 26 May 2018

COSMOS PREMISES PRIVATE LIMITED

Audited Financial Statements

for the year ended

31 March 2018

INDEPENDENT AUDITOR'S REPORT
To The Members of Cosmos Premises Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Cosmos Premises Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the Ind AS 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 Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Company as on 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

      i. The Company does not have any pending litigations, which would impact its financial position.

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

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-
Monisha Parikh
(Partner)
(Membership No. 47840)

Bengaluru, May 22, 2018
MP/SS/MSK/2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **Cosmos Premises Private Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-
Monisha Parikh
(Partner)
(Membership No. 47840)

Bengaluru, May 22, 2018
MP/SS/MSK/2018

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Cosmos Premises Private Limited of even date)

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

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

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

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

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans that are covered under the provisions of section 185 of the Act and provisions of section 186 of the Act in respect to granting of loans, making investments and providing guarantees and securities are not applicable

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

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

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

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs duty, Excise duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) There are no dues of Income tax, Sales Tax, Service Tax, Customs duty, Excise duty, Value Added Tax and Goods and Service Tax as on March 31, 2018 on account of disputes.

viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company does not have borrowings from financial institutions and government and has not issued any debentures.

ix) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans have been applied by the company during the year for the purpose for which they have raised.

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

xi) The Company has not paid or provided managerial remuneration during the year and hence reporting under clause (xi) of the order is not applicable.

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

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

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

xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-
Monisha Parikh
(Partner)
(Membership No. 47840)

Bengaluru, May 22, 2018
MP/SS/MSK/2018

Cosmos Premises Private Limited
Balance Sheet as at 31 March 2018

	Notes	As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 01 April 2016 ₹ in lakhs
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	1,250.17	1,388.23	1,501.08
(b) Capital Work in progress	3A	45.91	92.42	-
(c) Financial assets				
(i) Other financial assets	4	20.03	20.13	19.09
(d) Other non-current assets	5	16.59	38.62	18.91
		1,332.70	**1,539.40**	**1,539.08**
Current assets				
(a) Inventories	6	13.98	16.14	22.80
(b) Financial assets				
(i) Trade receivables	7	150.00	119.47	91.45
(ii) Cash and cash equivalents	8	105.60	140.78	161.34
(iii) Bank balances other than cash and cash equivalents	9	441.10	432.57	266.99
(iv) Other financial assets	10	222.32	154.37	234.47
(c) Other current assets	11	17.27	22.29	44.07
		950.27	**885.62**	**821.12**
TOTAL ASSETS		**2,282.97**	**2,425.02**	**2,360.20**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	12	40.48	40.48	40.48
(b) Other equity	13	1,787.12	1,848.96	1,874.51
		1,827.60	**1,889.44**	**1,914.99**
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	14	1.43	3.41	-
(b) Provisions	15	16.01	13.55	10.63
(c) Deferred Tax Liabilities, Net	16	14.65	11.62	31.66
		32.09	**28.58**	**42.29**
Current liabilities				
(a) Financial liabilities				
(i) Trade payables	17	179.48	182.09	147.08
(ii) Other financial liabilities	18	104.30	129.66	57.13
(b) Other current liabilities	19	100.03	111.89	169.13
(c) Provisions	20	2.34	3.42	1.24
(d) Current tax liabilities, net	21	37.13	79.94	28.34
		423.28	**507.00**	**402.92**
TOTAL EQUITY AND LIABILITIES		**2,282.97**	**2,425.02**	**2,360.20**

See accompanying notes forming part of these financial statements.
In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sd/-
Monisha Parikh
Partner

Place: Bengaluru
Date: 22 May 2018

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Director
DIN: 03448511

Place: Bengaluru
Date: 22 May 2018

Sd/-
Santhanam D
Director
DIN: 00226569

Place: Bengaluru
Date: 22 May 2018

Cosmos Premises Private Limited
Statement of Profit and Loss for the year ended 31 March 2018

	Notes	Year ended 31 March 2018 ₹ in lakhs	Year ended 31 March 2017 ₹ in lakhs
Revenue			
Revenue from operations	22	1,903.11	1,692.57
Other income	23	42.95	31.61
Total revenue		**1,946.06**	**1,724.18**
Expenses			
Food and beverages consumed	24	147.30	145.99
Employee benefits expense	25	257.99	246.02
Finance costs	26	6.49	7.22
Depreciation and amortisation	27	156.14	155.07
Other expenses	28	810.55	861.88
Total expenses		**1,378.47**	**1,416.18**
Profit before tax		**567.59**	**308.00**
Tax expense	29		
Current tax		167.80	127.52
Tax charge/ (credit) relating to prior years		(2.17)	(7.21)
Deferred tax charge/(credit)		2.44	(20.15)
		168.07	**100.16**
Profit for the year		**399.52**	**207.84**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
a) Remeasurement (losses)/gains in defined benefit plans		2.03	0.39
b) Income tax		(0.59)	(0.11)
Net of items that will not be reclassified to profit or loss		**1.44**	**0.28**
Other comprehensive income/(loss), net of tax		**1.44**	**0.28**
Total comprehensive income for the year		**400.96**	**208.12**
Earnings per equity share of ₹ 10 each			
Basic/Diluted	30	99.06	51.42

See accompanying notes to Financial Statements.
In terms of our report attached.

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

Sd/-
Monisha Parikh
Partner

Place: Bengaluru
Date: 22 May 2018

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Director
DIN: 03448511

Place: Bengaluru
Date: 22 May 2018

Sd/-
Santhanam D
Director
DIN: 00226569

Place: Bengaluru
Date: 22 May 2018

Cosmos Premises Private Limited
Statement of Changes in Equity for the year ended 31 March 2018

A. Equity share capital

Equity shares of ₹ 10 each, fully paid-up	Equity shares Number	Equity shares Amount ₹ in lakhs
As at 1 April 2016	4,04,762	40.48
Add: Issued and subscribed during the year	-	-
As at 31 March 2017	**4,04,762**	**40.48**
Add: Issued and subscribed during the year	-	-
As at 31 March 2018	**4,04,762**	**40.48**

B. Other equity

For the year ended 31 March 2018

₹ in lakhs

	Reserves and Surplus				Items of OCI	Total
	Securities Premium Account	Retained Earnings	General Reserve	Contribution from Holding Company	Defined Benefit Obligation Remeasurement	
Balance as at 31 March 2017	**1,287.52**	**537.88**	**15.80**	**7.48**	**0.28**	**1,848.96**
Profit for the year	-	399.52	-	-	-	399.52
Other Comprehensive Income, net of tax	-	-	-	-	1.44	1.44
Total Comprehensive Income	**-**	**399.52**	**-**	**-**	**1.44**	**400.96**
Interim dividend at ₹ 96.00 per share	-	(388.57)	-		-	(388.57)
Dividend distribution tax on interim dividend	-	(79.10)	-		-	(79.10)
Deferred Employee Cost charged by Holding Company	-	-	-	4.87	-	4.87
Balance as at 31 March 2018	**1,287.52**	**469.73**	**15.80**	**12.35**	**1.72**	**1,787.12**

For the year ended 31 March 2017

₹ in lakhs

	Reserves and Surplus				Items of OCI	Total
	Securities Premium Account	Retained Earnings	General Reserve	Contribution from Holding Company	Defined Benefit Obligation Remeasurement	
Balance as at 1 April 2016	**1,287.52**	**571.19**	**15.80**	**-**	**-**	**1,874.51**
Profit for the year	-	207.84	-	-	-	207.84
Other comprehensive income, net of tax	-	-	-	-	0.28	0.28
Total comprehensive income	**-**	**207.84**	**-**	**-**	**0.28**	**208.12**
Interim dividend at ₹ 49.50 per share	-	(200.36)	-	-	-	(200.36)
Dividend distribution tax on interim dividend	-	(40.79)	-	-	-	(40.79)
Deferred Employee Cost charged by Holding Company	-	-	-	7.48	-	7.48
Balance as at 31 March 2017	**1,287.52**	**537.88**	**15.80**	**7.48**	**0.28**	**1,848.96**

See accompanying notes to Financial Statements.
In terms of our report attached.

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

Sd/-
Monisha Parikh
Partner

Place: Bengaluru
Date: 22 May 2018

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Director
DIN: 03448511

Place: Bengaluru
Date: 22 May 2018

Sd/-
Santhanam D
Director
DIN: 00226569

Place: Bengaluru
Date: 22 May 2018

Cosmos Premises Private Limited
Cash Flow Statement for the year ended 31 March 2018

	Year ended 31 March 2018 ₹ in lakhs	Year ended 31 March 2017 ₹ in lakhs
A. Cash flow from operating activities		
Net profit before tax	**567.59**	**308.00**
Adjustments for:		
Depreciation and amortisation	156.14	155.07
Interest income	(17.98)	(20.79)
Interest expense, net	0.41	0.13
Interest on delayed payment of advance taxes	6.08	7.09
Employee share based payment	4.87	7.48
Profit on sale of fixed assets, net	-	(3.65)
Provisions no longer required, written back	(17.64)	-
Allowance for doubtful receivables	-	36.47
Operating profit before working capital changes	**699.47**	**489.80**
Changes in working capital:		
Increase in trade receivables	(12.89)	(64.49)
Decrease in inventories	2.16	6.66
Decrease/(Increase) in other financial assets	(72.79)	79.70
Decrease in other current assets	5.04	8.66
Increase in provisions	3.41	5.49
Decease in trade payables and other liabilities	(14.51)	(32.96)
Increase in other financial liabilities	8.79	1.14
Cash generated from operations	**618.68**	**494.00**
Direct taxes paid (net)	206.73	82.41
Net cash generated from operating activities	**411.95**	**411.59**
B. Cash flows from investing activities		
Purchase of property, plant and equipment (including changes in capital work-in-progress, net of project creditors and retention money payable)	8.35	(65.05)
Proceeds from sale of property, plant and equipment	-	3.65
Interest received	23.03	21.16
Change in other bank balances	(8.62)	(166.58)
Net cash used in investing activities	**22.76**	**(206.82)**

Cosmos Premises Private Limited
Cash Flow Statement for the year ended 31 March 2018 (Cont'd)

	Year ended 31 March 2018 ₹ in lakhs	Year ended 31 March 2017 ₹ in lakhs
C. Cash flows from financing activities		
Interest paid	(0.41)	(0.13)
Proceeds from borrowings	-	5.78
Repayment of secured borrowings	(1.81)	(0.57)
Payment of Interim Dividend	(388.57)	(200.36)
Payment of Dividend Distribution Tax	(79.10)	(30.05)
Net cash used in financing activities	**(469.89)**	**(225.33)**
Net decrease in cash and cash equivalents (A+B+C)	**(35.18)**	**(20.56)**
Cash and cash equivalents at the beginning of the year	**140.78**	**161.34**
Cash and cash equivalents at the end of the year	**105.60**	**140.78**

Note:
The Company considers all highly liquid investments with a remaining maturity, at the date of purchase/investment, of three months or less to be cash equivalents.

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

Sd/-
Monisha Parikh
Partner

Place: Bengaluru
Date: 22 May 2018

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Director
DIN: 03448511

Place: Bengaluru
Date: 22 May 2018

Sd/-
Santhanam D
Director
DIN: 00226569

Place: Bengaluru
Date: 22 May 2018

Cosmos Premises Private Limited
Notes to the financial statements

1 Corporate Information

Cosmos Premises Private Limited ('Cosmos' or 'the Company') was incorporated on 14 February 1997 as a private limited company providing hospitality services. The Company is a subsidiary of Royal Orchid Hotels Limited. The Company operates Royal Orchid Beach Resort & Spa in Goa, India. For its daily operations, the Company has also entered into a profit sharing agreement with Royal Orchid Associated Hotels Private Limited, a subsidiary of the holding Company for which it pays management fee based on a pre determined percentage of net profits.

2 Summary of significant accounting policies

a) Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Upto the year ended 31 March 2017, the Company prepared its standalone financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the section 133 of the Companies Act, 2013 and the relevant provisions of Companies Act, 2013 ("the Act"), as applicable. These are the Company's first Ind AS standalone financial statements. The date of transition to Ind AS is 01 April 2016. Refer Note 39 on first-time adoption exemptions/exceptions availed by the Company.

b) Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for services.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair valued, such as value in use quantification as per Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:
Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
Level 3 inputs are unobservable inputs for the asset or liability.

c) Use of estimates

The preparation of the financial statements in conformity with the recognition and measurement principals of Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities and disclosure relating to contingent liabilities as at the date of financial statements and the reported amounts of income and expenditure during the reported year. The Management believes that the estimates used in preparation of the financial statements are 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.
In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Litigation

From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

2 Summary of significant accounting policies (cont'd)

c) Use of estimates (cont'd)

Income taxes
Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Statement of Profit and Loss.
Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.

Defined benefit plans
The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

d) Revenue recognition
Revenue from contracts with customers is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

Income from operations
Revenues comprise income from the sale of room nights, food and beverages and allied services during a guest's stay at the hotel. Room revenue is recognised based on occupation and revenue from sale of food, beverages and other allied services, as the respective services are rendered with reasonable certainty of ultimate collection. Other revenues are recognised as and when the services are performed or the right to receive claim is established, with reasonable certainty for ultimate collection. Rebates and discounts granted to customers are reduced from revenue.

Income from management and technical services are recognised as the services are rendered based on the terms of the contract.

Unbilled revenues' represent revenues recognised on services rendered, for which amounts are to be billed in subsequent periods.

Interest income
Interest income is reported on an accrual basis using the effective interest method and is included under the head "other income" in the Statement of Profit and Loss.

Dividend
Dividend income is recognized when the Company's right to receive the amount is established

e) Employee benefits
Employee benefits include provident fund, employee state insurance scheme, labour welfare fund, gratuity and compensated absences. Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan
Retirement benefit in the form of provident fund and employee state insurance scheme is a defined contribution scheme. The Company is generally liable for specified contributions to a separate entity and has no obligation to pay any further amounts. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service

Defined benefit plan
Gratuity
The liability recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Compensated absences
Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the Balance Sheet date.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost.
Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period. Further, as required under Ind AS compliant Schedule III, the Company transfers those amounts recognized in other comprehensive income to retained earnings in the statement of changes in equity and in the balance sheet.

2 Summary of significant accounting policies (cont'd)

e) Employee benefits (cont'd)

Short-term employee benefits

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related services. The accruals for employee entitlements of benefits such as salaries, bonuses and annual leave represent the amount which the Company has a present obligation to pay as a result of the employees' services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the Balance Sheet date.

f) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs. Initial estimate of costs of dismantling and removing the item and restoring the site on which it is located is also included if there is an obligation to restore it.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount

Depreciation is charged to Statement of Profit and Loss so as to expense the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Asset Category	Useful lives (in years)
Buildings	30
Plant and equipment	15
Furniture and fixtures	8
Vehicles	6
Office equipment	5
Computer equipment	3

The Company has evaluated the applicability of component accounting as prescribed under Ind AS 16 and Schedule II of the Companies Act, 2013, the management has not identified any significant component having different useful lives.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

Capital work in progress represents projects under which the property, plant and equipment are not yet ready for their intended use and are carried at cost determined as aforesaid.

g) Intangible Assets

Intangible assets include cost of acquired software. Intangible assets are initially measured at acquisition cost including directly attributable costs of preparing the asset for its intended use.

Intangible assets are amortised over a period of three years.

For transition to Ind AS, the Company has elected to continue with carrying value of all of its intangible assets recognized as of 01 April 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

h) Impairment of assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

2 Summary of significant accounting policies (cont'd)

i) Foreign currency translations

The functional currency of the Company is Indian rupee (₹).

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value denominated in a foreign currency are retranslated at the rates prevailing at the date when the fair value was determined.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction.
Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

j) Assets taken on lease:

Operating Lease

A Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company is classified as operating lease. Payments made under operating lease are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor’s expected inflationary cost increases.
For leases which include both land and building elements, basis of classification of each element is assessed on the date of transition, 01 April 2016, in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard.

k) Inventories

Inventory comprises food, beverages, stores and spare parts and are valued at the lower of cost and net realisable value.
Cost includes cost of purchase and other costs incurred in bringing the goods to their present location and condition and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion to make the sale.

l) Government grants

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

(a) related to or used for assets are included in the Balance Sheet as deferred income and recognised as income over the period in which the associated obligations are fulfilled.

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

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

m) Income Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

i) Current tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.
Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax :

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.
Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.
Deferred tax liabilities are generally recognized for all taxable temporary differences.
The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

2 Summary of significant accounting policies (cont'd)

m) Income Taxes (cont'd)

ii) Deferred taxes (cont'd)
Deferred tax liabilities and assets are measured at tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.
Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
Minimum Alternative Tax ("MAT") credit forming part of Deferred tax assets is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

o) Provisions and contingencies

Provisions
A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets
Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

p) Statement of Cash Flows
Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

q) Earnings Per Share
Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year. 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.

r) Exceptional items
The Company discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying trading performance of the company and provides consistency with the company's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the company. Exceptional items can include, but are not restricted to, gains and losses on the disposal of assets/ investments / operations, impairment charges, exchange gain/ loss on long term borrowings/ assets and changes in fair value of derivative contracts.

2 Summary of significant accounting policies (cont'd)

s) Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the business of operating and managing hotels/ resorts and providing related services, which constitutes its single reportable segment.

t) Financial Instruments

(i) Financial assets
Initial recognition and measurement
Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.
When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss directly attributable transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Classification
• Cash and Cash Equivalents – Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.
• Debt Instruments - The Company classifies its debt instruments as subsequently measured at amortised cost, fair value through Other Comprehensive Income or fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

(a) Financial assets at amortised cost -
Financial assets are subsequently measured at amortised cost if these financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

(b) Financial assets at fair value through Other Comprehensive Income (FVOCI) -
Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. Movements in the carrying value are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Statement of Profit and Loss. Interest income on such financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

(c) Financial assets at fair value through profit or loss (FVTPL) -
Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on such debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship as well as interest income is recognised in the Statement of Profit and Loss.

• Equity Instruments - The Company subsequently measures all equity investments (other than the investment in subsidiaries, joint ventures and associates which are measured at cost) at fair value. Where the Company has elected to present fair value gains and losses on equity investments in Other Comprehensive Income ("FVOCI"), there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payment is established.

At the date of transition to Ind AS, the Company has made an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value of equity investments that are not held for trading.

When the equity investment is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Retained Earnings directly.

De-recognition
A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Cosmos Premises Private Limited
Notes to the financial statements

2 Summary of significant accounting policies (cont'd)

t) Financial Instruments (cont'd)

(ii) Financial liabilities
Initial recognition and measurement
Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss directly attributable transaction costs.

Subsequent measurement
After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, and through the amortisation process.

De-recognition
A financial liability is de-recognised 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 a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivatives
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. During the years reported, no hedge relationship was designated.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(iii) Impairment of financial assets
The Company assesses, at each reporting date, whether a financial asset or a group of financial assets is impaired. Ind AS-109 on Financial Instruments, requires expected credit losses to be measured through a loss allowance. For trade receivables only, the Company recognises expected lifetime losses using the simplified approach permitted by Ind AS-109, from initial recognition of the receivables. For other financial assets (not being equity instruments or debt instruments measured subsequently at FVTPL) the expected credit losses are measured at the 12 month expected credit losses or an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition.

u) Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:
On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21,Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.
The amendment will come into force form 01 April 2018. The Company is in process of evaluating the effect of this on the standalone financial statements and expects the impact to be not material.

Ind AS 115- Revenue from Contract with Customers:
On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:
a. Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.
b. Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch-up approach)
The effective date for adoption of Ind AS 115 is financial periods beginning on or after 01 April 2018
The Company has completed an initial qualitative assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its standalone financial statements. The quantitative impact of adoption of Ind AS 115 on the standalone financial statements in the period of initial application is not expected to be material.

Cosmos Premises Private Limited
Notes to the financial statements

3 Property, plant and equipment

	As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 01 April 2016 ₹ in lakhs
Carrying amounts of:			
Land (Freehold)	132.31	132.31	132.31
Buildings	950.07	998.81	1,042.01
Plant and equipments	144.50	157.86	165.75
Furniture and fixtures	5.14	78.91	146.65
Vehicles	7.30	10.80	4.80
Office equipments	5.63	6.94	7.68
Computer equipments	5.22	2.60	1.88
	1,250.17	**1,388.23**	**1,501.08**

Cost or deemed cost:

₹ in lakhs

Particulars	Land (Freehold)	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Computer equipments	Total
Gross Block								
Balance as at 01 April 2016	**132.31**	**1,443.36**	**246.49**	**603.43**	**37.75**	**16.49**	**15.44**	**2,495.27**
Additions	-	5.98	11.62	12.42	8.71	1.46	2.03	42.22
Disposals	-	-	-	-	9.87	-	-	9.87
Balance as at 31 March 2017	**132.31**	**1,449.34**	**258.11**	**615.85**	**36.59**	**17.95**	**17.47**	**2,527.62**
Additions	-	-	6.51	6.01	-	0.95	4.61	18.08
Disposals	-	-	-	1.65	-	-	-	1.65
Balance as at 31 Mar 2018	**132.31**	**1,449.34**	**264.62**	**620.21**	**36.59**	**18.90**	**22.08**	**2,544.05**
Accumulated depreciation								
Balance as at 01 April 2016	**-**	**401.35**	**80.74**	**456.78**	**32.95**	**8.81**	**13.56**	**994.19**
Charge for the year	-	49.18	19.51	80.16	2.71	2.20	1.31	155.07
Disposal	-	-	-	-	9.87	-	-	9.87
Balance as at 31 March 2017	**-**	**450.53**	**100.25**	**536.94**	**25.79**	**11.01**	**14.87**	**1,139.39**
Charge for the year	-	48.74	19.87	79.78	3.50	2.26	1.99	156.14
Disposal	-	-	-	1.65	-	-	-	1.65
Balance as at 31 March 2018	**-**	**499.27**	**120.12**	**615.07**	**29.29**	**13.27**	**16.86**	**1,293.88**
Net block								
Balance as at 01 April 2016	**132.31**	**1,042.01**	**165.75**	**146.65**	**4.80**	**7.68**	**1.88**	**1,501.08**
Balance as at 31 March 2017	**132.31**	**998.81**	**157.86**	**78.91**	**10.80**	**6.94**	**2.60**	**1,388.23**
Balance as at 31 March 2018	**132.31**	**950.07**	**144.50**	**5.14**	**7.30**	**5.63**	**5.22**	**1,250.17**

Note:

i Unless otherwise stated all assets are owned by the Company and none of the assets are given on lease.

ii Certain property, plant and quipment are pledged against secured borrowings, the details relating to which have been described in Note 14 pertaining to Borrowings.

	As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 1 April 2016 ₹ in lakhs
3A Capital work-in-progress	**45.91**	**92.42**	**-**

Cosmos Premises Private Limited
Notes to the financial statements

		As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 01 April 2016 ₹ in lakhs
4	**Other financial assets**			
	Balances with bank held as margin money	14.73	14.63	13.63
	Security deposits	5.30	5.50	5.46
		20.03	**20.13**	**19.09**
5	**Other non-current assets**			
	Capital advances			
	-Unsecured, considered good	2.77	17.01	3.91
	-Unsecured, considered doubtful	2.00	2.00	2.00
		4.77	**19.01**	**5.91**
	Less: Allowance for doubtful advances	(2.00)	(2.00)	(2.00)
		2.77	**17.01**	**3.91**
	Advance tax ,net of provision ₹ 504.97 lakhs (as at 31 March 2017: ₹ 370.56 lakhs ; as at 01 April 2016: ₹ 289.73 lakhs)	13.82	21.61	15.00
		16.59	**38.62**	**18.91**
6	**Inventories**			
	(At lower of cost or net realisable value)			
	Food and beverages	8.50	11.14	15.31
	Stores and spares	5.48	5.00	7.49
		13.98	**16.14**	**22.80**

Note:

a) The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹ 147.30 lakhs (for the year ended 31 March 2017: ₹ 145.99 lakhs).

b) The mode of valuation of inventories has been stated in note 2.

This space has been intentionally left blank

Cosmos Premises Private Limited
Notes to the financial statements

		As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
		₹ in lakhs	₹ in lakhs	₹ in lakhs
7	**Trade receivables**			
	Unsecured, considered good	150.00	114.97	91.45
	Unsecured, considered doubtful	23.84	76.48	35.51
		173.84	**191.45**	**126.96**
	Less: Allowance for doubtful receivables (expected credit loss allowance)	(23.84)	(71.98)	(35.51)
		150.00	**119.47**	**91.45**

Note:

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

		As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
8	**Cash and cash equivalents**			
	Balances with banks			
	- in current accounts	104.27	139.55	121.64
	- in deposit accounts (with maturity upto 3 months)	-	-	37.27
	Cash on hand	1.33	1.23	2.43
		105.60	**140.78**	**161.34**
9	**Bank balances other than cash and cash equivalents**			
	Balances with banks			
	- in deposit accounts	441.10	432.57	266.99
	(with maturity more than 3 months but less than 12 months)			
		441.10	**432.57**	**266.99**
10	**Other financial assets**			
	Interest accrued on deposits with banks	5.22	10.26	7.22
	Interest accrued on receivables from Holding Company (refer note 31(ii))	-	-	3.41
	Dues from related parties (refer note 31(ii))	215.15	130.23	151.40
	Dues from others	1.65	1.85	3.42
	Unbilled revenue	-	10.89	67.85
	Other receivables			
	- Unsecured, considered good	0.30	1.14	1.17
	- Unsecured, considered doubtful	1.85	1.85	1.85
		224.17	**156.22**	**236.32**
	Less: Allowance for other receivables	1.85	1.85	1.85
		222.32	**154.37**	**234.47**
11	**Other current assets**			
	(Unsecured, considered good)			
	Advances to suppliers	0.38	2.09	4.66
	Balances with Government authorities (Goods and Service Tax/VAT/ Service Tax)	9.20	9.84	28.26
	Prepaid expenses	4.64	7.00	8.05
	Advances to employees	3.05	3.36	3.10
		17.27	**22.29**	**44.07**

Cosmos Premises Private Limited
Notes to the financial statements

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number	Amounts ₹ in lakhs	Number	Amounts ₹ in lakhs	Number	Amounts ₹ in lakhs
12 Share capital						
Authorised share capital						
Equity shares of ₹ 10 each	5,00,000	50.00	5,00,000	50.00	5,00,000	50.00
	5,00,000	**50.00**	**5,00,000**	**50.00**	**5,00,000**	**50.00**
Issued, subscribed and fully paid up						
Equity shares of ₹ 10 each	4,04,762	40.48	4,04,762	40.48	4,04,762	40.48
	4,04,762	**40.48**	**4,04,762**	**40.48**	**4,04,762**	**40.48**

a) Reconciliation of share capital

There have been no changes in the number of equity shares and amount outstanding at the beginning and at the end of the reporting period.

b) Details of shares held by the holding company and its subsidiary

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number	Amounts ₹ in lakhs	Number	Amounts ₹ in lakhs	Number	Amounts ₹ in lakhs
Equity shares of ₹10 each with voting rights						
Royal Orchid Hotels Limited- Holding Company	2,02,380	20.24	2,02,380	20.24	2,02,380	20.24
Royal Orchid Goa Private Limited- Subsidiary of the Holding Company	1	-	1	-	1	-
	2,02,381	**20.24**	**2,02,381**	**20.24**	**2,02,381**	**20.24**

c) Shareholders holding more than 5% of the shares of the Company

	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares
Equity shares of ₹10 each with voting rights						
Royal Orchid Hotels Limited	2,02,380	50.00%	2,02,380	50.00%	2,02,380	50.00%
Vascon Engineers Limited	1,77,401	43.83%	1,77,401	43.83%	1,77,401	43.83%
	3,79,781	**93.83%**	**3,79,781**	**93.83%**	**3,79,781**	**93.83%**

d) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. Dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and shall be payable in Indian Rupees. In the event of liquidation of the Company, the shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Aggregate number of bonus shares issued and shares issued for consideration other than

The Company has not issued any bonus shares or any shares for consideration other than cash nor has there been any buy back of shares during five years immediately preceding 31 March 2018.

Cosmos Premises Private Limited
Notes to the financial statements

13 Other equity

For the year ended 31 March 2018

₹ in lakhs

	Reserves and Surplus				Items of OCI	Total
	Securities Premium Account	Retained Earnings	General Reserve	Contribution from Holding Company	DBO Remeasurement	
Balance as at 31 March 2017	**1,287.52**	**537.88**	**15.80**	**7.48**	**0.28**	**1,848.96**
Profit for the year	-	399.52	-	-	-	399.52
Other Comprehensive Income, net of tax	-	-	-	-	1.44	1.44
Total Comprehensive Income	**-**	**399.52**	**-**	**-**	**1.44**	**400.96**
Interim dividend at ₹ 96.00 per share	-	(388.57)	-		-	(388.57)
Dividend distribution tax on interim dividend	-	(79.10)	-		-	(79.10)
Deferred Employee Cost charged by Holding Company	-	-	-	4.87	-	4.87
Balance as at 31 March 2018	**1,287.52**	**469.73**	**15.80**	**12.35**	**1.72**	**1,787.12**

For the year ended 31 March 2017

₹ in lakhs

	Reserves and Surplus				Items of OCI	Total
	Securities Premium Account	Retained Earnings	General Reserve	Contribution from Holding Company	DBO Remeasurement	
Balance as at 1 April 2016	**1,287.52**	**571.19**	**15.80**	**-**	**-**	**1,874.51**
Profit for the year	-	207.84	-	-	-	207.84
Other comprehensive income, net of tax	-	-	-	-	0.28	0.28
Total comprehensive income	**-**	**207.84**	**-**	**-**	**0.28**	**208.12**
Interim dividend at ₹ 49.50 per share	-	(200.36)	-	-	-	(200.36)
Dividend distribution tax on interim dividend	-	(40.79)	-	-	-	(40.79)
Deferred Employee Cost charged by Holding Company	-	-	-	7.48	-	7.48
Balance as at 31 March 2017	**1,287.52**	**537.88**	**15.80**	**7.48**	**0.28**	**1,848.96**

Cosmos Premises Private Limited
Notes to the financial statements

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
	₹ in lakhs	₹ in lakhs	₹ in lakhs
14 Non-current borrowings			
Secured			
Vehicle loans (refer note (i) below)	3.41	5.22	-
	3.41	**5.22**	**-**
Less: Current maturities of non-current borrowings (refer note (ii) below)	1.98	1.81	-
	1.43	**3.41**	**-**

Notes:

Details of terms of repayment, guarantee and security for a vehicle loan

(i) The Company has availed vehicle loan ('the loan') from HDFC Bank Ltd during the previous year. The loan is secured by hypothecation of the vehicle. The loan is repayable in 36 equated monthly instalments commencing from December 2016 and bear a fixed interest rate of 9.35% p.a.

(ii) The current portion of the vehicle loan where instalments are due within one year have been classified as "current maturities of non-current borrowings" under other financial liabilities. (refer note 18)

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
15 Non-current provisions			
Employee benefits			
Gratuity (refer note 32(b))	11.00	8.84	7.36
Compensated absences (refer note 32(c))	5.01	4.71	3.27
	16.01	**13.55**	**10.63**
16 Deferred tax liability, net			
Deferred tax liabilities	29.18	38.94	52.93
Deferred tax assets	14.53	27.32	21.27
Net deferred tax liabilities/ (assets)	**14.65**	**11.62**	**31.66**

Significant components of deferred tax liability / (asset) for the year ended March 31, 2018 are as follows :

₹ in lakhs

	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
(i) Difference between written down value of fixed assets as per books of accounts and Income Tax Act,1961	38.94	(9.76)	-	29.18
(ii) Re-measurement of defined benefit liability	(6.57)	(0.29)	(0.59)	(7.45)
(iii) Provision for doubtful receivables	(20.34)	13.26	-	(7.08)
(iv) Disallowance u/s 40 (a) (ia) of Income Tax Act, 1961	(0.41)	0.41	-	-
Total	**11.62**	**3.62**	**(0.59)**	**14.65**

Significant components of deferred tax liability / (asset) for the year ended March 31, 2017 are as follows :

₹ in lakhs

	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
(i) Difference between written down value of fixed assets as per books of accounts and Income Tax Act,1961.	52.93	(13.99)	-	38.94
(ii) Re-measurement of defined benefit liability	(5.64)	(0.82)	(0.11)	(6.57)
(iii) Provision for doubtful receivables	(12.35)	(7.99)	-	(20.34)
(iv) Disallowance u/s 40 (a) (ia) of Income Tax Act, 1961	(3.28)	2.87	-	(0.41)
Total	**31.66**	**(19.93)**	**(0.11)**	**11.62**

Cosmos Premises Private Limited
Notes to the financial statements

		As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 01 April 2016 ₹ in lakhs
17	**Trade payables**			
	Dues of micro enterprises and small enterprises	-	-	-
	Dues of creditors other than micro enterprises and small enterprises (refer note (i) below)	179.48	182.09	147.08
		179.48	**182.09**	**147.08**

(i) Based on the information available with the Company, there are no outstanding dues in respect of Micro and Small enterprises at the Balance Sheet date. The above disclosure has been determined to the extent such parties have been identified on the basis of information available to the Company. This has been relied upon by the auditors.

		As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 01 April 2016 ₹ in lakhs
18	**Other financial liabilities**			
	Current maturities of non-current borrowings (refer note 14)	1.98	1.81	-
	Payables on purchase of fixed assets (including retention money payable)	35.26	69.58	-
	Others	67.06	58.27	57.13
		104.30	**129.66**	**57.13**
19	**Other current liabilities**			
	Statutory dues	20.09	42.42	45.30
	Advance received from customers	79.94	69.47	123.83
		100.03	**111.89**	**169.13**
20	**Current provisions**			
	Employee benefits			
	Gratuity (refer note 32(b))	0.51	1.66	0.11
	Compensated absences (refer note 32(c))	1.83	1.76	1.13
		2.34	**3.42**	**1.24**
21	**Current tax liabilities, net**			
	Provision for taxes ,net of advance taxes ₹ 135.69 lakhs (as at 31 March 2017: ₹ 54.67 lakhs; as at 01 April 2016 ₹ 66.17 lakhs)	37.13	79.94	28.34
		37.13	**79.94**	**28.34**

This space has been intentionally left blank

Cosmos Premises Private Limited
Notes to the financial statements

		Year ended 31 March 2018 ₹ in lakhs	Year ended 31 March 2017 ₹ in lakhs
22	**Revenue from operations**		
	From sale of services at hotels		
	- Room nights	1,454.77	1,362.71
	- Food and beverages	381.65	271.25
	- Other services	66.69	58.61
		1,903.11	**1,692.57**
23	**Other income**		
	Interest income	17.98	20.79
	Net gain on foreign currency transaction and translation	-	0.52
	Provisions no longer required, written back	17.64	-
	Profit on sale of fixed assets, net	-	3.65
	Miscellaneous	7.33	6.65
		42.95	**31.61**
24	**Food and beverages consumed**		
	Opening stock	11.14	15.31
	Add : Purchases during the year	144.66	141.82
		155.80	**157.13**
	Less : Closing stock	8.50	11.14
		147.30	**145.99**
25	**Employee benefits expense**		
	Salaries and wages	210.88	201.80
	Contribution to provident fund (refer note 32(a))	10.32	9.32
	Gratuity expense (refer note 32(b))	4.37	3.69
	Share based payments to employees	4.87	7.48
	Staff welfare expenses	27.55	23.73
		257.99	**246.02**
26	**Finance costs**		
	Interest expenses		
	on vehicle loan	0.41	0.13
	others - Interest on delayed payment of income tax	6.08	7.09
		6.49	**7.22**
27	**Depreciation and amortisation expense**		
	Depreciation on tangible assets (refer note 3)	156.14	155.07
		156.14	**155.07**

This space has been intentionally left blank

Cosmos Premises Private Limited
Notes to the financial statements

			Year ended 31 March 2018 ₹ in lakhs	Year ended 31 March 2017 ₹ in lakhs
28	**Other expenses**			
	Guest transportation		20.23	21.06
	Linen and room supplies		46.23	52.54
	Catering and other kitchen supplies		7.27	6.77
	Uniform washing and laundry		25.22	21.38
	Contract charges		88.63	89.21
	Power, fuel and water		84.23	78.58
	Management fee		124.85	104.55
	Spa expense		20.92	16.59
	Security charges		22.76	24.33
	Communication		10.49	8.45
	Printing and stationery		7.29	8.91
	Repairs and maintenance			
	- Buildings		49.95	36.97
	- Plant and equipment		14.84	19.98
	- Others		20.21	3.58
	Insurance		2.69	4.34
	Commission and brokerage		110.35	94.34
	Rates and taxes		14.45	12.29
	Legal and professional		91.99	153.89
	Travelling and conveyance		6.70	8.07
	Advertisement and business promotion		27.52	53.82
	Allowance for doubtful receivables (expected credit loss allowance)		-	36.47
	Bad receivables written off	30.50		
	Less: Write back of provision for doubtful receivables	30.50	-	-
	Bank charges		2.64	2.04
	Amounts contributed to Bharatiya Janta Party (Political Party)		3.00	-
	Miscellaneous		8.09	3.72
			810.55	**861.88**

29 Income tax expenses

A. Amount recognised in profit or loss

	Year ended 31 March 2018	Year ended 31 March 2017
Current tax		
Income tax for the year	167.80	127.52
Tax credits related to previous years - Net	(2.17)	(7.21)
Total current tax	**165.63**	**120.31**
Deferred tax		
Deferred tax charge/(credit) for the year	2.44	(20.15)
Total deferred tax	**2.44**	**(20.15)**
Total	**168.07**	**100.16**

B. Amount recognised in other comprehensive income

The tax (charge)/credit arising on income and expenses recognised in other comprehensive income is as follows:

	Year ended 31 March 2018	Year ended 31 March 2017
Deferred tax		
On items that will not be reclassified to profit or loss		
Remeasurement gains/(losses) on defined benefit plans	(0.59)	(0.11)
Total	**(0.59)**	**(0.11)**

C. Reconciliation of effective tax rate

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

	Year ended 31 March 2018	Year ended 31 March 2017
Profit before tax	**567.59**	**308.00**
Income tax expense calculated at 27.55% (2017 - 27.55%)	156.39	84.86
Effect of:		
Permanent Differences	13.85	22.51
	170.24	**107.37**
Adjustments recognised in the current year in relation to the current tax of prior years	(2.17)	(7.21)
Income tax recognised in profit or loss	**168.07**	**100.16**

The tax rate used for the year 2016-17 and 2017-18 reconciliations above is the corporate tax rate of 27.55% (25%+ Surcharge at 7% and Education cess at 3%) payable on taxable profits under the Income-tax Act, 1961.

30 Earnings per share

	Year ended 31 March 2018	Year ended 31 March 2017
Weighted average number of shares outstanding	4,04,762	4,04,762
Net profit after tax attributable to equity shareholders in ₹ lakhs	400.96	208.12
Basic and diluted earnings per share in ₹	99.06	51.42
Nominal value per equity share in ₹	10	10

Cosmos Premises Private Limited
Notes to the financial statements

31 Related parties

Parties where control exists

Name of party	Nature of relationship
Royal Orchid Hotels Limited	Holding company
Vascon Engineers Limited	Entity having significant influence
Royal Orchid Associated Hotels Private Limited	Fellow subsidiary
Icon Hospitality Private Limited	Fellow subsidiary
Ksheer Sagar Developers Private Limited	Fellow subsidiary
Royal Orchid Goa Private Limited	Fellow subsidiary

i. Transactions with related parties during the year:

Nature of transactions	Year ended 31 March 2018 ₹ in lakhs	Year ended 31 March 2017 ₹ in lakhs
Management fees expense		
Royal Orchid Associated Hotels Private Limited	124.85	104.55
Consultation fee expense		
Royal Orchid Hotels Limited	2.52	45.00
Vascon Engineers Limited	62.52	75.02
Business promotion expense		
Royal Orchid Hotels Limited	-	30.00
Interim dividend paid		
Royal Orchid Hotels Limited and Royal Orchid Goa Private Limited	194.28	100.18
Vascon Engineers Limited	170.30	87.81
Employee Stock Option scheme		
Royal Orchid Hotels Limited	4.87	7.48

ii. Balances receivable from /(payable to) related parties is summarised below:

Name of the related party	As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 01 April 2016 ₹ in lakhs
Dues from Related Parties			
Royal Orchid Hotels Limited	164.83	84.00	151.40
Icon Hospitality Private Limited	0.04	-	-
Ksheer Sagar Developers Private Limited	0.28	-	-
Vascon Engineers Limited	50.00	46.23	-
Interest accrued			
Royal Orchid Hotels Limited	-	-	3.41
Trade Payable			
Royal Orchid Associated Hotels Private Limited	24.68	18.43	26.57

32 Employee benefit plans

a) Defined contribution plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 10.32 lakhs (Year ended 31 March 2017: ₹ 9.32 lakhs) for Provident Fund contributions, and ₹ 4.05 lakhs (Year ended 31 March 2017: ₹ 3.37 lakhs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b) Defined benefit plans

The Company offers gratuity benefit scheme to its employees in India as per 'The Payment of Gratuity Act, 1972'. Under the act, employee who has completed five years of service is entitled to gratuity benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The following table sets out the status of the gratuity plan as required under Indian Accounting Standard (Ind AS) - 19 - Employee benefits:

		Year ended 31 March 2018 ₹ in lakhs	Year ended 31 March 2017 ₹ in lakhs
(i)	**The amounts recognised in the Balance Sheet are as follows:**		
	Present value of the obligation as at the end of the year		
	Current Liabilitiy	0.51	1.66
	Non-current liability	11.00	8.84
	Fair value of plan assets as at the end of the year	-	-
	Net liability/ (assets) recognized in the Balance Sheet	**11.51**	**10.50**
(ii)	**Changes in the present value of defined benefit obligation**		
	Defined benefit obligation as at beginning of the year	10.50	7.47
	Service cost	3.59	3.10
	Interest cost	0.78	0.59
	Actuarial losses/(gains) arising from		
	- change in demographic assumptions	-	-
	- change in financial assumptions	(0.45)	0.58
	- experience variance (i.e. Actual experiences assumptions)	(1.58)	(0.97)
	Benefits paid	(1.33)	(0.27)
	Defined benefit obligation as at the end of the year	**11.51**	**10.50**
(iii)	**Components of net gratuity costs are**		
	Service cost	3.59	3.10
	Net interest cost on the net defined benefit liability	0.78	0.59
	Components of defined benefit costs recognised in Statement of Profit and Loss	**4.37**	**3.69**
(iv)	**Other comprehensive income**		
	Change in financial assumptions	(0.45)	0.58
	Experience variance (i.e. actual experience vs assumptions)	(1.58)	(0.97)
	Return on plan assets, excluding amount recognized in net interest expense	-	-
	Change in demographic assumptions	-	-
	Components of defined benefit costs recognized in other comprehensive income	**(2.03)**	**(0.39)**
(v)	**Assumptions used for actuarial valuation of gratuity**		
	Discount rate	7.80%	7.45%
	Salary escalation rate	7.00%	7.00%
	Mortality rates *(IAL: Indian Assured Lives Mortality (2006-08))*	100% of IAL	100% of IAL

The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

32 Employee benefit plans (cont'd)

(vi) Experience adjustments:

Particulars	**As at 31 March 2018** ₹ in lakhs	**As at 31 March 2017** ₹ in lakhs
Defined Benefit Obligation	11.51	10.50
Fair value of plan assets	-	-
(Surplus)/deficit	11.51	10.50
Experience adjustments on liabilities: gain/(loss)	(1.58)	(0.97)
Experience adjustments on plan assets: gain/(loss)	-	-

(vii) Sensitivity analysis

Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:

a. Interest Rate Risk:

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of liability (as shown in financial statements).

b. Liquidity Risk:

This is the risk that the Company is not able to meet the short term benefit payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

c. Salary Escalation Risk:

The present value of the above benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

d. Demographic Risk:

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

e. Regulatory Risk:

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (for example, increase in the maximum liability on gratuity of ₹ 10,00,000).

f. Asset Liability Mismatching or Market Risk:

The duration of the liability is longer compared to duration of assets exposing the company to market risks for volatilities/fall in interest rate.

g. Investment Risk:

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	**Year ended 31 March 2018**		**Year ended 31 March 2017**	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount Rate (- / + 1%)	10.37	12.84	9.48	11.69
Salary Growth Rate (- / + 1%)	12.84	10.35	11.68	9.47
Attrition Rate (- / + 50% of attrition rates)	11.41	11.60	10.36	10.63
Mortality rate (- / + 10%)	11.51	11.51	10.50	10.49

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

There is no change in the method of valuation for the prior period.

(viii) Maturity analysis of Defined Benefit Obligation

Particulars	**As at 31 March 2018** ₹ in lakhs	**As at 31 March 2017** ₹ in lakhs
Weighted average duration (based on discounted cashflows)	11 years	11 years
Expected cash flows over the next (valued on undiscounted basis):		
1 year	0.51	1.66
2 to 5 years	2.59	2.12
6 to 10 years	6.29	3.61
More than 10 years	22.81	20.54

c) Actuarial assumptions considered to determine the provision required for compensated absences is same as gratuity provision

33 Segment information

The Company's business comprises the operation of a hotel, the services of which represents one business segment. Further, the Company derives its entire revenue from services rendered in India. Consequently, the disclosure of business and geographic segment- wise information is not applicable to the Company.

34 Capital management

For the purpose of the Company's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

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 in the financial covenants of any interest-bearing loans and borrowing in the current period.

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 Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash.

₹ in lakhs

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Long term borrowings	3.41	5.22	-
Less: Cash and cash equivalents	(105.60)	(140.78)	(161.34)
Less: Bank balances other than cash and cash equivalents	(441.10)	(432.57)	(266.99)
Net debt	**(543.29)**	**(568.13)**	**(428.33)**
Equity	40.48	40.48	40.48
Other Equity	1,787.12	1,848.96	1,874.51
Total capital	**1,827.60**	**1,889.44**	**1,914.99**
Capital and net debt	**1,284.32**	**1,321.32**	**1,486.66**
Gearing ratio	**-42.30%**	**-43.00%**	**-28.81%**

35 Commitments and contingencies

Contingencies

(a) Others- Bonus to employees for the financial year 2014-15 is ₹ 2.10 lakhs (31 March 2017 - ₹ 2.10 lakhs; 01 April 2016- ₹ 2.10 lakhs).

36 Payment to auditors

	As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs
Audit fees	5.75	5.00
Reimbursement of expenses	0.21	0.14
	5.96	**5.14**

37 Fair value measurements

(i) Financial instruments by category

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

₹ in lakhs

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A. Financial assets			
a) Measured at amortised cost			
Non-current assets			
(i) Other financial assets	20.03	20.13	19.09
Current assets			
(i) Trade receivables	150.00	119.47	91.45
(ii) Cash and cash equivalents	105.60	140.78	161.34
(iii) Bank balances other than cash and cash equivalents	441.10	432.57	266.99
(iv) Other financial assets	222.32	154.37	234.47
	939.05	**867.32**	**773.34**
b) Measured at fair value through OCI	-	-	-
c) Measured at fair value through profit or loss	-	-	-
Total financial assets	**939.05**	**867.32**	**773.34**
B. Financial liabilities			
a) Measured at amortised cost			
Non-current liabilities			
(i) Borrowings	1.43	3.41	-
Current liabilities			
(i) Trade payables	179.48	182.09	147.08
(ii) Other financial liabilities	104.30	129.66	57.13
	285.21	**315.16**	**204.21**
b) Measured at fair value through OCI	-	-	-
c) Measured at fair value through profit or loss	-	-	-
Total financial liabilities	**285.21**	**315.16**	**204.21**

Notes:

(i) The fair value of trade receivables, trade payables and other Current financial assets and liabilities are considered to be equal to the carrying amounts of these items due to their short – term nature.

(ii) The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(iii) The management assessed that for amortised cost instruments, the fair value approximates largely to the carrying amount.

38 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on it's financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

The Company's risk management activity focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below.

(A) Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company, resulting in a financial loss. The Company is exposed to this risk for various financial instruments. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets, as summarised below:

₹ in lakhs

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 01 April 2016**
Non-current assets			
(i) Other financial assets	20.03	20.13	19.09
Current assets			
(i) Trade receivables	150.00	119.47	91.45
(ii) Cash and cash equivalents	105.60	140.78	161.34
(iii) Bank balances other than cash and cash equivalents	441.10	432.57	266.99
(iv) Other financial assets	222.32	154.37	234.47
Total financial assets	**939.05**	**867.32**	**773.34**

A1: Trade and other receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the Company 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. On account of adoption of Ind AS 109, Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain. The provision for expected credit loss takes into account available external and internal credit risk factors and Company's historical experience for customers.

The allowance/reversal for life time expected credit loss on customer balances for the year ended 31 March 2018 and 31 March 2017 is given below:

₹ in lakhs

Particulars	**As at 31 March 2018**	**As at 31 March 2017**
Balance at the beginning of the year	71.98	35.51
Impairment loss recognised	-	36.47
Impairment loss reversed	(48.14)	-
Balance at the end of the year	**23.84**	**71.98**

A2: Cash and cash equivalents

The credit risk for cash and cash equivalents, and derivative financial instruments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, advances recoverable, loans and advances to employees, security deposit and other financial assets are neither past due nor impaired.

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired.

38 Financial risk management (cont'd)

(B) Liquidity risk
Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, usually on a month on month basis. Long-term liquidity needs for a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Company's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Company's non-derivative financial liabilities that have contractual maturities (including interest payments where applicable) are summarised below:

Maturities of financial liabilities

₹ in lakhs

As at 31 March 2018	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	-	1.43	-	1.43
Trade payable	179.48	-	-	179.48
Other financial liabilities	104.30	-	-	104.30
Total	**283.78**	**1.43**	**-**	**285.21**

As at 31 March 2017	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	-	3.41	-	3.41
Trade payable	182.09	-	-	182.09
Other financial liabilities	129.66	-	-	129.66
Total	**311.75**	**3.41**	**-**	**315.16**

As at 01 April 2016	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	-	-	-	-
Trade payable	147.08	-	-	147.08
Other financial liabilities	57.13	-	-	57.13
Total	**204.21**	**-**	**-**	**204.21**

(C) Market risk
The Company is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk, which result from both its operating and investing activities.

(i) Foreign currency risk
The predominant currency of the Company's revenues and operating cash flows is Indian Rupees (INR). The Company does not have foreign currency denominated financial assets and liabilities which expose the Company to currency risk.

(ii) Interest rate risk

(ii.a) Liabilities
The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at 31 March 2018, the Company is not having any borrowings at variable rates and hence Company is not exposed to changes in market interest rates.

(ii.b) Assets
The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

39 First-time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP').

Accordingly, the Company has prepared the financial statements for the comparative period as at and for the year ended 31 March 2017 that comply with the applicable Ind AS, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at 1 April 2016 and the comparitive financial statements as at and for the year ended 31 March 2017.

A. Ind AS optional exemptions

A1. Deemed cost for property, plant and equipment, investment property and intangible assets

Ind AS 101 permits a first-time adopter to elect, the continuation of carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value as at the date of transition.

B. Ind AS mandatory exemptions

B1. Estimates

In accordance with Ind AS, as at the date of transition to Ind AS an entity's estimates shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP except impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition this was not required under the previous GAAP.

B2. Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets have been made considering whether the conditions as per Ind AS 109 Financial Instruments are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

a) The effects of the retrospective application or retrospective restatement are not determinable; or

b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period; or

c) The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

39 First-time adoption of Ind AS (cont'd)

B3. De-recognition of financial assets and liabilities

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires a first-time adopter to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 First-time Adoption of Indian Accounting Standards, allows a first-time adopter to apply the de-recognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively from the date of transition to Ind AS.

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS as at the periods specified below.

C1. Reconciliation of other equity

The Company has also prepared a reconciliation of equity as at 31 March 2017 and 1 April 2016 under the previous GAAP with the equity as reported in these financial statements under Ind AS, that reflect the impact of Ind AS on the components of statement of Balance sheet which is presented below:

Particulars	Note	As at 31 March 2017 ₹ in lakhs	As at 01 April 2016 ₹ in lakhs
Equity as reported under previous GAAP		1,889.44	1,914.99
ESOP expense charged by Holding Company	(i)	7.48	
Adjustment to reserves on account of deferred employee cost charged by Holding Company	(i)	(7.48)	-
Equity under Ind AS		**1,889.44**	**1,914.99**

C2. Reconciliation of Total Comprehensive Income

₹ in lakhs

Particulars	Note	Year ended 31 March 2017
Net profit under previous GAAP		215.60
(i) ESOP expense recognised at fair value through profit or loss	(i)	(7.48)
(ii) Measurement of defined benefit obligation, net of tax	(ii)	(0.28)
Net profit after tax as reported under Ind AS		207.84
Other comprehensive income / (loss), items that will not be classified in to Statement of Profit and Loss	(iii)	0.39
Income tax		(0.11)
Total Comprehensive Income as reported under Ind AS		**208.12**

C3. Effect of Ind AS on Cashflow

There are no significant reconciliation items between consolidated cash flows prepared under Indian GAAP and those prepared under Ind AS.

39 First-time adoption of Ind AS (cont'd)

C4. Notes on Reconciliation

(i) Employee stock option plan

Under Ind AS, when the entity receives the goods or services without any obligation to settle the transaction, the transaction is a Holding Company's equity contribution to the Subsidiary. Hence, the Company has accounted the option granted to employees as an increase in quity by Rs. 7.48 lakhs as at 31 March, 2017 with a corresponding increase in employee stock option expenses for the year ended 31 March, 2017.

(ii) Defined benefit obligation

Both under the previous GAAP and Ind AS, the Company recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to Statement of profit and loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced by such amount with a corresponding adjustment on defined benefit plans has been recognized in the OCI net of tax.

(iii) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in Statement of Profit or Loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as ‘other comprehensive income’ includes re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under the previous GAAP.

40 Approval of Financial Statements

The financial statements were approved for issue by the board of directors on 22 May 2018.

For and on behalf of the Board of Directors

Sd/-	Sd/-
Amit Jaiswal	**Santhanam D**
Director	Director
DIN: 03448511	DIN: 00226569
Place: Bengaluru	Place: Bengaluru
Date: 22 May 2018	Date: 22 May 2018

KSHEER SAGAR DEVELOPERS PRIVATE LIMITED

Audited Financial Statements

for the year ended

31 March 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF **KSHEER SAGAR DEVELOPERS PRIVATE LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements **M/S.KSHEER SAGAR DEVELOPERS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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 standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note 2.1 of the financial statements which indicates that the Company has incurred a net loss of ₹ 1,77,21,406 for the year ended 31 March 2018 and, as of that date, the Company's current liabilities exceeded its current assets by ₹ 26,80,62,923. Further, as of that date the Company's retained earnings (accumulated losses) amount to ₹- 52,12,13,501/- resulting in erosion of net worth of the Company. These conditions along with matters set forth in the said Note indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

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 Loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

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 of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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, Statement of Changes in Equity and the Statement of Cash Flow 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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" Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting and

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

i. The Company does not have any pending litigations which would impact its financial position.

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

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

For M/s P.Chandrasekar LLP
Chartered Accountants
Firm Registration No. 000580S/S200066

Sd/-

Partner
Membership No.
Place: Bangalore
Date: 26.05.2018

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2018, we report that:

i. a) The Company has maintained records of its fixed assets. *However, the same does not include details regarding situation of the assets.*

b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

C) The company is operating in lease hold land hence this clause is not applicable to the company

ii. Physical verification of inventory has been conducted at reasonable intervals by the management and any material discrepancies were noticed have been properly dealt with in the books of account.

iii. The Company not granted any loan to companies covered in the register maintained under section 189 of the Companies Act, 2013, hence this clause is not applicable.

iv. The company has not granted any of loans, investments, guarantees, and security during the year under provisions of section 185 and 186 of the Companies Act, 2013 hence this clause is not applicable

v. The company has not accepted any deposits accordingly this clause is not applicable.

vi. As per the information and explanations given to us the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

vii. Undisputed statutory dues including investor education and protection fund, sales-tax and other material statutory dues, as applicable, have been deposited generally regularly with the appropriate authorities. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates
The Rajasthan Entry Tax - Goods Act, 2003	Entry tax	15,42,114	Feb 2012

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2018 for a period of more than six months from the date they became payable.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders. However Interest accrued on 14% Unsecured, Compulsorily Convertible Debentures Rs. 2,34,91,061/- which is accrued and due has been not yet paid on the date of the Balance sheet.

ix. The company has not raised moneys by way of initial public offer or further public offer during the year and the company has not availed any new terms loans during the year hence this clause is not applicable.

x. During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

xi. The company has not paid / provided managerial remuneration during the year hence this clause not applicable

xii. The company is not a Nidhi company hence this clause not applicable

xiii. all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act,2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards

xiv. The company has not issued any shares or Debentures during the year hence this clause is not applicable.

xv. The company has not entered into any non-cash transactions with directors or persons connected with him hence this clause not applicable

xvi. the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 hence this clause not applicable

For M/s P.Chandrasekar LLP

Chartered Accountants

Firm Registration No. 000580S/S20066

Sd/-

Partner
Membership No.
Place: Bangalore
Date: 26.05.2018

Annexure - B to the Auditors’ Report

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

We have audited the internal financial controls over financial reporting of **Ksheer Sagar Developers Private Limited**(“the Company”) as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Ksheer Sagar Developers Private Limited

Auditor's report (continued)

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 M/s P.Chandrasekar LLP

Chartered Accountants

Firm Registration No. 000580S/S200066

Sd/-

Partner

Membership No.

Place: Bangalore

Date: 26.05.2018

Ksheer Sagar Developers Private Limited
Balance Sheet as at 31 March 2018

	Notes	As at 31 March 2018 ₹	As at 31 March 2017 ₹	As at 01 April 2016 ₹
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3A	68,81,79,967	73,06,96,884	76,98,05,771
(b) Other intangible assets	3B	-	-	2,21,526
(c) Financial assets				
(i) Other financial assets	4	8,68,594	8,68,594	21,47,661
(d) Other non-current assets	5	3,15,94,037	2,95,09,900	46,94,646
		72,06,42,598	**76,10,75,378**	**77,68,69,604**
Current assets				
(a) Inventories	6	20,57,002	21,72,527	37,37,499
(b) Financial assets				
(i) Trade receivables	7	2,18,28,727	2,22,64,970	1,41,59,748
(ii) Cash and cash equivalents	8	2,64,97,929	2,21,09,145	99,45,160
(iv) Other financial assets	9	30,08,946	36,77,085	36,28,246
(c) Current tax assets, net	10	81,16,961	47,18,106	40,48,080
(d) Other current assets	11	38,66,822	47,01,319	49,38,049
		6,53,76,387	**5,96,43,152**	**4,04,56,782**
TOTAL ASSETS		**78,60,18,985**	**82,07,18,530**	**81,73,26,386**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	12	60,00,00,000	60,00,00,000	60,00,00,000
(b) Other equity		(51,92,22,139)	(50,19,77,860)	(48,19,59,618)
		8,07,77,861	**9,80,22,140**	**11,80,40,382**
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	13	36,65,13,144	41,23,63,366	24,40,00,000
(b) Provisions	14	26,17,894	29,86,581	22,61,226
(c) Other non-current liabilities	15	26,70,776	50,00,611	73,30,446
		37,18,01,814	**42,03,50,558**	**25,35,91,672**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	16	2,33,56,023	2,33,56,023	4,98,66,569
(ii) Trade payables	17	4,07,77,329	4,35,87,295	4,41,68,037
(iii) Other financial liabilities	18	21,05,81,914	17,88,32,967	28,72,37,523
(b) Other current liabilities	19	5,82,33,714	5,60,88,869	6,40,72,665
(c) Provisions	20	4,90,330	4,80,678	3,49,538
		33,34,39,310	**30,23,45,832**	**44,56,94,332**
TOTAL EQUITY AND LIABILITIES		**78,60,18,985**	**82,07,18,530**	**81,73,26,386**

See accompanying notes forming part of these financial statements.
In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349
Place: Bengaluru
Date: 26 May 2018

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Chairman
DIN: 03448511
Place: Jaipur
Date: 24 May 2018

Sd/-
Pushpinder Kumar
Director
DIN: 07139363
Place: Jaipur
Date: 24 May 2018

Sd/-
Arvind Razdan
Director
DIN: 07725637
Place: New Delhi
Date: 25 May 2018

Sd/-
Mayur D Vajat
Company Secretary
MM No. A44238
Place: Bangalore
Date: 26 May 2018

Sd/-
Sachin Suvarna
Chief Financial Officer
Place: Bangalore
Date: 26 May 2018

Ksheer Sagar Developers Private Limited
Statement of Profit and Loss for the year ended 31 March 2018

	Notes	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
Revenue			
Revenue from operations	21	23,35,51,063	21,12,37,980
Other income	22	62,64,572	1,96,22,105
Total revenue		**23,98,15,635**	**23,08,60,085**
Expenses			
Food and beverages consumed	23	2,67,52,442	2,45,83,950
Employee benefits expense	24	3,99,41,184	4,09,70,442
Finance costs	25	6,15,76,335	6,55,84,843
Depreciation and amortisation	26	4,57,65,542	4,71,87,950
Other expenses	27	8,42,02,176	7,28,92,833
Total expenses		**25,82,37,679**	**25,12,20,018**
Profit before tax		**(1,84,22,044)**	**(2,03,59,933)**
Tax expense	28		-
Current tax		-	4,71,906
Deferred tax		-	-
		-	**4,71,906**
Profit after tax		**(1,84,22,044)**	**(2,08,31,839)**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
a) Remeasurement (losses)/gains in defined benefit plans		7,00,638	1,50,666
Income tax effect			
Net of items that will not be reclassified to profit or loss		**7,00,638**	**1,50,666**
Items that will be reclassified subsequently to profit or loss			
Net of items that will be reclassified subsequently to profit or loss		-	-
Other comprehensive income/(loss), net of tax		**7,00,638**	**1,50,666**
Total comprehensive income for the period		**(1,77,21,406)**	**(2,06,81,173)**
Earnings per equity share of ₹ 10 each			
Basic/Diluted	29	(0.30)	(0.34)

See accompanying notes to Financial Statements.

In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349
Place: Bengaluru
Date: 26 May 2018

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Chairman
DIN: 03448511
Place: Jaipur
Date: 24 May 2018

Sd/-
Pushpinder Kumar
Director
DIN: 07139363
Place: Jaipur
Date: 24 May 2018

Sd/-
Arvind Razdan
Director
DIN: 07725637
Place: New Delhi
Date: 25 May 2018

Sd/-
Mayur D Vajat
Company Secretary
MM No. A44238
Place: Bangalore
Date: 26 May 2018

Sd/-
Sachin Suvarna
Chief Financial Officer
Place: Bangalore
Date: 26 May 2018

Ksheer Sagar Developers Private Limited
Cash Flow Statement for the year ended 31 March 2018

	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
A. Cash flow from operating activities		
Net profit before tax	**(1,84,22,044)**	**(2,03,59,933)**
Adjustments for:		
Depreciation and amortisation	4,57,65,542	4,71,87,950
Interest income	(27,74,148)	(24,43,683)
Interest expense, net	6,13,38,596	6,39,92,632
Liability no longer required, written back	-	(1,34,99,738)
Share based payments to employees	4,77,127	6,62,931
Revenue arising from Government grant related to assets	(23,29,835)	(23,29,835)
Provision for doubtful debts	30,98,591	-
Operating profit before working capital changes	**8,71,53,829**	**7,32,10,324**
Changes in working capital:		
Increase/(decrease) in trade payables and other liabilities	(6,65,121)	1,52,40,393
Increase in trade receivables and unbilled revenue	(19,27,333)	(80,70,410)
Increase in provisions	3,41,603	10,07,161
Decrease in inventories	1,15,525	15,64,973
Decrease in loans and advances and other current assets	7,90,979	14,32,147
Cash generated from operations	**8,58,09,482**	**8,43,84,588**
Direct taxes paid (net)	33,98,855	11,41,931
Net cash generated from operating activities	**8,24,10,627**	**8,32,42,657**
B. Cash flows from investing activities		
Purchase of fixed assets (including changes in capital work-in-progress, net of project creditors and retention money payable)	(32,48,627)	(78,57,540)
Interest received	27,50,792	24,43,683
Change in other bank balances	(20,84,137)	(2,48,15,254)
Net cash (used in)/generated from investing activities	**(25,81,972)**	**(3,02,29,111)**
C. Cash flows from financing activities		
Interest paid	(5,75,87,353)	(6,24,16,693)
Repayment of secured borrowings	(1,78,52,518)	(43,49,22,322)
Proceeds of long term borrowings	-	45,00,00,000
Proceeds of unsecured borrowings	-	64,89,454
Net cash (used in) from financing activities	**(7,54,39,871)**	**(4,08,49,561)**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**43,88,784**	**1,21,63,985**
Cash and cash equivalents at the beginning of the year	**2,21,09,145**	**99,45,160**
Cash and cash equivalents at the end of the year	**2,64,97,929**	**2,21,09,145**

In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349
Place: Bengaluru
Date: 26 May 2018

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Chairman
DIN: 03448511
Place: Jaipur
Date: 24 May 2018

Sd/-
Pushpinder Kumar
Director
DIN: 07139363
Place: Jaipur
Date: 24 May 2018

Sd/-
Arvind Razdan
Director
DIN: 07725637
Place: New Delhi
Date: 25 May 2018

Sd/-
Mayur D Vajat
Company Secretary
MM No. A44238
Place: Bangalore
Date: 26 May 2018

Sd/-
Sachin Suvarna
Chief Financial Officer
Place: Bangalore
Date: 26 May 2018

Ksheer Sagar Developers Private Limited
Statement of Changes in Equity for the year ended 31 March 2018

A. Equity share capital

Equity shares of ₹ 10 each, fully paid-up	Equity shares Number	Equity shares Amount
As at 1 April 2016	6,00,00,000	60,00,00,000
Add: Issued and subscribed during the year	-	-
As at 31 March 2017	**6,00,00,000**	**60,00,00,000**
Add: Issued and subscribed during the year	-	-
As at 31 March 2018	**6,00,00,000**	**60,00,00,000**

B. Other equity

For the year ended 31 March 2018

	Reserves and Surplus		Items of OCI	Total
	Securities Premium Account	Retained Earnings	DBO Remeasurement	
Balance as at 31 March 2017	**6,62,931**	**(50,27,91,457)**	**1,50,666**	**(50,19,77,860)**
Profit/(Loss) for the year	-	(1,84,22,044)	-	(1,84,22,044)
Other comprehensive income/(loss), net of tax	-	-	7,00,638	7,00,638
Total Comprehensive Income	**-**	**(1,84,22,044)**	**7,00,638**	**(1,77,21,406)**
Recognition of share based payment	4,77,127	-	-	4,77,127
Balance as at 31 March 2018	**11,40,058**	**(52,12,13,501)**	**8,51,304**	**(51,92,22,139)**

For the year ended 31 March 2017

	Reserves and Surplus		Items of OCI	Total
	Securities Premium Account	Retained Earnings	DBO Remeasurement	
Balance as at 1 April 2016	**-**	**(48,19,59,618)**	**-**	**(48,19,59,618)**
Profit/(Loss) for the year	-	(2,08,31,839)	-	(2,08,31,839)
Other comprehensive income/(loss), net of tax	-	-	1,50,666	1,50,666
Total Comprehensive Income	**-**	**(2,08,31,839)**	**1,50,666**	**(2,06,81,173)**
Recognition of share based payment	6,62,931	-	-	6,62,931
Balance as at 31 March 2017	**6,62,931**	**(50,27,91,457)**	**1,50,666**	**(50,19,77,860)**

See accompanying notes to Financial Statements.
In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349
Place: Bengaluru
Date: 26 May 2018

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Chairman
DIN: 03448511
Place: Jaipur
Date: 24 May 2018

Sd/-
Pushpinder Kumar
Director
DIN: 07139363
Place: Jaipur
Date: 24 May 2018

Sd/-
Arvind Razdan
Director
DIN: 07725637
Place: New Delhi
Date: 25 May 2018

Sd/-
Mayur D Vajat
Company Secretary
MM No. A44238
Place: Bangalore
Date: 26 May 2018

Sd/-
Sachin Suvarna
Chief Financial Officer
Place: Bangalore
Date: 26 May 2018

Ksheer Sagar Developers Private Limited
Notes to the financial statements

1. General Information:

Ksheer Sagar Developers Private Limited ('the Company') was incorporated on 30 May 1995 as a private limited company providing hospitality services. The Company operates a hotel under the name of Hotel Royal Orchid in Jaipur, India. For its daily operations, the Company has also entered into a profit sharing agreement with Royal Orchid Hotels Limited for which it pays management fee based on a pre determined percentage of net profits.

2.1. Operational outlook

The Company has suffered a loss of ₹ 1,77,21,406 during the year and has an accumulated deficit ₹ 52,03,62,197 as at 31 March 2018 (refer 'Statement of Changes in Equity'). In view of its term loan restructuring plan for improving operating cash flows through cost synergies, exploring avenues of enhancing revenues, operational and financial support from the shareholders etc., the Company is confident of improving and maintaining sustainable operating cash flows and accordingly the financial statements are prepared and presented on a going concern basis, which contemplates realization of assets and settlement of liabilities in the normal course of business.

2.2. Summary of significant accounting policies

a) Statement of compliance

Financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 24th May 2018.

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the first Ind AS financial statements of the Company. The date of transition to Ind AS is 1 April 2016. Refer note 39 for the details of first-time adoption exemptions availed by the Company, reconciliations and descriptions of the effect of the transition.

b) Basis of accounting and preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its financial statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1 April, 2017. Accordingly, the Company has prepared these financial statements which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the year ended 31 March, 2018, and accounting policies and other explanatory information (together hereinafter referred to as" financial statements").

The financial Statements have been prepared using the significant accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

The financial Statements have been prepared on the 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.

c) Use of estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Company bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the amounts recognized in the financial Statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Classification of leases

The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

2.2. Summary of significant accounting policies (cont'd)

c) Use of estimates (Cont'd)

Recognition of deferred tax assets
The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions

Evaluation of indicators for impairment of assets
The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Recoverability of advances / receivables
At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Useful lives of depreciable / amortisable assets
Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

Defined benefit obligation (DBO)
Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements
Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

d) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as 12 months.
Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

e) Property, plant and equipment

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its Previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.
Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

2.2. Summary of significant accounting policies (cont'd)

e) Property, plant and equipment (cont'd)

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows as per the indicative useful life prescribed in Schedule II to the Companies Act, 2013:

Asset Category	Useful lives (in years)
Buildings	30
Plant and equipment	15
Furniture and fixtures	8
Vehicles	6
Office equipment	5
Computer equipment	3

Leasehold land is amortised over the period of lease.
The Company has evaluated the applicability of component accounting as prescribed under Ind AS 16 and Schedule II of the Companies Act, 2013, the management has not identified any significant component having different useful lives. Schedule II requires the Company to identify and depreciate significant components with different useful lives separately.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

f) Investment properties

Recognition and initial measurement
Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes to the financial statements. Fair values are determined based on an annual evaluation performed by an accredited external 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.

Subsequent measurement
Depreciation on investment properties is provided on the straight-line method, computed on the basis of useful lives prescribed under Part C of Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded,

De-recognition
Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

g) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

2.2. Summary of significant accounting policies (cont'd)

h) Revenue recognition

Revenue from contracts with customers is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

Income from services
Revenues comprise income from the sale of room nights, food, beverages and allied services during a guest's stay at the hotel. Room revenue is recognised based on occupation and revenue from sale of food, beverages and other allied services, as the respective services are rendered with reasonable certainty of ultimate collection. Other revenues are recognised as and when the services are performed or the right to receive claim is established, with reasonable certainty for ultimate collection. Rebates and discounts granted to customers are reduced from revenue.
Income from management and technical services are recognised as the services are rendered based on the terms of the contract.
Unbilled revenues' represent revenues recognised on services rendered, for which amounts are to be billed in subsequent periods.

Interest income

Interest income is reported on an accrual basis using the effective interest method and is included under the head “other income” in the Statement of Profit and Loss.

i) Employee benefits

Employee benefits include provident fund, employee state insurance scheme, labour welfare fund, gratuity and compensated absences. Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan
Retirement benefit in the form of provident fund and employee state insurance scheme is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and employee state insurance scheme. The Company recognises contribution payable to the schemes as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan
Gratuity
The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Compensated absences
The Company provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of vesting as well as non vesting benefit. The cost of short term compensated absences are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs.

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period. Further, as required under Ind AS compliant Schedule III, the Company transfers those amounts recognized in other comprehensive income to retained earnings in the statement of changes in equity and in the balance sheet.

Short-term employee benefits
Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee

2.2. Summary of significant accounting policies (cont'd)

j) Share based payments

The Company has equity-settled share-based remuneration plans for its employees. None of the Company's plans are cash-settled.
Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.
Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

k) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.
For arrangements entered into prior to 1 April 2016 (date of transition to Ind AS), the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Finance Lease
A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at fair value of the leased property or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset.

Operating Lease
Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

l) Foreign currency transactions

Functional and presentation currency
The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupees (₹)

Transactions and balances

- Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit or Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

- Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

- Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.2. Summary of significant accounting policies (cont'd)

n) Inventories

Inventory comprises food, beverages, stores and spare parts and are valued at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the goods to their present location and condition and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion to make the sale.

o) Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.
Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.
Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

p) Provisions and contingencies

Provisions
A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets
Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

2.2. Summary of significant accounting policies (cont'd)

q) Financial instruments

Financial assets

Initial recognition and measurement
All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
i. Debt instruments at amortised cost;
ii. Debt instruments at fair value through other comprehensive income (FVTOCI);
iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL); and
iv. Equity investments.

i. Debt instruments at amortised cost
A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

ii. Debt instrument at FVTOCI
A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit & loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit & loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instrument at FVTPL
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

iv. Equity investments
All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 Business Combinations, applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election 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 recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

2.2. Summary of significant accounting policies (cont'd)

q) Financial instruments (cont'd)

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings
This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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.

This category generally applies to borrowings.

Financial guarantee contracts
Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 Financial Instruments and the amount recognised less cumulative amortisation.

2.2. Summary of significant accounting policies (cont'd)

q) Financial instruments (cont'd)

Derecognition of financial liabilities
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.

r) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables
The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets
For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

s) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

t) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

2.2. Summary of significant accounting policies (cont'd)

u) Cash and cash equivalents

Cash and cash equivalent in the statement of financial position comprises cash at banks and on hand, demand deposits, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value.

v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the business of operating and managing hotels/ resorts and providing related services, which constitutes its single reportable segment.

w) Earnings/ (Loss) per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

x) Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21,Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.
The amendment will come into force form April 1, 2018. The Company is evaluating the requirements of Ind AS 21 and its effect on the financial statements.

Ind AS 115- Revenue from Contract with Customers:
On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

The standard permits two possible methods of transition:

a. Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

b. Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch-up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018

The Company is evaluating the requirements of Ind AS 115 and its effect on the financial statements.

Ksheer Sagar Developers Private Limited
Notes to the financial statements

3A Property, plant and equipment

Amount in ₹

Particulars	Land (Leasehold)	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Computer equipments	Total
Gross Block								
Balance as at 01 April 2016	**10,69,11,042**	**53,15,57,126**	**27,61,16,148**	**5,31,64,768**	**15,21,031**	**10,49,016**	**1,71,42,239**	**1,00,61,00,052**
Additions	-	67,96,448	3,63,855	-	-	6,97,237	-	78,57,540
Balance as at 31 March 2017	**10,69,11,042**	**53,83,53,574**	**27,64,80,003**	**5,31,64,768**	**15,21,031**	**17,46,253**	**1,71,42,239**	**1,01,39,57,592**
Additions	-	16,94,797	-	15,53,830	-	-	-	32,48,627
Balance as at 31 Mar 2018	**10,69,11,042**	**54,00,48,371**	**27,64,80,003**	**5,47,18,598**	**15,21,031**	**17,46,253**	**1,71,42,239**	**1,01,72,06,219**
Accumulated depreciation								
Balance as at 01 April 2016	**88,80,814**	**7,87,48,682**	**9,85,04,069**	**2,79,20,961**	**6,92,442**	**7,93,351**	**1,50,33,784**	**23,62,94,282**
Charge for the year	10,79,909	1,79,23,806	1,71,43,742	74,39,960	2,56,071	2,53,197	17,48,973	4,58,45,659
Change in property, plant and equipment on account of government grants	-	1,57,924	8,43,825	1,19,018	-	-	-	11,20,767
Balance as at 31 March 2017	**99,60,724**	**9,68,30,412**	**11,64,91,636**	**3,54,79,939**	**9,48,514**	**10,46,548**	**1,67,82,757**	**28,32,60,708**
Charge for the year	10,79,909	1,82,04,092	1,71,43,742	74,75,062	2,56,071	1,42,946	3,42,955	4,46,44,777
Change in property, plant and equipment on account of government grants	-	1,57,924	8,43,825	1,19,018	-	-	-	11,20,767
Balance as at 31 March 2018	**1,10,40,633**	**11,51,92,427**	**13,44,79,203**	**4,30,74,020**	**12,04,585**	**11,89,494**	**1,71,25,712**	**32,90,26,252**
Net block								
Balance as at 01 April 2016	**9,80,30,228**	**45,28,08,444**	**17,76,12,079**	**2,52,43,807**	**8,28,589**	**2,55,665**	**21,08,455**	**76,98,05,771**
Balance as at 31 March 2017	**9,69,50,318**	**44,15,23,162**	**15,99,88,367**	**1,76,84,829**	**5,72,517**	**6,99,705**	**3,59,482**	**73,06,96,884**
Balance as at 31 March 2018	**9,58,70,409**	**42,48,55,944**	**14,20,00,800**	**1,16,44,578**	**3,16,446**	**5,56,759**	**16,527**	**68,81,79,967**

Ksheer Sagar Developers Private Limited
Notes to the financial statements

3A Property, plant and equipment (cont'd)

Under the previous GAAP, the Export Promotion Capital Goods (EPCG) benefit received was netted off with the value of property, plant & equipment (PPE). Under Ind AS, the value of PPE has been grossed up and the EPCG benefit is treated as deferred revenue to the extent the export obligations are not met. The effect of EPCG on the PPE as at the date of transition are adjusted as follows:

Amount in ₹

Particulars	Land (Leasehold)	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Computer equipments	Total
Gross block								
Balance as at 01 April 2016	**10,69,11,042**	**53,15,57,126**	**27,61,16,148**	**5,31,64,768**	**15,21,031**	**10,49,016**	**1,71,42,239**	**98,74,61,370**
Change in property, plant and equipment on account of government grants	-	47,37,731	1,26,57,370	9,52,146	-	-	2,91,435	1,86,38,682
Adjusted balance as at 01 April 2016	**10,69,11,042**	**53,62,94,857**	**28,87,73,518**	**5,41,16,914**	**15,21,031**	**10,49,016**	**1,74,33,674**	**1,00,61,00,052**
Accumulated depreciation								
Balance as at 01 April 2016	**88,80,814**	**7,87,48,682**	**9,85,04,069**	**2,79,20,961**	**6,92,442**	**7,93,351**	**1,50,33,784**	**23,05,74,105**
Change in property, plant and equipment on account of government grants	-	7,61,907	41,40,872	5,25,963	-	-	2,91,435	57,20,177
Adjusted balance as at 01 April 2016	**88,80,814**	**7,95,10,589**	**10,26,44,941**	**2,84,46,924**	**6,92,442**	**7,93,351**	**1,53,25,219**	**23,62,94,282**
Net block								
Balance as at 01 April 2016	**9,80,30,228**	**45,28,08,444**	**17,76,12,079**	**2,52,43,807**	**8,28,589**	**2,55,665**	**21,08,455**	**75,68,87,265**
Change in property, plant and equipment on account of government grants	-	39,75,824	85,16,498	4,26,183	-	-	-	1,29,18,505
Adjusted balance as at 01 April 2016	**9,80,30,228**	**45,67,84,268**	**18,61,28,577**	**2,56,69,990**	**8,28,589**	**2,55,665**	**21,08,455**	**76,98,05,770**

3B Other intangible assets

Particulars	Softwares	Total
Gross block		
Balance as at 01 April 2016	**15,09,522**	**15,09,522**
Additions	-	-
Balance as at 31 March 2017	**15,09,522**	**15,09,522**
Additions	-	-
Balance as at 31 Mar 2018	**15,09,522**	**15,09,522**
Accumulated depreciation		
Balance as at 01 April 2016	**12,87,996**	**12,87,996**
Charge for the year	2,21,526	2,21,526
Balance as at 31 March 2017	**15,09,522**	**15,09,522**
Charge for the year	-	-
Balance as at 31 March 2018	**15,09,522**	**15,09,522**
Net block		
Balance as at 01 April 2016	**2,21,526**	**2,21,526**
Balance as at 31 March 2017	**-**	**-**
Balance as at 31 March 2018	**-**	**-**

		As at 31 March 2018 ₹	As at 31 March 2017 ₹	As at 01 April 2016 ₹
4	**Other financial assets**			
	Other financial assets			
	Security deposits for others	8,68,594	8,68,594	8,68,594
		8,68,594	**8,68,594**	**8,68,594**
	Interest accrued on deposits	-	-	12,79,067
	Dues from entities controlled by joint venturers	43,07,410	43,07,410	43,07,410
		43,07,410	**43,07,410**	**55,86,477**
	Less: Provision for doubtful advances	(43,07,410)	(43,07,410)	(43,07,410)
		8,68,594	**8,68,594**	**21,47,661**
		8,68,594	**8,68,594**	**21,47,661**
5	**Other non-current assets**			
	Other bank balances earmarked for margin money for bank guarantee	3,15,94,037	2,95,09,900	46,94,646
		3,15,94,037	**2,95,09,900**	**46,94,646**
6	**Inventories**			
	(At lower of cost or net realisable value)			
	Food and beverages	16,80,182	16,90,063	24,14,160
	Stores and spares	3,76,820	4,82,464	13,23,340
		20,57,002	**21,72,527**	**37,37,500**

Ksheer Sagar Developers Private Limited
Notes to the financial statements

		As at 31 March 2018 ₹	As at 31 March 2017 ₹	As at 01 April 2016 ₹
7	**Trade receivables**			
	Secured, considered good	-	-	-
	Unsecured, considered good	2,18,28,727	2,22,64,970	1,41,59,748
	Doubtful	68,18,583	37,39,369	42,01,485
		2,86,47,310	**2,60,04,339**	**1,83,61,233**
	Less: Provision for doubtful trade receivables	(68,18,583)	(37,39,369)	(42,01,485)
		2,18,28,727	**2,22,64,970**	**1,41,59,748**
8	**Cash and cash equivalents**			
	Cheques on hand			
	Balances with banks			
	- in current accounts	1,72,27,347	91,95,881	95,98,186
	- in deposit accounts (with maturity upto 3 months)	90,00,000	1,25,00,000	-
	Cash on hand	2,70,582	4,13,264	3,46,974
		2,64,97,929	**2,21,09,145**	**99,45,160**
9	**Other financial assets**			
	Interest accrued on deposits with banks	23,356	-	-
	Unbilled revenues	-	7,35,015	7,69,827
	Current account balances with related parties	29,85,590	29,42,070	28,58,419
		30,08,946	**36,77,085**	**36,28,246**
10	**Current tax assets, net**			
	Advance tax, net of provision for taxes	81,16,961	47,18,106	40,48,080
		81,16,961	**47,18,106**	**40,48,080**
11	**Other current assets**			
	(Unsecured, considered good)			
	Advances to suppliers	-	4,88,040	7,44,279
	Balances with Government authorities	16,08,417	19,40,266	18,58,870
	Prepaid expenses	22,58,405	22,73,013	23,34,900
		38,66,822	**47,01,319**	**49,38,049**

	As at 31 March 2018 Number	As at 31 March 2018 Amounts ₹	As at 31 March 2017 Number	As at 31 March 2017 Amounts ₹	As at 01 April 2016 Number	As at 01 April 2016 Amounts ₹
12 Share capital						
Authorised share capital						
Equity shares of ₹ 10 each	6,00,00,000	60,00,00,000	6,00,00,000	60,00,00,000	6,00,00,000	60,00,00,000
	6,00,00,000	**60,00,00,000**	**6,00,00,000**	**60,00,00,000**	**6,00,00,000**	**60,00,00,000**
Issued, subscribed and fully paid up						
Equity shares of ₹ 10 each	6,00,00,000	60,00,00,000	6,00,00,000	60,00,00,000	6,00,00,000	60,00,00,000
	6,00,00,000	**60,00,00,000**	**6,00,00,000**	**60,00,00,000**	**6,00,00,000**	**60,00,00,000**

a) Reconciliation of share capital

There have been no changes in the number of equity shares and amount outstanding at the beginning and at the end of the reporting period.

b) Details of shares held by the holding company and its subsidiary

	As at 31 March 2018 Number	As at 31 March 2018 Amounts ₹	As at 31 March 2017 Number	As at 31 March 2017 Amounts ₹	As at 01 April 2016 Number	As at 01 April 2016 Amounts ₹
Equity shares of ₹10 each with voting rights						
Royal Orchid Hotels Limited	2,99,99,999	29,99,99,990	2,99,99,999	29,99,99,990	2,99,99,999	29,99,99,990
Royal Orchid Goa Private Limited	1	10	1	10	1	10
	3,00,00,000	**30,00,00,000**	**3,00,00,000**	**30,00,00,000**	**3,00,00,000**	**30,00,00,000**

c) Shareholders holding more than 5% of the shares of the Company

Equity shares of ₹10 each with voting rights	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares
Royal Orchid Hotels Limited	2,99,99,999	50.00%	2,99,99,999	50.00%	2,99,99,999	50.00%
Mr. Ratnesh Tambi	52,50,402	8.75%	52,50,402	8.75%	52,50,402	8.75%
Mr. Rupesh Tambi	52,93,251	8.82%	52,93,251	8.82%	52,93,251	8.82%
Mr. Rajesh Tambi	51,11,141	8.52%	51,11,141	8.52%	51,11,141	8.52%
Mr. Jagdish Prasad Tambi	39,42,957	6.57%	39,42,957	6.57%	39,42,957	6.57%
Ms. Sumitra Tambi	35,57,043	5.93%	35,57,043	5.93%	35,57,043	5.93%
	5,31,54,793	**88.59%**	**5,31,54,793**	**88.59%**	**5,31,54,793**	**88.59%**

d) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each equity share is entitled to one vote per share. Dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and shall be payable in Indian Rupees. In the event of liquidation of the Company, the shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

The Company has not issued any bonus shares or any shares for consideration other than cash nor has there been any buy back of shares during five years immediately preceding 31 March 2018.

Ksheer Sagar Developers Private Limited
Notes to the financial statements

		As at 31 March 2018 ₹	As at 31 March 2017 ₹	As at 01 April 2016 ₹
13	**Long-term borrowings**			
	Secured			
	Term loan from a financial institution [refer note (i)]	41,23,63,366	43,02,15,884	38,20,00,000
	Vehicle loan	-	-	1,38,206
		41,23,63,366	**43,02,15,884**	**38,21,38,206**
	Less: Current maturities of long-term debt [refer note (ii) below]	4,58,50,222	1,78,52,518	13,81,38,206
		36,65,13,144	**41,23,63,366**	**24,40,00,000**

Notes:

I) Details of terms of repayment, guarantee and security for a term loan

(i) The Company has availed an Indian rupee term loan ('the loan') from Rajasthan State Industrial Development & Investment Corporation Ltd. (RIICO) for ₹ 4,500.00 lakhs during the previous year for swapping of term loan of ₹ 4,000.00 lakhs and overdraft limit of ₹ 500.00 lakhs extended by IDBI Bank for setting up of Royal Orchid Hotel, Jaipur ('the hotel').
The loan is secured by exclusive first charge on the entire existing fixed assets acquired and fixed assets to be acquired for the hotel project. Additionally, the loan is secured by Corporate Guarantee of Royal Orchid Hotels Limited (' the Joint Venturer') and the personal guarantees of Mr. Jagdish Prasad Tambi (Director) and Mr. Chander K. Baljee (Director of the Joint Venturer).
The loan is repayable in 31 quarterly instalments ranging from ₹ 45.00 lakhs - ₹ 220.00 lakhs commencing from May 15' 2016 and bear an interest rate of 13.25% p.a. on quarterly compounding basis for first three years and thereafter at prevailing lending rate subject to satisfactory repayment behaviour for first three years.

(ii) The current portion of the secured loans where instalments are due within one year have been classified as "current maturities of long term debt" under other financial liabilities.

14	**Long-term provisions**			
	Employee benefits			
	Gratuity	15,14,489	16,89,272	13,50,424
	Compensated absences	11,03,405	12,97,309	9,10,802
		26,17,894	**29,86,581**	**22,61,226**
15	**Other non-current liabilities**			
	Deferred revenue arising from Government grant related to assets	26,70,776	50,00,611	73,30,446
		26,70,776	**50,00,611**	**73,30,446**
16	**Short-term borrowings**			
	Secured			
	Overdraft from bank	-	-	3,30,00,000
	Unsecured			
	From shareholders	1,51,07,344	1,51,07,344	4,17,890
	From a director	82,48,679	82,48,679	1,64,48,679
		2,33,56,023	**2,33,56,023**	**4,98,66,569**

Ksheer Sagar Developers Private Limited
Notes to the financial statements

		As at 31 March 2018 ₹	As at 31 March 2017 ₹	As at 01 April 2016 ₹
17	**Trade payables**			
	Acceptances	-	-	-
	Other than acceptances (refer note (i) and (ii) below)	4,07,77,329	4,35,87,295	4,41,68,037
		4,07,77,329	**4,35,87,295**	**4,41,68,037**
	Notes:			
(i)	Includes payable to related parties	88,45,715	1,43,49,303	1,45,44,748

(ii) Based on the information available with the Company, there are no outstanding dues in respect of Micro, Small and Medium enterprises at the Balance Sheet date. The above disclosure has been determined to the extent such parties have been identified on the basis of information available to the Company. This has been relied upon by the auditors.

		As at 31 March 2018 ₹	As at 31 March 2017 ₹	As at 01 April 2016 ₹
18	**Other financial liabilities**			
	Current maturities of long-term debt (refer note 13)	4,58,50,222	1,78,52,518	13,81,38,206
	Dues to related parties	1,03,05,193	1,03,05,193	-
	Interest accrued and due on borrowings	15,44,26,499	15,06,75,256	14,90,99,317
		21,05,81,914	**17,88,32,967**	**28,72,37,523**
19	**Other current liabilities**			
	Statutory dues	27,45,894	14,74,941	56,50,528
	Advance received from customers	75,70,800	85,87,565	36,01,458
	Project creditors (including retention money payable)	4,55,04,364	4,42,71,902	5,38,82,608
	Others	24,12,656	17,54,461	9,38,071
		5,82,33,714	**5,60,88,869**	**6,40,72,665**
20	**Short-term provisions**			
	Employee benefits			
	Gratuity	1,02,690	35,980	29,966
	Compensated absences	3,87,640	4,44,698	3,19,572
		4,90,330	**4,80,678**	**3,49,538**

Ksheer Sagar Developers Private Limited
Notes to the financial statements

		Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
21	**Revenue from operations**		
	From sale of services at hotels		
	- Room nights	15,39,04,558	14,30,35,599
	- Food and beverages	7,44,29,115	6,38,36,663
	- Other services	52,17,390	43,65,718
		23,35,51,063	**21,12,37,980**
22	**Other income**		
	Interest income		
	From deposits with banks	27,74,148	24,43,683
	Net gain or loss on foreign currency transaction and translation	-	-
	Revenue arising from Government grant related to assets	23,29,835	23,29,835
	Provisions no longer required, written back	-	1,34,99,738
	Miscellaneous	11,60,589	13,48,849
		62,64,572	**1,96,22,105**
23	**Food and beverages consumed**		
	Opening stock	16,90,063	24,14,160
	Add : Purchases during the year	2,67,42,562	2,38,59,853
		2,84,32,625	**2,62,74,013**
	Less : Closing stock	16,80,183	16,90,063
		2,67,52,442	**2,45,83,950**
24	**Employee benefits expense**		
	Salaries and bonus	3,31,79,261	3,40,79,687
	Contribution to provident fund	21,04,392	19,53,229
	Gratuity expense	6,61,941	5,97,530
	Share based payments to employees	4,77,127	6,62,931
	Staff welfare expenses	35,18,463	36,77,065
		3,99,41,184	**4,09,70,442**
25	**Finance costs**		
	Interest expenses		
	On term loan	5,59,08,992	5,82,23,417
	On unsecured loan/debenture application money	47,12,570	40,05,191
	On overdraft with a bank	-	76,247
	On management fees	7,17,034	16,83,976
	On vehicle loan	-	3,801
	Bank charges	2,37,739	15,92,211
		6,15,76,335	**6,55,84,843**
26	**Depreciation and amortisation expense**		
	Depreciation on tangible assets (refer note 3A)	4,57,65,542	4,69,66,424
	Less: Transferred to revaluation reserve	-	-
		4,57,65,542	4,69,66,424
	Amortisation on intangible assets (refer note 3B)	-	2,21,526
		4,57,65,542	**4,71,87,950**

Ksheer Sagar Developers Private Limited
Notes to the financial statements

		Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
27	**Other expenses**		
	Guest transportation	7,78,470	5,20,049
	Linen and room supplies	44,70,189	36,10,395
	Catering and other kitchen supplies	22,76,439	21,93,660
	Cablenet charges	3,83,040	3,64,705
	Uniform washing and laundry	22,15,642	22,11,501
	Music and entertainment	2,61,219	2,98,542
	Contract charges	20,50,110	15,82,574
	Power, fuel and water	2,60,16,915	2,39,32,066
	Management fee	1,17,18,370	1,17,20,488
	Security charges	19,16,271	20,00,659
	Communication	13,19,083	14,03,436
	Printing and stationery	7,17,200	7,67,326
	Subscription charges	3,46,729	-
	Repairs and maintenance		
	- Buildings	4,89,289	5,35,018
	- Plant and equipment	25,60,812	32,86,694
	- Others	22,68,985	22,00,172
	Insurance	7,23,467	8,28,788
	Commission and brokerage	67,98,550	25,90,727
	Rates and taxes	32,27,702	32,06,337
	Legal and professional	17,35,458	17,58,365
	Travelling and conveyance	7,62,883	10,41,408
	Advertisement and business promotion	37,07,635	42,63,988
	Provision for doubtful trade receivables	30,98,591	-
	Recruitment expenses	1,06,045	-
	Miscellaneous	42,53,082	25,75,935
		8,42,02,176	**7,28,92,833**
28	**Income tax expenses**		
	A. Amount recognised in profit or loss		
	Current tax		
	Income tax for the year	-	-
	Adjustments/(credits) related to previous years - Net	-	4,71,906
	Total current tax	**-**	**4,71,906**
	Deferred tax		
	Deferred tax for the year	-	-
	Total deferred tax	**-**	**-**
	Total	**-**	**4,71,906**
	B. Amount recognised in other comprehensive income		
	The tax (charge)/credit arising on income and expenses recognised in other comprehensive income is as follows:		
	Deferred tax		
	On items that will not be reclassified to profit or loss		
	Remeasurement gains/(losses) on defined benefit plans	-	-
	Total	**-**	**-**
	C. Reconciliation of effective tax rate		
	The income tax expense for the year can be reconciled to the accounting profit as follows:		
	Profit before tax	**(1,84,22,047)**	**(2,03,59,936)**
	Income tax expense	-	-
	Other timing differences	-	-
		-	**-**
	Adjustments recognised in the current year in relation to the current tax of prior years	-	4,71,906
	Income tax recognised in profit or loss	**-**	**4,71,906**
29	**Earnings per share**		
	Weighted average number of shares outstanding	6,00,00,000	6,00,00,000
	Net profit after tax attributable to equity shareholders in ₹	(1,77,21,406)	(2,06,81,173)
	Basic and diluted earnings per share in ₹	(0.30)	(0.34)
	Nominal value per equity share in ₹	10	10

30 Related parties

i. Parties where control exists

Name of party	Nature of relationship
Royal Orchid Hotels Limited	Holding Company
J.H. Builders Private Limited	Fellow Subsidiary
Raj Kamal Buildcon Private Limited	Fellow Subsidiary
Ksheer Sagar Buildcon Private Limited	Fellow Subsidiary

ii. Key management personnel (KMP)

Mr. Rupesh Tambi	Managing Director
Mr. Rajesh Tambi	Director
Mr. Amit Jaiswal	Director
Mr. Pushpinder Kumar	Director

iii. Relatives of key management personnel

Mr. Ratnesh Tambi
Mr. Jagdish Prasad Tambi
Mrs. Sumitra Tambi
Mrs. Mamta Tambi
Mrs. Kajri Tambi
Mrs. Neha Tambi

iv. Transactions with related parties during the year

(Amount in ₹)

Particulars	Nature of relationship	Year ended 31 March 2018	Year ended 31 March 2017
Management fees			
Royal Orchid Hotels Limited	Holding Company	1,17,18,370	1,17,20,488
Loans availed during the year			
Mr. Rupesh Tambi	Managing Director	-	20,00,000
Mr. Ratnesh Tambi	Relative of Director	-	1,26,89,454
Mr. Rajesh Tambi	Director	-	68,00,000
Loans repaid during the year			
Mr. Jagdish Prasad Tambi	Relative of Director	-	1,50,00,000
Investment in 14% Unsecured, Compulsorily Convertible Debenture Application Money			
Royal Orchid Hotels Limited	Holding Company	-	1,03,05,193
Interest on loans taken			
Mr. Rupesh Tambi	Managing Director	3,38,505	1,26,011
Mr. Ratnesh Tambi	Relative of Director	17,76,524	6,38,871
Mr. Jagdish Prasad Tambi	Relative of Director	2,02,815	17,98,431
Mr. Rajesh Tambi	Director	9,52,000	3,61,162
Interest on 14% Unsecured, Compulsorily Convertible Debenture Application Money			
Royal Orchid Hotels Limited	Holding Company	14,42,727	10,80,715
Interest on management fee			
Royal Orchid Hotels Limited	Holding Company	7,17,034	16,83,976

Ksheer Sagar Developers Private Limited
Notes to the financial statements

30 Related parties (cont'd)

v. Balances receivable from/ (payable to) related parties are summarised

(Amount in ₹)

Particulars	Nature of relationship	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Advances receivable				
Raj Kamal Buildcon Private Limited	Fellow Subsidiary	14,41,035	14,41,035	14,41,035
Ksheer Sagar Buildcon Private Limited	Fellow Subsidiary	14,41,169	14,41,169	14,41,169
J.H. Builders Private Limited	Fellow Subsidiary	14,25,207	14,25,207	14,25,207
Unsecured loans payable (including interest, net of tax deducted at source)				
Royal Orchid Hotels Limited	Holding Company	(4,33,78,339)	(4,33,78,339)	(4,33,78,339)
Mr. Rupesh Tambi	Managing Director	(1,54,50,982)	(1,51,46,328)	(1,27,28,263)
Mr. Ratnesh Tambi	Relative of Director	(2,60,35,855)	(2,44,36,984)	6,26,326
Mrs. Sumitra Tambi	Relative of Director	(1,04,53,660)	(1,04,53,660)	(1,04,53,660)
Mr. Jagdish Prasad Tambi	Relative of Director	(62,49,386)	(60,66,852)	(3,42,65,730)
Mr. Rajesh Tambi	Director	(2,04,79,937)	(1,96,23,137)	(68,41,291)
Mrs. Mamta Tambi	Relative of director	(85,42,846)	(85,42,846)	(85,42,846)
Mrs. Kajri Tambi	Relative of director	(77,41,725)	(77,41,725)	(77,41,725)
Mrs. Neha Tambi	Relative of director	(76,28,086)	(76,28,086)	(76,28,086)
Debenture application money pending allotment (including interest accrued on 14% Unsecured, Compulsorily Convertible Debentures/Debenture application money)				
Royal Orchid Hotels Limited	Holding Company	(3,37,96,254)	(3,24,97,800)	(2,12,19,964)
Management fees payable (net of tax deducted at source and service tax input claimed)				
Royal Orchid Hotels Limited	Holding Company	(88,45,715)	(1,43,49,303)	(1,45,44,748)
Guarantees received				
Royal Orchid Hotels Limited	Holding Company	45,00,00,000	45,00,00,000	70,00,00,000
Mr. Jagdish Prasad Tambi	Managing Director	45,00,00,000	45,00,00,000	70,00,00,000
Mr. C.K. Baljee	Director of Holding Company	45,00,00,000	45,00,00,000	-
Keshav Baljee	Relative of Director of Holding Company	-	-	70,00,00,000

31 Employee benefit plans

a) Defined contribution plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 13,84,008 (Year ended 31 March 2017: ₹ 14,12,455) for Provident Fund contributions, and ₹ 7,20,384 (Year ended 31 March 2017: ₹ 5,40,774) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b) Defined benefit plans

The Company offers gratuity benefit scheme to its employees in India as per 'The Payment of Gratuity Act, 1972'. Under the act, employee who has completed five years of service is entitled to gratuity benefit. The level of benefits provided depends on the member’s length of service and salary at retirement age. The following table sets out the status of the gratuity plan as required under Indian Accounting Standard (Ind AS) - 19 - Employee benefits:

		Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
(i)	**The amounts recognised in the Balance Sheet are as follows:**		
	Present value of the obligation as at the end of the year	16,17,180	17,25,253
	Fair value of plan assets as at the end of the year	-	-
	Net liability/ (assets) recognized in the Balance Sheet	**16,17,180**	**33,42,433**
(ii)	**Changes in the present value of defined benefit obligation**		
	Defined benefit obligation as at beginning of the year	17,25,253	13,80,391
	Service cost	5,33,501	4,87,178
	Interest cost	1,28,440	1,10,352
	Actuarial losses/(gains) arising from		
	- change in demographic assumptions	-	-
	- change in financial assumptions	(69,875)	1,18,267
	- experience variance (i.e. Actual experiences assumptions)	(6,30,763)	(2,68,933)
	Benefits paid	(69,376)	(1,02,002)
	Defined benefit obligation as at the end of the year	**16,17,180**	**17,25,253**
(iii)	**Changes in the fair value of plan assets**		
	Fair value as at the beginning of the year	-	-
	Return on plan assets	-	-
	Actuarial (losses)/gains	-	-
	Contributions	-	-
	Benefits paid	-	-
	Fair value as at the end of the year	**-**	**-**
(iv)	**Components of net gratuity costs are**		
	Service cost	5,33,501	4,87,178
	Net interest cost on the net defined benefit liability	1,28,440	1,10,352
	Components of defined benefit costs recognised in Statement of Profit and Loss	**6,61,941**	**5,97,530**
(v)	**Other comprehensive income**		
	Change in financial assumptions	(69,875)	1,18,267
	Experience variance (i.e. actual experience vs assumptions)	(6,30,763)	(2,68,933)
	Return on plan assets, excluding amount recognized in net interest expense	-	-
	Change in demographic assumptions	-	-
	Components of defined benefit costs recognized in other comprehensive income	**(7,00,638)**	**(1,50,666)**
(vi)	**Assumptions used for actuarial valuation of gratuity and compensated absences**		
	Discount rate	7.80%	7.45%
	Salary escalation rate	7.00%	7.00%
	Mortality rates *(IAL: Indian Assured Lives Mortality (2006-08))*	100% of IAL	100% of IAL

The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

31 Employee benefit plans (cont'd)

(vii) Experience adjustments:

Particulars	As at 31 March 2018 ₹	As at 31 March 2017 ₹
Defined Benefit Obligation	16,17,180	17,25,253
Fair value of plan assets	-	-
(Surplus)/deficit	16,17,180	17,25,253
Experience adjustments on liabilities: gain/(loss)	(6,30,763)	(2,68,933)
Experience adjustments on plan assets: gain/(loss)	-	-

(viii) Sensitivity analysis

Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:

a. Interest Rate Risk:
The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of liability (as shown in financial statements).

b. Liquidity Risk:
This is the risk that the Company is not able to meet the short term benefit payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

c. Salary Escalation Risk:
The present value of the above benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

d. Demographic Risk:
The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

e. Regulatory Risk:
Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (for example, increase in the maximum liability on gratuity of ₹ 10,00,000).

f. Asset Liability Mismatching or Market Risk:
The duration of the liability is longer compared to duration of assets exposing the company to market risks for volatilities/fall in interest rate.

g. Investment Risk:
The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	Year ended 31 March 2018		Year ended 31 March 2017	
	Increase ₹	Decrease ₹	Increase ₹	Decrease ₹
Discount Rate (- / + 1%)	14,39,041	18,28,526	15,18,363	19,72,436
Salary Growth Rate (- / + 1%)	18,28,099	14,36,265	19,63,356	15,15,776
Mortality rate (- / + 10%)	16,17,515	16,16,844	17,25,486	17,25,019

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

There is no change in the method of valuation for the prior period.

(ix) Maturity analysis of Defined Benefit Obligation

Particulars	As at 31 March 2018	As at 31 March 2017
Weighted average duration (based on discounted cashflows)	12 years	14 years
Expected cash flows over the next (valued on undiscounted basis):		
1 year	1,02,690	35,980
2 to 5 years	2,09,354	2,83,671
6 to 10 years	7,31,679	5,94,349
More than 10 years	40,22,405	45,85,285

Ksheer Sagar Developers Private Limited
Notes to the financial statements

32 Segment information

The Company's business comprises the operation of a hotel, the services of which represents one business segment. Further, the Company derives its entire revenue from services rendered in India. Consequently, the disclosure of business and geographic segment- wise information is not applicable to the Company.

33 Capital management

For the purpose of the Company's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

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 in the financial covenants of any interest-bearing loans and borrowing in the current period.

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 Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade payables, less cash.

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 01 April 2016**
Long term borrowings	36,65,13,144	41,23,63,366	24,40,00,000
Current maturities of long term borrowings	4,58,50,222	1,78,52,518	13,81,38,206
Short term borrowings	2,33,56,023	2,33,56,023	4,98,66,569
Less: Cash and cash equivalents	(2,64,97,929)	(2,21,09,145)	(99,45,160)
Less: Bank balances other than cash and cash equivalents	-		
Net debt	**40,92,21,460**	**43,14,62,762**	**42,20,59,615**
Equity	60,00,00,000	60,00,00,000	60,00,00,000
Other Equity	(51,92,22,139)	(50,19,77,860)	(48,19,59,618)
Total capital	**8,07,77,861**	**9,80,22,140**	**11,80,40,382**
Capital and net debt	**48,99,99,321**	**52,94,84,901**	**54,00,99,996**
Gearing ratio	**84%**	**81%**	**78%**

34 Payment to auditors

	As at 31 March 2018 ₹	**As at 31 March 2017** ₹
for audit fees	1,50,000	1,50,000
	1,50,000	1,50,000

35 Employee Stock Option Plan

The Holding Company operates certain share plans under which share options have been granted to some of the Company's employees. As per the Guidance Note on "Accounting for Employee Share Based Payments", issued by the Institute of Chartered Accountants of India, which is recommendatory, the Company is required to record compensation costs and disclose information relating to the options granted to the employees of the Company under the Share Plans. The Share Plans are assessed, managed and administered by the Holding Company, over whose shares the options are granted. (refer note 39)

36 Fair value measurements

(i) Financial instruments by category

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

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A. Financial assets			
a) Measured at amortised cost			
Non-current assets			
(i) Other financial assets	8,68,594	8,68,594	21,47,661
Current assets			
(i) Trade receivables	2,18,28,727	2,22,64,970	1,41,59,748
(ii) Cash and cash equivalents	2,64,97,929	2,21,09,145	99,45,160
(iii) Other financial assets	30,08,946	36,77,085	36,28,246
	5,22,04,196	**4,89,19,794**	**2,98,80,816**
b) Measured at fair value through OCI	-	-	-
c) Measured at fair value through profit or loss	-	-	-
Total financial assets	**5,22,04,196**	**4,89,19,794**	**2,98,80,816**
B. Financial liabilities			
a) Measured at amortised cost			
Non-current liabilities			
(i) Borrowings	36,65,13,144	41,23,63,366	24,40,00,000
Current liabilities			
(i) Borrowings	2,33,56,023	2,33,56,023	4,98,66,569
(ii) Trade payables	4,07,77,329	4,35,87,295	4,41,68,037
(iii) Other financial liabilities	21,05,81,914	17,88,32,967	28,72,37,523
	64,12,28,409	**65,81,39,651**	**62,52,72,129**
b) Measured at fair value through OCI	-	-	-
c) Measured at fair value through profit or loss	-	-	-
Total financial liabilities	**64,12,28,409**	**65,81,39,651**	**62,52,72,129**

Notes:

(i) The fair value of trade receivables, trade payables and other Current financial assets and liabilities are considered to be equal to the carrying amounts of these items due to their short – term nature.

(ii) The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(iii) The management assessed that for amortised cost instruments, the fair value approximates largely to the carrying amount.

37 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on it's financial performance. The primary market risk to the Company is foreign exchange exposure risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

The Company's risk management activity focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below.

(A) Credit risk analysis
Credit risk is the risk that a counterparty fails to discharge an obligation to the Company, resulting in a financial loss. The Company is exposed to this risk for various financial instruments. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets, as summarised below:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Non-current assets			
(i) Other financial assets	8,68,594	8,68,594	21,47,661
Current assets			
(i) Trade receivables	2,18,28,727	2,22,64,970	1,41,59,748
(ii) Cash and cash equivalents	2,64,97,929	2,21,09,145	99,45,160
(iii) Other financial assets	30,08,946	36,77,085	36,28,246
Total financial assets	**5,22,04,196**	**4,89,19,794**	**2,98,80,816**

A1: Trade and other receivables
Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the Company 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. On account of adoption of Ind AS 109, Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain. The provision for expected credit loss takes into account available external and internal credit risk factors and Company's historical experience for customers.

The allowance for life time expected credit loss on customer balances for the year ended 31 March 2018 was ₹ 30,79,215. The reversal for lifetime expected credit loss on trade and other receivables for the year ended 31 March 2017 was ₹ 4,62,116.

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Balance at the beginning of the year	37,39,369	42,01,485	42,01,485
Impairment loss recognised	30,79,215	-	-
Impairment loss reversed	-	(4,62,116)	-
Balance at the end of the year	**68,18,583**	**37,39,369**	**42,01,485**

A2: Cash and cash equivalents
The credit risk for cash and cash equivalents, and derivative financial instruments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Financial assets that are neither past due nor impaired
Cash and cash equivalents, advances recoverable, loans and advances to employees, security deposit and other financial assets are neither past due nor impaired.

Financial assets that are past due but not impaired
There is no other class of financial assets that is past due but not impaired.

37 Financial risk management (cont'd)

(B) Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, usually on a month on month basis. Long-term liquidity needs for a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Company's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Company's non-derivative financial liabilities that have contractual maturities (including interest payments where applicable) are summarised below:

Maturities of financial liabilities

As at 31 March 2018	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	2,18,69,167	30,20,00,000	6,60,00,000	38,98,69,167
Trade payable	4,07,77,329	-	-	4,07,77,329
Other financial liabilities	21,05,81,914	-	-	21,05,81,914
Total	**27,32,28,409**	**30,20,00,000**	**6,60,00,000**	**64,12,28,409**

As at 31 March 2017	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	2,17,19,389	26,20,00,000	15,20,00,000	43,57,19,389
Trade payable	4,35,87,295	-	-	4,35,87,295
Other financial liabilities	17,88,32,967	-	-	17,88,32,967
Total	**24,41,39,651**	**26,20,00,000**	**15,20,00,000**	**65,81,39,651**

As at 01 April 2016	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	1,68,66,569	27,70,00,000	-	29,38,66,569
Trade payable	4,41,68,037	-	-	4,41,68,037
Other financial liabilities	28,72,37,523	-	-	28,72,37,523
Total	**34,82,72,129**	**27,70,00,000**	**-**	**62,52,72,129**

This space has been intentionally left blank

37 Financial risk management (cont'd)

(C) Market risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk, which result from both its operating and investing activities.

(i) Foreign currency risk

The predominant currency of the Company's revenues and operating cash flows is Indian Rupees (INR). The Company does not have foreign currency denominated financial assets and liabilities which expose the Company to currency risk.

(ii) Interest rate risk

(ii.a) Liabilities

The Company’s policy is to minimise interest rate cash flow risk exposures on long-term financing. As at 31 March 2018, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits pay fixed interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Variable rate borrowing	41,23,63,366	43,02,15,884	41,51,38,206
Fixed rate borrowing			
Total borrowings	**41,23,63,366**	**43,02,15,884**	**41,51,38,206**
Amount disclosed under other current financial liabilities	4,58,50,222	1,78,52,518	13,81,38,206
Amount disclosed under borrowings	36,65,13,144	41,23,63,366	27,70,00,000

Sensitivity

Below is the sensitivity of profit or loss in interest rates.

Particulars	As at 31 March 2018	As at 31 March 2017
Interest sensitivity		
Interest rates – increase by 100 basis points (100 bps)	41,23,634	43,02,159
Interest rates – decrease by 100 basis points (100 bps)	41,23,634	43,02,159

(ii.b) Assets

The Company’s fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

This space has been intentionally left blank

38 First-time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP').

Accordingly, the Company has prepared the financial statements for the comparitive period as at and for the year ended 31 March 2017 that comply with the applicable Ind AS, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at 1 April 2016 and the comparitive financial statements as at and for the year ended 31 March 2017.

A. Ind AS optional exemptions

A1. Deemed cost for property, plant and equipment, investment property and intangible assets
Ind AS 101 First-time Adoption of Indian Accounting Standards, permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

B. Ind AS mandatory exemptions

B1. Estimates
In accordance with Ind AS, as at the date of transition to Ind AS an entity's estimates shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP except impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition this was not required under the previous GAAP.

B2. Classification and measurement of financial assets and liabilities
The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 Financial Instruments are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:
a) The effects of the retrospective application or retrospective restatement are not determinable; or
b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period; or
c) The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

38 First-time adoption of Ind AS (cont'd)

B3. De-recognition of financial assets and liabilities

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires a first-time adopter to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 First-time Adoption of Indian Accounting Standards, allows a first-time adopter to apply the de-recognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively from the date of transition to Ind AS.

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS as at the periods specified below.

C1. Reconciliation of other equity

The Company has also prepared a reconciliation of equity as at 31 March 2017 and 1 April 2016 under the previous GAAP with the equity as reported in these financial statements under Ind AS, that reflect the impact of Ind AS on the components of statement of Balance sheet which is presented below:

Particulars	**As at 31 March 2017**	**As at 01 April 2016**
Equity as reported under previous GAAP	**(50,94,89,105)**	**(48,75,47,678)**
Adjustments on account of:		
(i) Measurement of financial assets and liabilities at amortised cost	7,14,116	-
(ii) Changes in the value of property, plant and equipment arising from government grants	67,97,127	55,88,059
Equity under Ind AS	**(50,19,77,861)**	**(48,19,59,618)**

C2. Reconciliation of total comprehensive income

Particulars	**Year ended 31 March 2017**
Profit after tax as reported under previous GAAP	**(2,08,90,034)**
Adjustments on account of:	
(i) Measurement of financial assets and liabilities at amortised cost	7,14,118
(ii) Measurement of defined benefit obligation	(1,50,666)
(iii) ESOP expense recognised at fair value through profit or loss	(6,62,931)
(iv) Revenue arising from Government grant related to assets	23,29,835
(v) Depreciation due to change in the value of fixed assets arising from government grants	(11,20,767)
(vi) Amortisation expense from Revaluation Reserve	(10,51,395)
Profit after tax as reported under Ind AS	**(2,08,31,839)**
Other comprehensive income / (loss) (net of tax)	1,50,666
Total comprehensive income / (loss) as reported under Ind AS	**(2,06,81,173)**

Ksheer Sagar Developers Private Limited
Notes to the financial statements

38 First-time adoption of Ind AS (cont'd)

C3. Notes

1 Borrowings

Ind AS 109, 'Financial Instruments' requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred. Accordingly, borrowings as at 01 April 2016 and 31 March 2017 have been reduced with a corresponding adjustment to retained earnings.

2 Government grant

Under the previous GAAP, the Export Promotion Capital Goods (EPCG) benefit received was netted off with the value of property, plant & equipment (PPE). Under Ind AS, the value of PPE has been grossed up and the EPCG benefit is treated as deferred revenue to the extent the export obligations are not met.

3 Employee stock option plan

Under Previous GAAP, the intrinsic value of the employee stock option plan was recognised as an expense over the vesting period. Under Ind AS, the compensation cost of employee stock option plan is recognised based on the fair value of the options determined using an appropriate pricing model at the date of grant. Accordingly, the difference between the intrinsic value of the employee stock option plan and the fair value of the option on the date of grant has been adjusted in opening retained earnings and statement of profit and loss for 1 April 2016 and 31 March 2017 respectively.

4 Defined benefit obligation

Both under the Previous GAAP and Ind AS, the Company recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced by such amount with a corresponding adjustment on defined benefit plans has been recognized in the OCI net of tax.

5 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as ‘other comprehensive income’ includes re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under the Previous GAAP.

6 Other equity

Adjustments to retained earnings as at 31 March 2017 and 1 April 2016 has been adjusted consequent to the above Ind AS transition adjustments.

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Chairman
DIN: 03448511

Place: Jaipur
Date: 24 May 2018

Sd/-
Pushpinder Kumar
Director
DIN: 07139363

Place: Jaipur
Date: 24 May 2018

Sd/-
Arvind Razdan
Director
DIN: 07725637

Place: New Delhi
Date: 25 May 2018

Sd/-
Mayur D Vajat
Company Secretary
MM No. A44238

Place: Bangalore
Date: 26 May 2018

Sd/-
Sachin Suvarna
Chief Financial Officer

Place: Bangalore
Date: 26 May 2018

J H BUILDERS PRIVATE LIMITED
Audited Financial Statements
for the year ended
31 March 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF **J. H. BUILDERS PRIVATE LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements **M/S. J. H. BUILDERS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

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 and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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 standalone financial statements.

We believe that the audit evidence obtained by us 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 Loss, total comprehensive income, the changes in equity for the year ended on that date.

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 of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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, 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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" Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting and

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

i. The Company does not have any pending litigations which would impact its financial position.

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

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

For M/s P.Chandrasekar LLP

Chartered Accountants

Firm Registration No. 000580S/S200066

Sd/-

S.Rajagopalan

Partner

Membership No.025349

Place: Bangalore

Date: 26.05.2018

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2018, we report that:

i. a) The Company has maintained proper record showing full particulars, including quantitative details and situation of fixed assets.

b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c) The company does not have any immovable properties except the lease hold land in the name of the company hence this clause is not applicable.

ii. The Company does not hold any inventory and hence this clause is not applicable.

iii. The Company has not granted any loan to companies covered in the register maintained under section 189 of the Companies Act, 2013 during the year hence this clause is not applicable

iv. The company has not granted any of loans, investments, guarantees, and security during the year under provisions of section 185 and 186 of the Companies Act, 2013 hence this clause is not applicable .

v. The company has not accepted any deposits accordingly this clause is not applicable.

vi. As per the information and explanations given to us the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

vii. The company is generally regular in depositing, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, wherever applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2018 for a period of more than six months from the date they became payable.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

ix. The company has not raised moneys by way of initial public offer or further public offer during the year and the company has not availed any new terms loans during the year.

x. During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

xi. The company has not paid / provided managerial remuneration during the year hence this clause not applicable

xii. The company is not a Nidhi company hence this clause is not applicable

xiii. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act,2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards

xiv. The company has not issued any shares or Debentures during the year hence this clause is not applicable.

xv. The company has not entered into any non-cash transactions with directors or persons connected with him hence this clause not applicable

xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 hence this clause not applicable

For M/s P.Chandrasekar LLP

Chartered Accountants

Firm Registration No. 000580S/S200066

Sd/-

S.Rajagopalan

Partner

Membership No.025349

Place: Bangalore

Date: 26.05.2018

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **J. H. BUILDERS PRIVATE LIMITED**("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 M/s P.Chandrasekar LLP
Chartered Accountants
Firm Registration No. 000580S/S200066

Sd/-
S.Rajagopalan
Partner
Membership No.025349

Place: Bangalore
Date: 26.05.2018

J. H. Builders Private Limited
Balance Sheet as at 31 March 2018

	Notes	As at 31 March 2018 ₹	As at 31 March 2017 ₹	As at 01 April 2016 ₹
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	9,58,70,297	9,69,50,206	9,80,30,115
		9,58,70,297	**9,69,50,206**	**9,80,30,115**
Current assets				
(a) Financial assets				
(i) Cash and cash equivalents	4	10,570	10,805	11,036
		10,570	**10,805**	**11,036**
TOTAL ASSETS		**9,58,80,867**	**9,69,61,011**	**9,80,41,151**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	5	1,00,000	1,00,000	1,00,000
(b) Other equity		9,12,22,662	9,23,14,606	9,34,06,246
		9,13,22,662	**9,24,14,606**	**9,35,06,246**
Liabilities				
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	6	23,37,657	23,37,657	23,37,657
(b) Other current liabilities	7	22,20,548	22,08,748	21,97,248
		45,58,205	**45,46,405**	**45,34,905**
TOTAL EQUITY AND LIABILITIES		**9,58,80,867**	**9,69,61,011**	**9,80,41,151**

See accompanying notes forming part of these financial statements.
In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place: Bengaluru
Date: 26 May 2018

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Chairman
DIN: 03448511

Place: Jaipur
Date: 24 May 2018

Sd/-
Pushpinder Kumar
Director
DIN: 07139363

Place: Jaipur
Date: 24 May 2018

Sd/-
Arvind Razdan
Director
DIN: 07725637

Place: New Delhi
Date: 25 May 2018

J. H. Builders Private Limited
Statement of Profit and Loss for the year ended 31 March 2018

	Notes	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
Revenue			
Revenue from operations		-	-
Other income		-	-
Total revenue		**-**	**-**
Expenses			
Finance costs	8	235	231
Depreciation and amortisation	9	10,79,909	10,79,909
Other expenses	10	11,800	11,500
Total expenses		**10,91,944**	**10,91,640**
Profit before tax		**(10,91,944)**	**(10,91,640)**
Tax expense		-	-
Profit / (Loss) after tax		**(10,91,944)**	**(10,91,640)**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
a) Remeasurement (losses)/gains in defined benefit plans			
Income tax effect		-	-
Net of items that will not be reclassified to profit or loss		-	-
Items that will be reclassified subsequently to profit or loss			
Net of items that will be reclassified subsequently to profit or loss		-	-
Other comprehensive income/(loss), net of tax		**-**	**-**
Total comprehensive income for the period		**(10,91,944)**	**(10,91,640)**
Earnings per equity share of ₹ 10 each			
Basic/Diluted	11	(109.19)	(109.16)

See accompanying notes to Financial Statements.

In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place: Bengaluru
Date: 26 May 2018

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Chairman
DIN: 03448511

Place: Jaipur
Date: 24 May 2018

Sd/-
Pushpinder Kumar
Director
DIN: 07139363

Place: Jaipur
Date: 24 May 2018

Sd/-
Arvind Razdan
Director
DIN: 07725637

Place: New Delhi
Date: 25 May 2018

J. H. Builders Private Limited
Cash Flow Statement for the year ended 31 March 2018

	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
A. Cash flow from operating activities		
Net profit before tax	**(10,91,944)**	**(10,91,640)**
Adjustments for:		
Depreciation and amortisation	10,79,909	10,79,909
Operating profit before working capital changes	**(12,035)**	**(11,731)**
Changes in working capital:		
Increase/(decrease) in provisions, trade payables and other liabilities	11,800	11,500
Cash generated from operations	**(235)**	**(231)**
Direct taxes paid (net)		
Net cash generated from operating activities	**(235)**	**(231)**
B. Cash flows from investing activities	**-**	**-**
Net cash (used in)/generated from investing activities	**-**	**-**
C. Cash flows from financing activities	**-**	**-**
Net cash (used in) from financing activities	**-**	**-**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(235)**	**(231)**
Cash and cash equivalents at the beginning of the year	**10,805**	**11,036**
Cash and cash equivalents at the end of the year	**10,570**	**10,805**

In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place: Bengaluru
Date: 26 May 2018

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Chairman
DIN: 03448511

Place: Jaipur
Date: 24 May 2018

Sd/-
Pushpinder Kumar
Director
DIN: 07139363

Place: Jaipur
Date: 24 May 2018

Sd/-
Arvind Razdan
Director
DIN: 07725637

Place: New Delhi
Date: 25 May 2018

J. H. Builders Private Limited
Statement of Changes in Equity for the year ended 31 March 2018

A. Equity share capital

	Equity shares Number	Equity shares Amount ₹
Equity shares of ₹ 10 each, fully paid-up		
As at 1 April 2016	10,000	1,00,000
Add: Issued and subscribed during the year	-	-
As at 31 March 2017	**10,000**	**1,00,000**
Add: Issued and subscribed during the year	-	-
As at 31 March 2018	**10,000**	**1,00,000**

B. Other equity

For the year ended 31 March 2018

Amount in ₹

	Reserves and Surplus	Items of OCI	Total
	Retained Earnings	DBO Remeasurement	
Balance as at 31 March 2017	**9,23,14,606**	**-**	**9,23,14,606**
Profit for the period	(10,91,944)	-	(10,91,944)
Other comprehensive income/(loss), net of tax	-	-	-
Total Comprehensive Income	**(10,91,944)**	**-**	**(10,91,944)**
Recognition of share based payment	-	-	-
Balance as at 31 March 2018	**9,12,22,662**	**-**	**9,12,22,662**

For the year ended 31 March 2017

Amount in ₹

	Reserves and Surplus	Items of OCI	Total
	Retained Earnings	DBO Remeasurement	
Balance as at 1 April 2016	**9,34,06,246**	**-**	**9,34,06,246**
Profit for the year	(10,91,640)	-	(10,91,640)
Other comprehensive income/(loss), net of tax	-	-	-
Total comprehensive income	**(10,91,640)**	**-**	**(10,91,640)**
Recognition of share based payment	-	-	-
Balance as at 31 March 2017	**9,23,14,606**	**-**	**9,23,14,606**

See accompanying notes to Financial Statements.
In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place: Bengaluru
Date: 26 May 2018

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Chairman
DIN: 03448511

Place: Jaipur
Date: 24 May 2018

Sd/-
Pushpinder Kumar
Director
DIN: 07139363

Place: Jaipur
Date: 24 May 2018

Sd/-
Arvind Razdan
Director
DIN: 07725637

Place: New Delhi
Date: 25 May 2018

1. General Information:

J.H.Builders Private Limited (‘the Company’) was incorporated on 30 May 1995 as a private limited company providing hospitality services.

2. Summary of significant accounting policies

a) Statement of compliance

Financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 24th May 2018.

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (“Previous GAAP”). These are the first Ind AS financial statements of the Company. The date of transition to Ind AS is 1 April 2016. Refer note 39 for the details of first-time adoption exemptions availed by the Company, reconciliations and descriptions of the effect of the transition.

b) Basis of accounting and preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its financial statements as per the Indian Accounting Standards (‘Ind AS’) prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1 April, 2017. Accordingly, the Company has prepared these financial statements which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the year ended 31 March, 2018, and accounting policies and other explanatory information (together hereinafter referred to as" financial statements”).

The financial Statements have been prepared using the significant accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

The financial Statements have been prepared on the 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.

c) Use of estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Company bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the amounts recognized in the financial Statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Classification of leases

The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee’s option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset’s economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

2. Summary of significant accounting policies (cont'd)

c) Use of estimates (Cont'd)

Recognition of deferred tax assets
The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions

Evaluation of indicators for impairment of assets
The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Recoverability of advances / receivables
At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Useful lives of depreciable / amortisable assets
Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

Defined benefit obligation (DBO)
Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements
Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

d) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as 12 months.
Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

e) Property, plant and equipment

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its Previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

2. Summary of significant accounting policies (cont'd)

e) Property, plant and equipment (cont'd)

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows as per the indicative useful life prescribed in Schedule II to the Companies Act, 2013:

Asset Category	Useful lives (in years)
Buildings	30
Plant and equipment	15
Furniture and fixtures	8
Vehicles	6
Office equipment	5
Computer equipment	3

Leasehold land is amortised over the period of lease.
The Company has evaluated the applicability of component accounting as prescribed under Ind AS 16 and Schedule II of the Companies Act, 2013, the management has not identified any significant component having different useful lives. Schedule II requires the Company to identify and depreciate significant components with different useful lives separately.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

f) Investment properties

Recognition and initial measurement
Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes to the financial statements. Fair values are determined based on an annual evaluation performed by an accredited external 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.

Subsequent measurement
Depreciation on investment properties is provided on the straight-line method, computed on the basis of useful lives prescribed under Part C of Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded,

De-recognition
Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

g) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

J. H. Builders Private Limited
Notes to the financial statements

2. Summary of significant accounting policies (cont'd)

h) Revenue recognition

Revenue from contracts with customers is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

Income from services
Revenues comprise income from the sale of room nights, food, beverages and allied services during a guest's stay at the hotel. Room revenue is recognised based on occupation and revenue from sale of food, beverages and other allied services, as the respective services are rendered with reasonable certainty of ultimate collection. Other revenues are recognised as and when the services are performed or the right to receive claim is established, with reasonable certainty for ultimate collection. Rebates and discounts granted to customers are reduced from revenue.
Income from management and technical services are recognised as the services are rendered based on the terms of the contract.
Unbilled revenues' represent revenues recognised on services rendered, for which amounts are to be billed in subsequent periods.

Interest income

Interest income is reported on an accrual basis using the effective interest method and is included under the head "other income" in the Statement of Profit and Loss.

i) Employee benefits

Employee benefits include provident fund, employee state insurance scheme, labour welfare fund, gratuity and compensated absences. Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan
Retirement benefit in the form of provident fund and employee state insurance scheme is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and employee state insurance scheme. The Company recognises contribution payable to the schemes as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan
Gratuity
The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Compensated absences
The Company provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of vesting as well as non vesting benefit. The cost of short term compensated absences are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs.

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period. Further, as required under Ind AS compliant Schedule III, the Company transfers those amounts recognized in other comprehensive income to retained earnings in the statement of changes in equity and in the balance sheet.

Short-term employee benefits
Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee

2. Summary of significant accounting policies (cont'd)

j) Share based payments

The Company has equity-settled share-based remuneration plans for its employees. None of the Company's plans are cash-settled.
Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.
Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

k) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.
For arrangements entered into prior to 1 April 2016 (date of transition to Ind AS), the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Finance Lease
A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at fair value of the leased property or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset.

Operating Lease
Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

l) Foreign currency transactions

Functional and presentation currency
The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupees (₹)

Transactions and balances

- Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit or Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

- Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

- Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2. Summary of significant accounting policies (cont'd)

n) Inventories

Inventory comprises food, beverages, stores and spare parts and are valued at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the goods to their present location and condition and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion to make the sale.

o) Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.
Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.
Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

p) Provisions and contingencies

Provisions
A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets
Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments

Financial assets

Initial recognition and measurement
All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
i. Debt instruments at amortised cost;
ii. Debt instruments at fair value through other comprehensive income (FVTOCI);
iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL); and
iv. Equity investments.

i. Debt instruments at amortised cost
A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

ii. Debt instrument at FVTOCI
A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit & loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit & loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instrument at FVTPL
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

iv. Equity investments
All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 Business Combinations, applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election 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 recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments (cont'd)

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings
This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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.

This category generally applies to borrowings.

Financial guarantee contracts
Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 Financial Instruments and the amount recognised less cumulative amortisation.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments (cont'd)

Derecognition of financial liabilities
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.

r) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables
The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets
For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

s) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2. Summary of significant accounting policies (cont'd)

t) Cash and cash equivalents

Cash and cash equivalent in the statement of financial position comprises cash at banks and on hand, demand deposits, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value.

u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the business of operating and managing hotels/ resorts and providing related services, which constitutes its single reportable segment.

v) Earnings/ (Loss) per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

w) Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21,Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.
The amendment will come into force form April 1, 2018. The Company is evaluating the requirements of Ind AS 21 and its effect on the financial statements.

Ind AS 115- Revenue from Contract with Customers:
On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.
The standard permits two possible methods of transition:
a. Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.
b. Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch-up approach)
The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018
The Company is evaluating the requirements of Ind AS 115 and its effect on the financial statements.

J. H. Builders Private Limited
Notes to the financial statements

3 Property, plant and equipment

Amount in ₹

Particulars	Land (Leasehold)	Total
<u>**Gross Block**</u>		
Balance as at 01 April 2016	**10,69,11,041**	**10,69,11,041**
Additions	-	-
Disposals/Adjustments	-	-
Balance as at 31 March 2017	**10,69,11,041**	**10,69,11,041**
Additions	-	-
Disposals/Adjustments	-	-
Balance as at 31 Mar 2018	**10,69,11,041**	**10,69,11,041**
<u>**Accumulated depreciation**</u>		
Balance as at 01 April 2016	**88,80,926**	**88,80,926**
Charge for the year	10,79,909	10,79,909
Reversal on disposal/adjustments	-	-
Balance as at 31 March 2017	**99,60,835**	**99,60,835**
Charge for the year	10,79,909	10,79,909
Reversal on disposal/adjustments	-	-
Balance as at 31 March 2018	**1,10,40,744**	**1,10,40,744**
<u>**Net block**</u>		
Balance as at 01 April 2016	**9,80,30,115**	**9,80,30,115**
Balance as at 31 March 2017	**9,69,50,206**	**9,69,50,206**
Balance as at 31 March 2018	**9,58,70,297**	**9,58,70,297**

		As at 31 March 2018 ₹	As at 31 March 2017 ₹	As at 01 April 2016 ₹
4	**Cash and cash equivalents**			
	Balances with banks			
	- in current accounts	10,570	10,805	11,036
		10,570	**10,805**	**11,036**

J. H. Builders Private Limited
Notes to the financial statements

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number	Amounts ₹	Number	Amounts ₹	Number	Amounts ₹
5 Share capital						
Authorised share capital						
Equity shares of ₹ 10 each	10,000	1,00,000	10,000	1,00,000	10,000	1,00,000
	10,000	**1,00,000**	**10,000**	**1,00,000**	**10,000**	**1,00,000**
Issued, subscribed and fully paid up						
Equity shares of ₹ 10 each	10,000	1,00,000	10,000	1,00,000	10,000	1,00,000
	10,000	**1,00,000**	**10,000**	**1,00,000**	**10,000**	**1,00,000**

a) Reconciliation of share capital

There have been no changes in the number of equity shares and amount outstanding at the beginning and at the end of the reporting period.

b) Details of shares held by the holding company and its subsidiary

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number	Amounts ₹	Number	Amounts ₹	Number	Amounts ₹
Equity shares of ₹10 each with voting rights						
Royal Orchid Hotels Limited - Holding Company	4,999	49,990	5,000	50,000	5,000	50,000
Royal Orchid Goa Private Limited - Fellow Subsidiary	1	10	-	-	-	-
	5,000	**50,000**	**5,000**	**50,000**	**5,000**	**50,000**

c) Shareholders holding more than 5% of the shares of the Company

	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares
Equity shares of ₹10 each						
Royal Orchid Hotels Limited	4,999	49.99%	5,000	50.00%	5,000	50.00%
Mr. Rajesh Tambi	1,250	12.50%	1,250	12.50%	1,250	12.50%
Mr. Rupesh Tambi	1,250	12.50%	1,250	12.50%	1,250	12.50%
Mr. Ratnesh Tambi	1,250	12.50%	1,250	12.50%	1,250	12.50%
Mrs. Sumitra Tambi	1,000	10.00%	1,000	10.00%	1,000	10.00%
	9,749	**97.49%**	**9,750**	**97.50%**	**9,750**	**97.50%**

d) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each equity share is entitled to one vote per share. Dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and shall be payable in Indian Rupees. In the event of liquidation of the Company, the shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years

The Company has not issued any bonus shares or any shares for consideration other than cash nor has there been any buy back of shares during five years immediately preceding 31 March 2018.

J. H. Builders Private Limited
Notes to the financial statements

		As at 31 March 2018 ₹	As at 31 March 2017 ₹	As at 01 April 2016 ₹
6	**Borrowings**			
	Unsecured			
	Loans repayable on demand from related parties	23,37,657	23,37,657	23,37,657
		23,37,657	**23,37,657**	**23,37,657**
7	**Other current liabilities**			
	Interest accrued and due on borrowings	7,36,645	7,36,645	7,36,645
	Dues to related parties	13,99,727	13,99,727	13,99,727
	Others	84,176	72,376	60,876
		22,20,548	**22,08,748**	**21,97,248**

		Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
8	**Finance costs**		
	Bank charges	235	231
		235	**231**
9	**Depreciation and amortisation**		
	Amortisation on leasehold land (refer note 3)	10,79,909	10,79,909
		10,79,909	**10,79,909**
10	**Other expenses**		
	Legal and professional	11,800	11,500
		11,800	**11,500**
11	**Earnings per share**		
	Weighted average number of shares outstanding	10,000	10,000
	Net profit after tax attributable to equity shareholders in ₹	(10,91,944)	(10,91,640)
	Basic and diluted earnings per share in ₹	(109.19)	(109.16)
	Nominal value per equity share in ₹	10	10

J. H. Builders Private Limited
Notes to the financial statements

12 Related parties

i. Parties where control exists

Name of party	Nature of relationship
Royal Orchid Hotels Limited	Holding company
Ksheer Sagar Developers Private Limited	Fellow Subsidiary

ii. Key management personnel (KMP)

Mr. Jagdish Prasad Tambi	Managing Director
Mr. Rupesh Tambi	Director
Mr. Amit Jaiswal	Director
Mr. Pushpinder Kumar	Director

iii. Balances payable to related parties is summarised below:

Name of Parties	Relationship	As at 31 March 2018 ₹	As at 31 March 2017 ₹	As at 01 April 2016 ₹
Ksheer Sagar Developers Private Limited	Fellow Subsidiary	13,99,727	13,99,727	13,99,727
Mr. Jagdish Prasad Tambi	Managing Director	11,71,974	11,71,974	11,71,974
Royal Orchid Hotels Limited	Holding company	11,65,683	11,65,683	11,65,683

13 Payment to auditors

	As at 31 March 2018 ₹	As at 31 March 2017 ₹
for audit fees	11,800	11,500
	11,800	**11,500**

14 Fair value measurements

(i) Financial instruments by category

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

Particulars	As at 31 March 2018 ₹	As at 31 March 2017 ₹
A. Financial assets		
a) Measured at amortised cost		
Current assets		
(i) Cash and cash equivalents	10,570	10,805
	10,570	**10,805**
b) Measured at fair value through OCI	-	-
c) Measured at fair value through profit or loss	-	-
Total financial assets	**10,570**	**10,805**
B. Financial liabilities		
a) Measured at amortised cost		
Current liabilities		
(i) Borrowings	23,37,657	23,37,657
(ii) Other current liabilities	22,20,548	22,08,748
	45,58,205	**45,46,405**
b) Measured at fair value through OCI	-	-
c) Measured at fair value through profit or loss	-	-
Total financial liabilities	**45,58,205**	**45,46,405**

Notes:

(i) The fair value of trade receivables, trade payables and other Current financial assets and liabilities are considered to be equal to the carrying amounts of these items due to their short – term nature.

(ii) The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(iii) The management assessed that for amortised cost instruments, the fair value approximates largely to the carrying amount.

15 First-time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP').

Accordingly, the Company has prepared the financial statements for the comparitive period as at and for the year ended 31 March 2017 that comply with the applicable Ind AS, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at 1 April 2016 and the comparitive financial statements as at and for the year ended 31 March 2017.

A. Ind AS optional exemptions

A1. Deemed cost for property, plant and equipment, investment property and intangible assets

Ind AS 101 First-time Adoption of Indian Accounting Standards, permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

B. Ind AS mandatory exemptions

B1. Estimates

In accordance with Ind AS, as at the date of transition to Ind AS an entity's estimates shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP except impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition this was not required under the previous GAAP.

B2. Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 Financial Instruments are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

a) The effects of the retrospective application or retrospective restatement are not determinable; or

b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period; or

c) The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

B3. De-recognition of financial assets and liabilities

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires a first-time adopter to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 First-time Adoption of Indian Accounting Standards, allows a first-time adopter to apply the de-recognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively from the date of transition to Ind AS.

J. H. Builders Private Limited
Notes to the financial statements

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS as at the periods specified below.

C1. Reconciliation of other equity

The Company has also prepared a reconciliation of equity as at 31 March 2017 and 1 April 2016 under the previous GAAP with the equity as reported in these financial statements under Ind AS, that reflect the impact of Ind AS on the components of statement of Balance sheet which is presented below:

Particulars	**As at 31 March 2017 ₹**	**As at 31 March 2016 ₹**
Equity as reported under previous GAAP	**9,23,14,605**	**9,34,06,246**
Adjustments on account of:		
(i) Measurement of financial assets and liabilities at amortised cost	-	-
(ii) Changes in the value of property, plant and equipment arising from government grants	-	-
Equity under Ind AS	**9,23,14,605**	**9,34,06,246**

C2. Reconciliation of total comprehensive income

Particulars	**Year ended 31 March 2017 ₹**
Profit after tax as reported under previous GAAP	**(40,245)**
Adjustments on account of:	
(i) Amortisation expense from Revaluation Reserve	(10,51,395)
Profit after tax as reported under Ind AS	**(10,91,640)**
Other comprehensive income / (loss) (net of tax)	-
Total comprehensive income / (loss) as reported under Ind AS	**(10,91,640)**

* The Previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Chairman
DIN: 03448511

Place: Jaipur
Date: 24 May 2018

Sd/-
Pushpinder Kumar
Director
DIN: 07139363

Place: Jaipur
Date: 24 May 2018

Sd/-
Arvind Razdan
Director
DIN: 07725637

Place: New Delhi
Date: 25 May 2018

KSHEER SAGAR BUILDCON PRIVATE LIMITED

Audited Financial Statements

for the year ended

31 March 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF **KSHEER SAGAR BUILDCON PRIVATE LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements **M/S. KSHEER SAGAR BUILDCON PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

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 and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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 standalone financial statements.

We believe that the audit evidence obtained by us 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 Loss, total comprehensive income, the changes in equity for the year ended on that date.

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 of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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, 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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" Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting and

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

   i. The Company does not have any pending litigations which would impact its financial position.

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

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

For M/s P.Chandrasekar LLP
Chartered Accountants
Firm Registration No. 000580S/S200066

Sd/-
S.Rajagopalan
Partner
Membership No.025349

Place: Bangalore
Date: 26 May 2018

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2018, we report that:

i. a) The Company has maintained proper record showing full particulars, including quantitative details and situation of fixed assets.

b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c) The company does not have any immovable properties except the lease hold land in the name of the company hence this clause is not applicable.

ii. The Company does not hold any inventory and hence this clause is not applicable.

iii. The Company has not granted any loan to companies covered in the register maintained under section 189 of the Companies Act, 2013 during the year hence this clause is not applicable

iv. The company has not granted any of loans, investments, guarantees, and security during the year under provisions of section 185 and 186 of the Companies Act, 2013 hence this clause is not applicable .

v. The company has not accepted any deposits accordingly this clause is not applicable.

vi. As per the information and explanations given to us the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

vii. The company is generally regular in depositing, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, wherever applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2018 for a period of more than six months from the date they became payable.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

ix. The company has not raised moneys by way of initial public offer or further public offer during the year and the company has not availed any new terms loans during the year.

x. During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

xi. The company has not paid / provided managerial remuneration during the year hence this clause not applicable

xii. The company is not a Nidhi company hence this clause is not applicable

xiii. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act,2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards

xiv. The company has not issued any shares or Debentures during the year hence this clause is not applicable.

xv. The company has not entered into any non-cash transactions with directors or persons connected with him hence this clause not applicable

xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 hence this clause not applicable

For M/s P.Chandrasekar LLP

Chartered Accountants

Firm Registration No. 000580S/S200066

Sd/-

S.Rajagopalan

Partner

Membership No.025349

Place: Bangalore

Date: 26 May 2018

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **KSHEER SAGAR BUILDCON PRIVATE LIMITED**("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 M/s P.Chandrasekar LLP
Chartered Accountants
Firm Registration No. 000580S/S200066

Sd/-
S.Rajagopalan
Partner
Membership No.025349

Place: Bangalore
Date: 26 May 2018

Ksheer Sagar Buildcon Private Limited
Balance Sheet as at 31 March 2018

	Notes	As at 31 March 2018 ₹	As at 31 March 2017 ₹	As at 01 April 2016 ₹
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	9,58,70,409	9,69,50,318	9,80,30,227
		9,58,70,409	**9,69,50,318**	**9,80,30,227**
Current assets				
(a) Financial assets				
(i) Cash and cash equivalents	4	10,670	10,905	11,136
		10,670	**10,905**	**11,136**
TOTAL ASSETS		**9,58,81,079**	**9,69,61,223**	**9,80,41,363**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	5	1,00,000	1,00,000	1,00,000
(b) Other equity		9,13,21,581	9,24,13,525	9,35,05,165
		9,14,21,581	**9,25,13,525**	**9,36,05,165**
Liabilities				
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	6	22,38,381	22,38,381	22,38,381
(b) Other current liabilities	7	22,21,117	22,09,317	21,97,817
		44,59,498	**44,47,698**	**44,36,198**
TOTAL EQUITY AND LIABILITIES		**9,58,81,079**	**9,69,61,223**	**9,80,41,363**

See accompanying notes forming part of these financial statements.
In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place: Bengaluru
Date: 26 May 2018

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Chairman
DIN: 03448511

Place: Jaipur
Date: 24 May 2018

Sd/-
Pushpinder Kumar
Director
DIN: 07139363

Place: Jaipur
Date: 24 May 2018

Sd/-
Arvind Razdan
Director
DIN: 07725637

Place: New Delhi
Date: 25 May 2018

Ksheer Sagar Buildcon Private Limited
Statement of Profit and Loss for the year ended 31 March 2018

	Notes	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
Revenue			
Revenue from operations		-	-
Other income		-	-
Total revenue		**-**	**-**
Expenses			
Finance costs	8	235	231
Depreciation and amortisation	9	10,79,909	10,79,909
Other expenses	10	11,800	11,500
Total expenses		**10,91,944**	**10,91,640**
Profit before tax		**(10,91,944)**	**(10,91,640)**
Tax expense		-	-
Profit after tax		**(10,91,944)**	**(10,91,640)**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
a) Remeasurement (losses)/gains in defined benefit plans			
Income tax effect		-	-
Net of items that will not be reclassified to profit or loss		-	-
Items that will be reclassified subsequently to profit or loss			
Net of items that will be reclassified subsequently to profit or loss		-	-
Other comprehensive income/(loss), net of tax		**-**	**-**
Total comprehensive income for the period		**(10,91,944)**	**(10,91,640)**
Earnings per equity share of ₹ 10 each			
Basic/Diluted	11	(109.19)	(109.16)

See accompanying notes to Financial Statements.
In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place: Bengaluru
Date: 26 May 2018

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Chairman
DIN: 03448511

Place: Jaipur
Date: 24 May 2018

Sd/-
Pushpinder Kumar
Director
DIN: 07139363

Place: Jaipur
Date: 24 May 2018

Sd/-
Arvind Razdan
Director
DIN: 07725637

Place: New Delhi
Date: 25 May 2018

Ksheer Sagar Buildcon Private Limited
Cash Flow Statement for the year ended 31 March 2018

	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
A. Cash flow from operating activities		
Net profit before tax	**(10,91,944)**	**(10,91,640)**
Adjustments for:		
Depreciation and amortisation	10,79,909	10,79,909
Operating profit before working capital changes	**(12,035)**	**(11,731)**
Changes in working capital:		
Increase/(decrease) in provisions, trade payables and other liabilities	11,800	11,500
Cash generated from operations	**(235)**	**(231)**
Direct taxes paid (net)		
Net cash generated from operating activities	**(235)**	**(231)**
B. Cash flows from investing activities	**-**	**-**
Net cash (used in)/generated from investing activities	**-**	**-**
C. Cash flows from financing activities	**-**	**-**
Net cash (used in) from financing activities	**-**	**-**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(235)**	**(231)**
Cash and cash equivalents at the beginning of the year	**10,905**	**11,136**
Cash and cash equivalents at the end of the year	**10,670**	**10,905**

In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place: Bengaluru
Date: 26 May 2018

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Chairman
DIN: 03448511

Place: Jaipur
Date: 24 May 2018

Sd/-
Pushpinder Kumar
Director
DIN: 07139363

Place: Jaipur
Date: 24 May 2018

Sd/-
Arvind Razdan
DIN: 07725637

Place: New Delhi
Date: 25 May 2018

Ksheer Sagar Buildcon Private Limited
Statement of Changes in Equity for the year ended 31 March 2018

A. Equity share capital

	Equity shares Number	Equity shares Amount ₹
Equity shares of ₹ 10 each, fully paid-up		
As at 1 April 2016	10,000	1,00,000
Add: Issued and subscribed during the year	-	-
As at 31 March 2017	**10,000**	**1,00,000**
Add: Issued and subscribed during the year	-	-
As at 31 March 2018	**10,000**	**1,00,000**

B. Other equity

For the year ended 31 March 2018

Amount in ₹

	Reserves and Surplus	Items of OCI	Total
	Retained Earnings	DBO Remeasurement	
Balance as at 31 March 2017	**9,24,13,525**	**-**	**9,24,13,525**
Profit for the period	(10,91,944)	-	(10,91,944)
Other comprehensive income/(loss), net of tax	-	-	-
Total Comprehensive Income	**(10,91,944)**	**-**	**(10,91,944)**
Recognition of share based payment	-	-	-
Balance as at 31 March 2018	**9,13,21,581**	**-**	**9,13,21,581**

For the year ended 31 March 2017

Amount in ₹

	Reserves and Surplus	Items of OCI	Total
	Retained Earnings	DBO Remeasurement	
Balance as at 1 April 2016	**9,35,05,165**	**-**	**9,35,05,165**
Profit for the year	(10,91,640)	-	(10,91,640)
Other comprehensive income/(loss), net of tax	-	-	-
Total comprehensive income	**(10,91,640)**	**-**	**(10,91,640)**
Recognition of share based payment	-	-	-
Balance as at 31 March 2017	**9,24,13,525**	**-**	**9,24,13,525**

See accompanying notes to Financial Statements.
In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place: Bengaluru
Date: 26 May 2018

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Chairman
DIN: 03448511

Place: Jaipur
Date: 24 May 2018

Sd/-
Pushpinder Kumar
Director
DIN: 07139363

Place: Jaipur
Date: 24 May 2018

Sd/-
Arvind Razdan
Director
DIN: 07725637

Place: New Delhi
Date: 25 May 2018

Ksheer Sagar Buildcon Private Limited
Notes to the financial statements

1. General Information:

Ksheer Sagar Buildcon Private Limited (‘the Company’) was incorporated on 13 September 1995 as a private limited company providing hospitality services.

2. Summary of significant accounting policies

a) Statement of compliance

Financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 24th May 2018.

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (“Previous GAAP”). These are the first Ind AS financial statements of the Company. The date of transition to Ind AS is 1 April 2016. Refer note 39 for the details of first-time adoption exemptions availed by the Company, reconciliations and descriptions of the effect of the transition.

b) Basis of accounting and preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its financial statements as per the Indian Accounting Standards (‘Ind AS’) prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1 April, 2017. Accordingly, the Company has prepared these financial statements which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the year ended 31 March, 2018, and accounting policies and other explanatory information (together hereinafter referred to as" financial statements”).

The financial Statements have been prepared using the significant accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

The financial Statements have been prepared on the 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.

c) Use of estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Company bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the amounts recognized in the financial Statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Classification of leases

The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee’s option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset’s economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

2. Summary of significant accounting policies (cont'd)

c) Use of estimates (Cont'd)

Recognition of deferred tax assets
The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions

Evaluation of indicators for impairment of assets
The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Recoverability of advances / receivables
At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Useful lives of depreciable / amortisable assets
Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

Defined benefit obligation (DBO)
Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements
Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

d) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as 12 months.
Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

e) Property, plant and equipment

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its Previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.
Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

2. Summary of significant accounting policies (cont'd)

e) Property, plant and equipment (cont'd)

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows as per the indicative useful life prescribed in Schedule II to the Companies Act, 2013:

Asset Category	Useful lives (in years)
Buildings	30
Plant and equipment	15
Furniture and fixtures	8
Vehicles	6
Office equipment	5
Computer equipment	3

Leasehold land is amortised over the period of lease.
The Company has evaluated the applicability of component accounting as prescribed under Ind AS 16 and Schedule II of the Companies Act, 2013, the management has not identified any significant component having different useful lives. Schedule II requires the Company to identify and depreciate significant components with different useful lives separately.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

f) Investment properties

Recognition and initial measurement
Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes to the financial statements. Fair values are determined based on an annual evaluation performed by an accredited external 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.

Subsequent measurement
Depreciation on investment properties is provided on the straight-line method, computed on the basis of useful lives prescribed under Part C of Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded,

De-recognition
Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

g) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

Ksheer Sagar Buildcon Private Limited
Notes to the financial statements

2. Summary of significant accounting policies (cont'd)

h) Revenue recognition

Revenue from contracts with customers is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

Income from services
Revenues comprise income from the sale of room nights, food, beverages and allied services during a guest's stay at the hotel. Room revenue is recognised based on occupation and revenue from sale of food, beverages and other allied services, as the respective services are rendered with reasonable certainty of ultimate collection. Other revenues are recognised as and when the services are performed or the right to receive claim is established, with reasonable certainty for ultimate collection. Rebates and discounts granted to customers are reduced from revenue.
Income from management and technical services are recognised as the services are rendered based on the terms of the contract.
Unbilled revenues' represent revenues recognised on services rendered, for which amounts are to be billed in subsequent periods.

Interest income
Interest income is reported on an accrual basis using the effective interest method and is included under the head "other income" in the Statement of Profit and Loss.

i) Employee benefits

Employee benefits include provident fund, employee state insurance scheme, labour welfare fund, gratuity and compensated absences. Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan
Retirement benefit in the form of provident fund and employee state insurance scheme is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and employee state insurance scheme. The Company recognises contribution payable to the schemes as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan
Gratuity
The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Compensated absences
The Company provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of vesting as well as non vesting benefit. The cost of short term compensated absences are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs.

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period. Further, as required under Ind AS compliant Schedule III, the Company transfers those amounts recognized in other comprehensive income to retained earnings in the statement of changes in equity and in the balance sheet.

Short-term employee benefits
Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee

2. Summary of significant accounting policies (cont'd)

j) Share based payments

The Company has equity-settled share-based remuneration plans for its employees. None of the Company's plans are cash-settled.
Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.
Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

k) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.
For arrangements entered into prior to 1 April 2016 (date of transition to Ind AS), the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Finance Lease
A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at fair value of the leased property or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset.

Operating Lease
Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

l) Foreign currency transactions

Functional and presentation currency
The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupees (₹)

Transactions and balances
- Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit or Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

- Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

- Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2. Summary of significant accounting policies (cont'd)

n) Inventories

Inventory comprises food, beverages, stores and spare parts and are valued at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the goods to their present location and condition and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion to make the sale.

o) Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.
Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.
Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

p) Provisions and contingencies

Provisions
A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets
Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments

Financial assets

Initial recognition and measurement
All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
i. Debt instruments at amortised cost;
ii. Debt instruments at fair value through other comprehensive income (FVTOCI);
iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL); and
iv. Equity investments.

i. Debt instruments at amortised cost
A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

ii. Debt instrument at FVTOCI
A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit & loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit & loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instrument at FVTPL
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

iv. Equity investments
All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 Business Combinations, applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election 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 recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments (cont'd)

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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.

This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 Financial Instruments and the amount recognised less cumulative amortisation.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments (cont'd)

Derecognition of financial liabilities
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.

r) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables
The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets
For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

s) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2. Summary of significant accounting policies (cont'd)

t) Cash and cash equivalents

Cash and cash equivalent in the statement of financial position comprises cash at banks and on hand, demand deposits, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value.

u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the business of operating and managing hotels/ resorts and providing related services, which constitutes its single reportable segment.

v) Earnings/ (Loss) per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

w) Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21,Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.
The amendment will come into force form April 1, 2018. The Company is evaluating the requirements of Ind AS 21 and its effect on the financial statements.

Ind AS 115- Revenue from Contract with Customers:
On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.
The standard permits two possible methods of transition:
a. Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.
b. Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch-up approach)
The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018
The Company is evaluating the requirements of Ind AS 115 and its effect on the financial statements.

Ksheer Sagar Buildcon Private Limited
Notes to the financial statements

3 Property, plant and equipment

Amount in ₹

Particulars	Land (Freehold)	Total
Gross Block		
Balance as at 01 April 2016	**10,69,11,041**	**10,69,11,041**
Additions	-	-
Disposals/Adjustments	-	-
Balance as at 31 March 2017	**10,69,11,041**	**10,69,11,041**
Additions	-	-
Disposals/Adjustments	-	-
Balance as at 31 Mar 2018	**10,69,11,041**	**10,69,11,041**
Accumulated depreciation		
Balance as at 01 April 2016	**88,80,814**	**88,80,814**
Charge for the year	10,79,909	10,79,909
Reversal on disposal/adjustments	-	-
Balance as at 31 March 2017	**99,60,723**	**99,60,723**
Charge for the year	10,79,909	10,79,909
Reversal on disposal/adjustments	-	-
Balance as at 31 March 2018	**1,10,40,632**	**1,10,40,632**
Net block		
Balance as at 01 April 2016	**9,80,30,227**	**9,80,30,227**
Balance as at 31 March 2017	**9,69,50,318**	**9,69,50,318**
Balance as at 31 March 2018	**9,58,70,409**	**9,58,70,409**

		As at 31 March 2018 ₹	As at 31 March 2017 ₹	As at 01 April 2016 ₹
4	**Cash and cash equivalents**			
	Balances with banks			
	- in current accounts	10,670	10,905	11,136
		10,670	**10,905**	**11,136**

Ksheer Sagar Buildcon Private Limited
Notes to the financial statements

	As at 31 March 2018 Number	As at 31 March 2018 Amounts ₹	As at 31 March 2017 Number	As at 31 March 2017 Amounts ₹	As at 01 April 2016 Number	As at 01 April 2016 Amounts ₹
5 Share capital						
Authorised share capital						
Equity shares of ₹ 10 each	10,000	1,00,000	10,000	1,00,000	10,000	1,00,000
	10,000	**1,00,000**	**10,000**	**1,00,000**	**10,000**	**1,00,000**
Issued, subscribed and fully paid up						
Equity shares of ₹ 10 each	10,000	1,00,000	10,000	1,00,000	10,000	1,00,000
	10,000	**1,00,000**	**10,000**	**1,00,000**	**10,000**	**1,00,000**

a) Reconciliation of share capital

There have been no changes in the number of equity shares and amount outstanding at the beginning and at the end of the reporting period.

b) Details of shares held by the holding company and its subsidiary

	As at 31 March 2018 Number	As at 31 March 2018 Amounts ₹	As at 31 March 2017 Number	As at 31 March 2017 Amounts ₹	As at 01 April 2016 Number	As at 01 April 2016 Amounts ₹
Equity shares of ₹10 each with voting rights						
Royal Orchid Hotels Limited	4,999	49,990	5,000	50,000	5,000	50,000
Royal Orchid Goa Private Limited	1	10	-	-	-	-
	5,000	**50,000**	**5,000**	**50,000**	**5,000**	**50,000**

c) Shareholders holding more than 5% of the shares of the Company

Equity shares of ₹10 each with voting rights	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares
Royal Orchid Hotels Limited	4,999	49.99%	5,000	50.00%	5,000	50.00%
Mr. Rajesh Tambi	1,250	12.50%	1,250	12.50%	1,250	12.50%
Mr. Rupesh Tambi	1,250	12.50%	1,250	12.50%	1,250	12.50%
Mr. Ratnesh Tambi	1,250	12.50%	1,250	12.50%	1,250	12.50%
Mr. Jagdish Prasad Tambi	750	7.50%	750	7.50%	750	7.50%
	9,499	**94.99%**	**9,500**	**95.00%**	**9,500**	**95.00%**

d) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each equity share is entitled to one vote per share. Dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and shall be payable in Indian Rupees. In the event of liquidation of the Company, the shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years

The Company has not issued any bonus shares or any shares for consideration other than cash nor has there been any buy back of shares during five years immediately preceding 31 March 2018.

Ksheer Sagar Buildcon Private Limited
Notes to the financial statements

		As at 31 March 2018 ₹	As at 31 March 2017 ₹	As at 01 April 2016 ₹
6	**Borrowings**			
	Unsecured			
	Loans repayable on demand from related parties	22,38,381	22,38,381	22,38,381
		22,38,381	**22,38,381**	**22,38,381**
7	**Other current liabilities**			
	Interest accrued and due on borrowings	7,05,410	7,05,410	7,05,410
	Dues to related parties	14,31,532	14,31,532	14,31,532
	Others	84,175	72,375	60,875
		22,21,117	**22,09,317**	**21,97,817**

		Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
8	**Finance costs**		
	Bank charges	235	231
		235	**231**
9	**Depreciation and amortisation expense**		
	Amortisation on leasehold land (refer note 3)	10,79,909	10,79,909
		10,79,909	**10,79,909**
10	**Other expenses**		
	Legal and professional	11,800	11,500
		11,800	**11,500**
11	**Earnings per share**		
	Weighted average number of shares outstanding	10,000	10,000
	Net profit after tax attributable to equity shareholders in ₹	(10,91,944)	(10,91,640)
	Basic and diluted earnings per share in ₹	(109.19)	(109.16)
	Nominal value per equity share in ₹	10	10

Ksheer Sagar Buildcon Private Limited
Notes to the financial statements

12 Related parties

i. Parties where control exists

Name of party	Nature of relationship
Royal Orchid Hotels Limited	Holding company
Ksheer Sagar Developers Private Limited	Fellow Subsidiary

ii. Key management personnel (KMP)

Mr. Jagdish Prasad Tambi	Managing Director
Mr. Rupesh Tambi	Director
Mr. Amit Jaiswal	Director
Mr. Pushpinder Kumar	Director

iii. Balances payable to related parties is summarised below:

Name of Parties	Relationship	As at 31 March 2018 ₹	As at 31 March 2017 ₹	As at 01 April 2016 ₹
Ksheer Sagar Developers Private Limited	Fellow Subsidiary	14,31,532	14,31,532	14,31,532
Mr. Jagdish Prasad Tambi	Managing Director	11,22,741	11,22,741	11,22,741
Royal Orchid Hotels Limited	Holding company	11,15,640	11,15,640	11,15,640

Ksheer Sagar Buildcon Private Limited
Notes to the financial statements

13 Payment to auditors

	As at 31 March 2018 ₹	As at 31 March 2017 ₹
for audit fees	11,800	11,500
	11,800	**11,500**

14 Fair value measurements

(i) Financial instruments by category

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

Particulars	As at 31 March 2018 ₹	As at 31 March 2017 ₹
A. Financial assets		
a) Measured at amortised cost		
Current assets		
(i) Cash and cash equivalents	10,670	10,905
	10,670	**10,905**
b) Measured at fair value through OCI	-	-
c) Measured at fair value through profit or loss	-	-
Total financial assets	**10,670**	**10,905**
B. Financial liabilities		
a) Measured at amortised cost		
Current liabilities		
(i) Borrowings	22,38,381	22,38,381
(ii) Other current liabilities	22,21,117	22,09,317
	44,59,498	**44,47,698**
b) Measured at fair value through OCI	-	-
c) Measured at fair value through profit or loss	-	-
Total financial liabilities	**44,59,498**	**44,47,698**

Notes:

(i) The fair value of trade receivables, trade payables and other Current financial assets and liabilities are considered to be equal to the carrying amounts of these items due to their short – term nature.

(ii) The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(iii) The management assessed that for amortised cost instruments, the fair value approximates largely to the carrying amount.

15 First-time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP').

Accordingly, the Company has prepared the financial statements for the comparitive period as at and for the year ended 31 March 2017 that comply with the applicable Ind AS, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at 1 April 2016 and the comparitive financial statements as at and for the year ended 31 March 2017.

A. Ind AS optional exemptions

A1. Deemed cost for property, plant and equipment, investment property and intangible assets
Ind AS 101 First-time Adoption of Indian Accounting Standards, permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

B. Ind AS mandatory exemptions

B1. Estimates
In accordance with Ind AS, as at the date of transition to Ind AS an entity's estimates shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP except impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition this was not required under the previous GAAP.

B2. Classification and measurement of financial assets and liabilities
The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 Financial Instruments are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

a) The effects of the retrospective application or retrospective restatement are not determinable; or
b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period; or

c) The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

B3. De-recognition of financial assets and liabilities
Ind AS 101 First-time Adoption of Indian Accounting Standards, requires a first-time adopter to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 First-time Adoption of Indian Accounting Standards, allows a first-time adopter to apply the de-recognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively from the date of transition to Ind AS.

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS as at the periods specified below.

C1. Reconciliation of other equity

The Company has also prepared a reconciliation of equity as at 31 March 2017 and 1 April 2016 under the previous GAAP with the equity as reported in these financial statements under Ind AS, that reflect the impact of Ind AS on the components of statement of Balance sheet which is presented below:

Particulars	As at 31 March 2017 ₹	As at 01 April 2016 ₹
Equity as reported under previous GAAP	**9,24,13,525**	**9,35,05,165**
Adjustments on account of:		
(i) Measurement of financial assets and liabilities at amortised cost	-	-
(ii) Changes in the value of property, plant and equipment arising from government grants	-	-
Equity under Ind AS	**9,24,13,525**	**9,35,05,165**

C2. Reconciliation of total comprehensive income

Particulars	Year ended 31 March 2017 ₹
Profit after tax as reported under previous GAAP	**(40,245)**
Adjustments on account of:	
(i) Amortisation expense from Revaluation Reserve	(10,51,395)
Profit after tax as reported under Ind AS	**(10,91,640)**
Other comprehensive income / (loss) (net of tax)	-
Total comprehensive income / (loss) as reported under Ind AS	**(10,91,640)**

***** The Previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Chairman
DIN: 03448511

Place: Jaipur
Date: 24 May 2018

Sd/-
Pushpinder Kumar
Director
DIN: 07139363

Place: Jaipur
Date: 24 May 2018

Sd/-
Arvind Razdan
Director
DIN: 07725637

Place: New Delhi
Date: 25 May 2018

RAJ KAMAL BUILDCON PRIVATE LIMITED

Audited Financial Statements

for the year ended

31 March 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF **RAJ KAMAL BUILDCON PRIVATE LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements **M/S. RAJ KAMAL BUILDCON PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

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 and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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 standalone financial statements.

We believe that the audit evidence obtained by us 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 Loss, total comprehensive income, the changes in equity for the year ended on that date.

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 of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure “A” statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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, 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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" Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting and

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

i. The Company does not have any pending litigations which would impact its financial position.

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

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

For M/s P.Chandrasekar LLP

Chartered Accountants

Firm Registration No. 000580S/S200066

Sd/-

S.Rajagopalan

Partner

Membership No.025349

Place: Bangalore

Date: 26 May 2018

Annexure - A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2018, we report that:

i. The Company has maintained proper record showing full particulars, including quantitative details and situation of fixed assets.

b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c) The company does not have any immovable properties except the lease hold land in the name of the company hence this clause is not applicable.

ii. The Company does not hold any inventory and hence this clause is not applicable.

iii. The Company has not granted any loan to companies covered in the register maintained under section 189 of the Companies Act, 2013 during the year hence this clause is not applicable

iv. The company has not granted any of loans, investments, guarantees, and security during the year under provisions of section 185 and 186 of the Companies Act, 2013 hence this clause is not applicable .

v. The company has not accepted any deposits accordingly this clause is not applicable.

vi. As per the information and explanations given to us the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

vii. The company is generally regular in depositing, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, wherever applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2018 for a period of more than six months from the date they became payable.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

ix. The company has not raised moneys by way of initial public offer or further public offer during the year and the company has not availed any new terms loans during the year.

x. During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

xi. The company has not paid / provided managerial remuneration during the year hence this clause not applicable

xii. The company is not a Nidhi company hence this clause is not applicable

xiii. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act,2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards

xiv. The company has not issued any shares or Debentures during the year hence this clause is not applicable.

xv. The company has not entered into any non-cash transactions with directors or persons connected with him hence this clause not applicable

xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 hence this clause not applicable

For M/s P.Chandrasekar LLP

Chartered Accountants

Firm Registration No. 000580S/S200066

Sd/-

S.Rajagopalan

Partner

Membership No.025349

Place: Bangalore

Date: 26 May 2018

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **RAJ KAMAL BUILDCON PRIVATE LIMITED** ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 M/s P.Chandrasekar LLP
Chartered Accountants
Firm Registration No. 000580S/S200066

Sd/-
S.Rajagopalan
Partner
Membership No.025349

Place: Bangalore
Date: 26 May 2018

Raj Kamal Buildcon Private Limited
Balance Sheet as at 31 March 2018

	Notes	As at 31 March 2018 ₹	As at 31 March 2017 ₹	As at 01 April 2016 ₹
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	9,58,70,409	9,69,50,318	9,80,30,227
		9,58,70,409	**9,69,50,318**	**9,80,30,227**
Current assets				
(a) Financial assets				
(i) Cash and cash equivalents	4	10,570	10,805	11,036
		10,570	**10,805**	**11,036**
TOTAL ASSETS		**9,58,80,979**	**9,69,61,123**	**9,80,41,263**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	5	1,00,000	1,00,000	1,00,000
(b) Other equity		9,13,18,485	9,24,10,429	9,35,02,069
		9,14,18,485	**9,25,10,429**	**9,36,02,069**
Liabilities				
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	6	22,40,685	22,40,685	22,40,685
(b) Other current liabilities	7	22,21,809	22,10,009	21,98,509
		44,62,494	**44,50,694**	**44,39,194**
TOTAL EQUITY AND LIABILITIES		**9,58,80,979**	**9,69,61,123**	**9,80,41,263**

See accompanying notes forming part of these financial statements.
In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place: Bengaluru
Date: 26 May 2018

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Chairman
DIN: 03448511

Place: Jaipur
Date: 24 May 2018

Sd/-
Pushpinder Kumar
Director
DIN: 07139363

Place: Jaipur
Date: 24 May 2018

Sd/-
Arvind Razdan
Director
DIN: 07725637

Place: New Delhi
Date: 25 May 2018

Raj Kamal Buildcon Private Limited
Statement of Profit and Loss for the year ended 31 March 2018

	Notes	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
Revenue			
Revenue from operations		-	-
Other income		-	-
Total revenue		**-**	**-**
Expenses			
Finance costs	8	235	231
Depreciation and amortisation	9	10,79,909	10,79,909
Other expenses	10	11,800	11,500
Total expenses		**10,91,944**	**10,91,640**
Profit before tax		**(10,91,944)**	**(10,91,640)**
Tax expense		-	-
Profit after tax		**(10,91,944)**	**(10,91,640)**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
a) Remeasurement (losses)/gains in defined benefit plans			
Income tax effect		-	-
Net of items that will not be reclassified to profit or loss		-	-
Items that will be reclassified subsequently to profit or loss			
Net of items that will be reclassified subsequently to profit or loss		-	-
Other comprehensive income/(loss), net of tax		**-**	**-**
Total comprehensive income for the period		**(10,91,944)**	**(10,91,640)**
Earnings per equity share of ₹ 10 each			
Basic/Diluted	11	(109.19)	(109.16)

See accompanying notes to Financial Statements.
In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place: Bengaluru
Date: 26 May 2018

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Chairman
DIN: 03448511

Place: Jaipur
Date: 24 May 2018

Sd/-
Pushpinder Kumar
Director
DIN: 07139363

Place: Jaipur
Date: 24 May 2018

Sd/-
Arvind Razdan
Director
DIN: 07725637

Place: New Delhi
Date: 25 May 2018

Raj Kamal Buildcon Private Limited
Cash Flow Statement for the year ended 31 March 2018

	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
A. Cash flow from operating activities		
Net profit before tax	**(10,91,944)**	**(10,91,640)**
Adjustments for:		
Depreciation and amortisation	10,79,909	10,79,909
Operating profit before working capital changes	**(12,035)**	**(11,731)**
Changes in working capital:		
Increase/(decrease) in provisions, trade payables and other liabilities	11,800	11,500
Cash generated from operations	**(235)**	**(231)**
Direct taxes paid (net)		
Net cash generated from operating activities	**(235)**	**(231)**
B. Cash flows from investing activities	**-**	**-**
Net cash (used in)/generated from investing activities	**-**	**-**
C. Cash flows from financing activities	**-**	**-**
Net cash (used in) from financing activities	**-**	**-**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(235)**	**(231)**
Cash and cash equivalents at the beginning of the year	**10,805**	**11,036**
Cash and cash equivalents at the end of the year	**10,570**	**10,805**

In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place: Bengaluru
Date: 26 May 2018

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Chairman
DIN: 03448511

Place: Jaipur
Date: 24 May 2018

Sd/-
Pushpinder Kumar
Director
DIN: 07139363

Place: Jaipur
Date: 24 May 2018

Sd/-
Arvind Razdan
Director

Place: New Delhi
Date: 25 May 2018

Raj Kamal Buildcon Private Limited
Statement of Changes in Equity for the year ended 31 March 2018

A. Equity share capital

	Equity shares Number	Equity shares Amount ₹
Equity shares of ₹ 10 each, fully paid-up		
As at 1 April 2016	10,000	1,00,000
Add: Issued and subscribed during the year	-	-
As at 31 March 2017	**10,000**	**1,00,000**
Add: Issued and subscribed during the year	-	-
As at 31 March 2018	**10,000**	**1,00,000**

B. Other equity

For the year ended 31 March 2018

Amount in ₹

	Reserves and Surplus	Items of OCI	Total
	Retained Earnings	DBO Remeasurement	
Balance as at 31 March 2017	**9,24,10,429**	**-**	**9,24,10,429**
Profit for the period	(10,91,944)	-	(10,91,944)
Other comprehensive income/(loss), net of tax	-	-	-
Total Comprehensive Income	**(10,91,944)**	**-**	**(10,91,944)**
Recognition of share based payment	-	-	-
Balance as at 31 March 2018	**9,13,18,485**	**-**	**9,13,18,485**

For the year ended 31 March 2017

Amount in ₹

	Reserves and Surplus	Items of OCI	Total
	Retained Earnings	DBO Remeasurement	
Balance as at 1 April 2016	**9,35,02,069**	**-**	**9,35,02,069**
Profit for the year	(10,91,640)	-	(10,91,640)
Other comprehensive income/(loss), net of tax	-	-	-
Total comprehensive income	**(10,91,640)**	**-**	**(10,91,640)**
Recognition of share based payment	-	-	-
Balance as at 31 March 2017	**9,24,10,429**	**-**	**9,24,10,429**

See accompanying notes to Financial Statements.
In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place: Bengaluru
Date: 26 May 2018

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Chairman
DIN: 03448511

Place: Jaipur
Date: 24 May 2018

Sd/-
Pushpinder Kumar
Director
DIN: 07139363

Place: Jaipur
Date: 24 May 2018

Sd/-
Arvind Razdan
Director
DIN: 07725637

Place: New Delhi
Date: 25 May 2018

Raj Kamal Buildcon Private Limited
Notes to the financial statements

1. General Information:

Raj Kamal Buildcon Private Limited ('the Company') was incorporated on 30 May 1995 as a private limited company providing hospitality services.

2. Summary of significant accounting policies

a) Statement of compliance

Financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 24th May 2018.

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the first Ind AS financial statements of the Company. The date of transition to Ind AS is 1 April 2016. Refer note 39 for the details of first-time adoption exemptions availed by the Company, reconciliations and descriptions of the effect of the transition.

b) Basis of accounting and preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its financial statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1 April, 2017. Accordingly, the Company has prepared these financial statements which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the year ended 31 March, 2018, and accounting policies and other explanatory information (together hereinafter referred to as" financial statements").

The financial Statements have been prepared using the significant accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

The financial Statements have been prepared on the 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.

c) Use of estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Company bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the amounts recognized in the financial Statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Classification of leases

The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

Raj Kamal Buildcon Private Limited
Notes to the financial statements

2. Summary of significant accounting policies (cont'd)

c) Use of estimates (Cont'd)

Recognition of deferred tax assets
The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions

Evaluation of indicators for impairment of assets
The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Recoverability of advances / receivables
At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Useful lives of depreciable / amortisable assets
Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

Defined benefit obligation (DBO)
Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements
Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

d) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as 12 months.
Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

e) Property, plant and equipment

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its Previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.
Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

2. Summary of significant accounting policies (cont'd)

e) Property, plant and equipment (cont'd)

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows as per the indicative useful life prescribed in Schedule II to the Companies Act, 2013:

Asset Category	Useful lives (in years)
Buildings	30
Plant and equipment	15
Furniture and fixtures	8
Vehicles	6
Office equipment	5
Computer equipment	3

Leasehold land is amortised over the period of lease.
The Company has evaluated the applicability of component accounting as prescribed under Ind AS 16 and Schedule II of the Companies Act, 2013, the management has not identified any significant component having different useful lives. Schedule II requires the Company to identify and depreciate significant components with different useful lives separately.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

f) Investment properties

Recognition and initial measurement
Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes to the financial statements. Fair values are determined based on an annual evaluation performed by an accredited external 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.

Subsequent measurement
Depreciation on investment properties is provided on the straight-line method, computed on the basis of useful lives prescribed under Part C of Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition
Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

g) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

2. Summary of significant accounting policies (cont'd)

h) Revenue recognition

Revenue from contracts with customers is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

Income from services
Revenues comprise income from the sale of room nights, food, beverages and allied services during a guest’s stay at the hotel. Room revenue is recognised based on occupation and revenue from sale of food, beverages and other allied services, as the respective services are rendered with reasonable certainty of ultimate collection. Other revenues are recognised as and when the services are performed or the right to receive claim is established, with reasonable certainty for ultimate collection. Rebates and discounts granted to customers are reduced from revenue.
Income from management and technical services are recognised as the services are rendered based on the terms of the contract.
Unbilled revenues' represent revenues recognised on services rendered, for which amounts are to be billed in subsequent periods.

Interest income
Interest income is reported on an accrual basis using the effective interest method and is included under the head “other income” in the Statement of Profit and Loss.

i) Employee benefits

Employee benefits include provident fund, employee state insurance scheme, labour welfare fund, gratuity and compensated absences. Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan
Retirement benefit in the form of provident fund and employee state insurance scheme is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and employee state insurance scheme. The Company recognises contribution payable to the schemes as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan
Gratuity
The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Compensated absences
The Company provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of vesting as well as non vesting benefit. The cost of short term compensated absences are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service cost on the Company’s defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs.

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period. Further, as required under Ind AS compliant Schedule III, the Company transfers those amounts recognized in other comprehensive income to retained earnings in the statement of changes in equity and in the balance sheet.

Short-term employee benefits
Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee

2. Summary of significant accounting policies (cont'd)

j) Share based payments

The Company has equity-settled share-based remuneration plans for its employees. None of the Company's plans are cash-settled.
Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.
Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

k) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.
For arrangements entered into prior to 1 April 2016 (date of transition to Ind AS), the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Finance Lease
A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at fair value of the leased property or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset.

Operating Lease
Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

l) Foreign currency transactions

Functional and presentation currency
The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupees (₹)

Transactions and balances
- Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit or Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

- Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

- Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2. Summary of significant accounting policies (cont'd)

n) Inventories

Inventory comprises food, beverages, stores and spare parts and are valued at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the goods to their present location and condition and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion to make the sale.

o) Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.
Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.
Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

p) Provisions and contingencies

Provisions
A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets
Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

Raj Kamal Buildcon Private Limited
Notes to the financial statements

2. Summary of significant accounting policies (cont'd)

q) Financial instruments

Financial assets

Initial recognition and measurement
All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
i. Debt instruments at amortised cost;
ii. Debt instruments at fair value through other comprehensive income (FVTOCI);
iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL); and
iv. Equity investments.

i. Debt instruments at amortised cost
A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

ii. Debt instrument at FVTOCI
A ‘debt instrument’ is classified as at the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
b) The asset’s contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit & loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit & loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instrument at FVTPL
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

iv. Equity investments
All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 Business Combinations, applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election 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 recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments (cont'd)

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company’s balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company’s continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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.

This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 Financial Instruments and the amount recognised less cumulative amortisation.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments (cont'd)

Derecognition of financial liabilities
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.

r) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables
The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets
For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

s) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2. Summary of significant accounting policies (cont'd)

t) Cash and cash equivalents

Cash and cash equivalent in the statement of financial position comprises cash at banks and on hand, demand deposits, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value.

u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the business of operating and managing hotels/ resorts and providing related services, which constitutes its single reportable segment.

v) Earnings/ (Loss) per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

w) Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21,Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.
The amendment will come into force form April 1, 2018. The Company is evaluating the requirements of Ind AS 21 and its effect on the financial statements.

Ind AS 115- Revenue from Contract with Customers:
On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.
The standard permits two possible methods of transition:
a. Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.
b. Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch-up approach)
The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018
The Company is evaluating the requirements of Ind AS 115 and its effect on the financial statements.

Raj Kamal Buildcon Private Limited
Notes to the financial statements

3 Property, plant and equipment

Amount in ₹

Particulars	Land (Leasehold)	Total
Gross Block		
Balance as at 01 April 2016	**10,69,11,041**	**10,69,11,041**
Additions	-	-
Disposals/Adjustments	-	-
Balance as at 31 March 2017	**10,69,11,041**	**10,69,11,041**
Additions	-	-
Disposals/Adjustments	-	-
Balance as at 31 Mar 2018	**10,69,11,041**	**10,69,11,041**
Accumulated depreciation		
Balance as at 01 April 2016	**88,80,814**	**88,80,814**
Charge for the year	10,79,909	10,79,909
Ind AS adjustments	-	-
Reversal on disposal/adjustments	-	-
Balance as at 31 March 2017	**99,60,723**	**99,60,723**
Charge for the year	10,79,909	10,79,909
Ind AS adjustments	-	-
Reversal on disposal/adjustments	-	-
Balance as at 31 March 2018	**1,10,40,632**	**1,10,40,632**
Net block		
Balance as at 01 April 2016	**9,80,30,227**	**9,80,30,227**
Balance as at 31 March 2017	**9,69,50,318**	**9,69,50,318**
Balance as at 31 March 2018	**9,58,70,409**	**9,58,70,409**

		As at 31 March 2018 ₹	As at 31 March 2017 ₹	As at 01 April 2016 ₹
4	**Cash and cash equivalents**			
	Balances with banks			
	- in current accounts	10,570	10,805	11,036
		10,570	**10,805**	**11,036**

Raj Kamal Buildcon Private Limited
Notes to the financial statements

		As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
		Number	Amounts ₹	Number	Amounts ₹	Number	Amounts ₹
5	**Share capital**						
	Authorised share capital						
	Equity shares of ₹ 10 each	10,000	1,00,000	10,000	1,00,000	10,000	1,00,000
		10,000	**1,00,000**	**10,000**	**1,00,000**	**10,000**	**1,00,000**
	Issued, subscribed and fully paid up						
	Equity shares of ₹ 10 each	10,000	1,00,000	10,000	1,00,000	10,000	1,00,000
		10,000	**1,00,000**	**10,000**	**1,00,000**	**10,000**	**1,00,000**

a) Reconciliation of share capital

There have been no changes in the number of equity shares and amount outstanding at the beginning and at the end of the reporting period.

b) Details of shares held by the holding company and its subsidiary

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number	Amounts ₹	Number	Amounts ₹	Number	Amounts ₹
Equity shares of ₹10 each with voting rights						
Royal Orchid Hotels Limited - Holding Company	4,999	49,990	5,000	50,000	5,000	50,000
Royal Orchid Goa Private Limited - Fellow Subsidiary	1	10	-	-	-	-
	5,000	**50,000**	**5,000**	**50,000**	**5,000**	**50,000**

c) Shareholders holding more than 5% of the shares of the Company

	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares
Equity shares of ₹10 each						
Royal Orchid Hotels Limited	4,999	49.99%	5,000	50.00%	5,000	50.00%
Mr. Rajesh Tambi	1,250	12.50%	1,250	12.50%	1,250	12.50%
Mr. Rupesh Tambi	1,250	12.50%	1,250	12.50%	1,250	12.50%
Mr. Ratnesh Tambi	1,250	12.50%	1,250	12.50%	1,250	12.50%
Mr. Jagdish Prasad Tambi	750	7.50%	750	7.50%	750	7.50%
	9,499	**94.99%**	**9,500**	**95.00%**	**9,500**	**95.00%**

d) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each equity share is entitled to one vote per share. Dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and shall be payable in Indian Rupees. In the event of liquidation of the Company, the shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately

The Company has not issued any bonus shares or any shares for consideration other than cash nor has there been any buy back of shares during five years immediately preceding 31 March 2018.

Raj Kamal Buildcon Private Limited
Notes to the financial statements

		As at 31 March 2018 ₹	As at 31 March 2017 ₹	As at 01 April 2016 ₹
6	**Borrowings**			
	Unsecured			
	Loans repayable on demand from related parties	22,40,685	22,40,685	22,40,685
		22,40,685	**22,40,685**	**22,40,685**
7	**Other current liabilities**			
	Interest accrued and due on borrowings	7,06,102	7,06,102	7,06,102
	Dues to related parties	14,33,349	14,33,349	14,33,349
	Others	82,358	70,558	59,058
		22,21,809	**22,10,009**	**21,98,509**

		Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
8	**Finance costs**		
	Bank charges	235	231
		235	**231**
9	**Depreciation and amortisation expense**		
	Amortisation on leasehold land (refer note 3)	10,79,909	10,79,909
		10,79,909	**10,79,909**
10	**Other expenses**		
	Legal and professional	11,800	11,500
		11,800	**11,500**
11	**Earnings per share**		
	Weighted average number of shares outstanding	10,000	10,000
	Net profit after tax attributable to equity shareholders in ₹	(10,91,944)	(10,91,640)
	Basic and diluted earnings per share in ₹	(109.19)	(109.16)
	Nominal value per equity share in ₹	10	10

Raj Kamal Buildcon Private Limited
Notes to the financial statements

12 Related parties

i. Parties where control exists

Name of party	**Nature of relationship**
Royal Orchid Hotels Limited	Holding company
Ksheer Sagar Developers Private Limited	Fellow Subsidiary

ii. Key management personnel (KMP)

Mr. Jagdish Prasad Tambi	Managing Director
Mr. Rupesh Tambi	Director
Mr. Amit Jaiswal	Director
Mr. Pushpinder Kumar	Director

iii. Balances payable to related parties is summarised below:

Name of Parties	Relationship	As at 31 March 2018 ₹	As at 31 March 2017 ₹	As at 01 April 2016 ₹
Ksheer Sagar Developers Private Limited	Fellow Subsidiary	14,33,349	14,33,349	14,33,349
Mr. Jagdish Prasad Tambi	Managing Director	11,23,523	11,23,523	11,23,523
Royal Orchid Hotels Limited	Holding company	11,17,162	11,17,162	11,17,162

Raj Kamal Buildcon Private Limited
Notes to the financial statements

13 Payment to auditors

	As at 31 March 2018 ₹	As at 31 March 2017 ₹
for audit fees	11,800	11,500
	11,800	**11,500**

14 Fair value measurements

(i) Financial instruments by category

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

Particulars	As at 31 March 2018 ₹	As at 31 March 2017 ₹
A. Financial assets		
a) Measured at amortised cost		
Current assets		
(i) Cash and cash equivalents	10,570	10,805
	10,570	**10,805**
b) Measured at fair value through OCI	-	-
c) Measured at fair value through profit or loss	-	-
Total financial assets	**10,570**	**10,805**
B. Financial liabilities		
a) Measured at amortised cost		
Current liabilities		
(i) Borrowings	22,40,685	22,40,685
(ii) Other current liabilities	22,21,809	22,10,009
	44,62,494	**44,50,694**
b) Measured at fair value through OCI	-	-
c) Measured at fair value through profit or loss	-	-
Total financial liabilities	**44,62,494**	**44,50,694**

Notes:

(i) The fair value of trade receivables, trade payables and other Current financial assets and liabilities are considered to be equal to the carrying amounts of these items due to their short – term nature.

(ii) The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(iii) The management assessed that for amortised cost instruments, the fair value approximates largely to the carrying amount.

15 First-time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP').

Accordingly, the Company has prepared the financial statements for the comparitive period as at and for the year ended 31 March 2017 that comply with the applicable Ind AS, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at 1 April 2016 and the comparitive financial statements as at and for the year ended 31 March 2017.

A. Ind AS optional exemptions

A1. Deemed cost for property, plant and equipment, investment property and intangible assets

Ind AS 101 First-time Adoption of Indian Accounting Standards, permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

B. Ind AS mandatory exemptions

B1. Estimates

In accordance with Ind AS, as at the date of transition to Ind AS an entity's estimates shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP except impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition this was not required under the previous GAAP.

B2. Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 Financial Instruments are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

a) The effects of the retrospective application or retrospective restatement are not determinable; or

b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period; or

c) The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

B3. De-recognition of financial assets and liabilities

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires a first-time adopter to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 First-time Adoption of Indian Accounting Standards, allows a first-time adopter to apply the de-recognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively from the date of transition to Ind AS.

Raj Kamal Buildcon Private Limited
Notes to the financial statements

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS as at the periods specified below.

C1. Reconciliation of other equity

The Company has also prepared a reconciliation of equity as at 31 March 2017 and 1 April 2016 under the previous GAAP with the equity as reported in these financial statements under Ind AS, that reflect the impact of Ind AS on the components of statement of Balance sheet which is presented below:

Particulars	As at 31 March 2017 ₹	As at 01 April 2016 ₹
Equity as reported under previous GAAP	**9,24,10,429**	**9,35,02,069**
Adjustments on account of:		
(i) Measurement of financial assets and liabilities at amortised cost	-	-
(ii) Changes in the value of property, plant and equipment arising from government grants	-	-
Equity under Ind AS	**9,24,10,429**	**9,35,02,069**

C2. Reconciliation of total comprehensive income

Particulars	Year ended 31 March 2017 ₹
Profit after tax as reported under previous GAAP	**(40,245)**
Adjustments on account of:	
(i) Amortisation expense from Revaluation Reserve	(10,51,395)
Profit after tax as reported under Ind AS	**(10,91,640)**
Other comprehensive income / (loss) (net of tax)	-
Total comprehensive income / (loss) as reported under Ind AS	**(10,91,640)**

***** The Previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Chairman
DIN: 03448511

Place: Jaipur
Date: 24 May 2018

Sd/-
Pushpinder Kumar
Director
DIN: 07139363

Place: Jaipur
Date: 24 May 2018

Sd/-
Arvind Razdan
Director
DIN: 07725637

Place: New Delhi
Date: 25 May 2018

ROYAL ORCHID ASSOCIATED HOTELS PRIVATE LIMITED

Audited Financial Statements

for the year ended

31 March 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF **ROYAL ORCHID ASSOCIATED HOTELS PRIVATE LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements **M/S.ROYAL ORCHID ASSOCIATED HOTELS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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 standalone financial statements.

We believe that the audit evidence obtained by us 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, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

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 of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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, Statement of Changes in Equity and the Statement of Cash Flow 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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" Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting and

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

i. The Company does not have any pending litigations which would impact its financial position.

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

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

For M/s P.Chandrasekar LLP
Chartered Accountants
Firm Registration No. 000580S/S200066

Sd/-

S.Rajagopalan

Partner
Membership No.025349

Place: Bangalore
Date: 26.05.2018

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2018, we report that:

i. a) The Company has maintained proper record showing full particulars, including quantitative details and situation of fixed assets.

b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c) The title deeds of immovable properties are in the name of the company

ii. The Company does not hold any inventory and hence this clause is not applicable.

iii. The Company not granted any loan to companies covered in the register maintained under section 189 of the Companies Act, 2013, hence this clause is not applicable.

iv. The company has not granted any of loans, investments, guarantees, and security during the year under provisions of section 185 and 186 of the Companies Act, 2013 hence this clause is not applicable

v. The company has not accepted any deposits accordingly this clause is not applicable.

vi. As per the information and explanations given to us the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

vii. The company is generally regular in depositing, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, wherever applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2018 for a period of more than six months from the date they became payable.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders

ix. The company has not raised moneys by way of initial public offer or further public offer during the year and the company has not availed any new terms loans during the year hence this clause is not applicable.

x. During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

xi. The company has not paid / provided managerial remuneration during the year hence this clause not applicable

xii. The company is not a Nidhi company hence this clause not applicable

xiii. all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act,2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards

xiv. The company has not issued any shares or Debentures during the year hence this clause is not applicable.

xv. The company has not entered into any non-cash transactions with directors or persons connected with him hence this clause not applicable

xvi. the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 hence this clause not applicable

For M/s P.Chandrasekar LLP

Chartered Accountants

Firm Registration No. 000580S/S20066

Sd/-

S.Rajagopalan

Partner
Membership No.025349

Place: Bangalore
Date: 26.05.2018

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **ROYAL ORCHID ASSOCIATED HOTELS PRIVATE LIMITED** ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 M/s P.Chandrasekar LLP
Chartered Accountants
Firm Registration No. 000580S/S200066

Sd/-
S.Rajagopalan
Partner
Membership No.025349

Place: Bangalore
Date: 26.05.2018

Royal Orchid Associated Hotels Private Limited
Balance Sheet as at 31 March 2018

	Notes	As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 1 April 2016 ₹ in lakhs
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	0.38	-	-
(b) Financial assets				
(i) Other financial assets	4	88.08	78.08	125.78
(c) Deferred tax assets, net	5	21.05	16.69	19.88
(d) Other non-current assets	6	365.44	259.08	234.94
		474.95	**353.85**	**380.60**
Current assets				
(a) Financial assets				
(i) Trade receivables	7	1,119.34	1,027.05	1,024.69
(ii) Cash and cash equivalents	8	18.99	51.73	70.16
(iii) Other financial assets	9	11.02	11.57	11.97
(b) Other current assets	10	5.78	62.65	65.12
		1,155.13	**1,153.00**	**1,171.94**
TOTAL ASSETS		**1,630.08**	**1,506.85**	**1,552.54**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	11	50.00	50.00	50.00
(b) Other equity		242.79	97.38	236.03
		292.79	**147.38**	**286.03**
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	12	432.59	567.56	604.57
(b) Provisions	13	65.63	51.47	39.45
		498.22	**619.03**	**644.02**
Current liabilities				
(a) Financial liabilities				
(i) Trade payables	14	191.51	183.97	145.47
(b) Other current liabilities	15	637.45	547.89	419.20
(c) Provisions	16	10.11	8.58	16.67
(d) Current Tax Liabilities, Net	17	-	-	41.15
		839.07	**740.44**	**622.49**
TOTAL EQUITY AND LIABILITIES		**1,630.08**	**1,506.85**	**1,552.54**

See accompanying notes forming part of these financial statements.
In terms of our report attached.

For P. Chandrasekar LLP
Chartered Accountants
Firm Regn No.000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No.025349

Place: Bengaluru
Date: 26 May 2018

For and on behalf of the Board of Directors

Sd/-
Pushpinder Kumar
Director
DIN:07139363

Place: Bengaluru
Date: 26 May 2018

Sd/-
Karthik Jayaram
Director
DIN:08099394

Place: Bengaluru
Date: 26 May 2018

Royal Orchid Associated Hotels Private Limited
Statement of Profit and Loss for the year ended 31 March 2018

	Notes	Year ended 31 March 2018 ₹ in lakhs	Year ended 31 March 2017 ₹ in lakhs
Revenue			
Revenue from operations	18	1,306.96	1,080.74
Other income	19	611.78	532.50
Total revenue		**1,918.74**	**1,613.24**
Expenses			
Employee benefits expense	20	941.68	882.19
Finance costs	21	0.14	0.08
Depreciation and amortisation	22	0.08	-
Other expenses	23	830.50	902.55
Total expenses		**1,772.40**	**1,784.82**
Profit before tax		**146.34**	**(171.58)**
Tax expense	24		
Current tax		36.69	13.48
Deferred tax charge/(credit)		(5.25)	(2.86)
		31.44	**10.62**
Profit after tax		**114.90**	**(182.20)**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
a) Remeasurement (losses)/gains in defined benefit plans		3.16	21.95
Income tax effect		(0.88)	(6.05)
Net of items that will not be reclassified to profit or loss		2.28	15.90
Items that will be reclassified subsequently to profit or loss			
Net of items that will be reclassified subsequently to profit or loss		-	-
Other comprehensive income/(loss), net of tax		**2.28**	**15.90**
Total comprehensive income for the period		**117.18**	**(166.30)**
Earnings per equity share of ₹ 10 each			
Basic/Diluted	25	23.44	(33.26)

See accompanying notes to Financial Statements.

In terms of our report attached.
For P. Chandrasekar LLP
Chartered Accountants
Firm Regn No.000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No.025349

Place: Bengaluru
Date: 26 May 2018

For and on behalf of the Board of Directors

Sd/-
Pushpinder Kumar
Director
DIN:07139363

Place: Bengaluru
Date: 26 May 2018

Sd/-
Karthik Jayaram
Director
DIN:08099394

Place: Bengaluru
Date: 26 May 2018

Royal Orchid Associated Hotels Private Limited
Statement of Changes in Equity for the year ended 31 March 2018

A. Equity share capital

	Equity shares Number	Equity shares Amount ₹ in lakhs
Equity shares of ₹ 10 each, fully paid-up		
As at 1 April 2016	5,00,000	50.00
Add: Issued and subscribed during the year	-	-
As at 31 March 2017	**5,00,000**	**50.00**
Add: Issued and subscribed during the year	-	-
As at 31 March 2018	**5,00,000**	**50.00**

B. Other equity

For the year ended 31 March 2018

₹ in lakhs

	Reserves and Surplus		Items of OCI	Total
	Securities Premium Account	Retained Earnings	DBO Remeasurement	
Balance as at 31 March 2017	**27.65**	**53.83**	**15.90**	**97.38**
Profit for the period	-	114.90	-	114.90
Other comprehensive income/(loss), net of tax	-	-	2.28	2.28
Total Comprehensive Income	**-**	**114.90**	**2.28**	**117.18**
Recognition of share based payment	28.23	-	-	28.23
Balance as at 31 March 2018	**55.88**	**168.73**	**18.18**	**242.79**

For the year ended 31 March 2017

₹ in lakhs

	Reserves and Surplus		Items of OCI	Total
	Securities Premium Account	Retained Earnings	DBO Remeasurement	
Balance as at 1 April 2016	**-**	**236.03**	**-**	**236.03**
Profit for the year	-	(182.20)	-	(182.20)
Other comprehensive income/(loss), net of tax	-	-	15.90	15.90
Total comprehensive income	**-**	**(182.20)**	**15.90**	**(166.30)**
Recognition of share based payment	27.65	-	-	27.65
Balance as at 31 March 2017	**27.65**	**53.83**	**15.90**	**97.38**

See accompanying notes to Financial Statements.

In terms of our report attached.
For P. Chandrasekar LLP
Chartered Accountants
Firm Regn No.000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No.025349

Place: Bengaluru
Date: 26 May 2018

For and on behalf of the Board of Directors

Sd/-
Pushpinder Kumar
Director
DIN:07139363

Place: Bengaluru
Date: 26 May 2018

Sd/-
Karthik Jayaram
Director
DIN:08099394

Place: Bengaluru
Date: 26 May 2018

Royal Orchid Associated Hotels Private Limited
Cash Flow Statement for the year ended 31 March 2018

	Year ended 31 March 2018 ₹ in lakhs	Year ended 31 March 2017 ₹ in lakhs
A. Cash flow from operating activities		
Net profit before tax	**146.34**	**(171.58)**
Adjustments for:		
Depreciation and amortisation	0.08	-
Share based payments to employees	28.23	27.65
Interest income	-	(0.01)
Operating profit before working capital changes	**174.65**	**(143.94)**
Changes in working capital:		
(Increase)/Decrease in trade receivables and unbilled revenue	(92.29)	(2.36)
(Increase)/Decrease in other current and non-current assets	47.42	50.24
Increase/(Decrease) in provisions	18.85	25.89
Increase in trade payables	7.54	38.50
Increase/(Decrease) in other current and non-current liabilities	(45.40)	91.67
Cash generated from operations	**110.77**	**60.00**
Direct taxes paid (net)	143.05	78.77
Net cash generated from operating activities	**(32.28)**	**(18.77)**
B. Cash flows from investing activities		
Purchase of fixed assets (including changes in capital work-in-progress, net of project creditors and retention money payable)	(0.46)	-
Interest received	-	0.34
Net cash (used in)/generated from investing activities	**(0.46)**	**0.34**
C. Cash flows from financing activities	**-**	-
Net cash (used in) from financing activities	**-**	**-**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(32.74)**	**(18.43)**
Cash and cash equivalents at the beginning of the year	**51.73**	**70.16**
Cash and cash equivalents at the end of the year	**18.99**	**51.73**

In terms of our report attached.

For P. Chandrasekar LLP
Chartered Accountants
Firm Regn No.000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No.025349

Place: Bengaluru
Date: 26 May 2018

For and on behalf of the Board of Directors

Sd/-
Pushpinder Kumar
Director
DIN:07139363

Place: Bengaluru
Date: 26 May 2018

Sd/-
Karthik Jayaram
Director
DIN:08099394

Place: Bengaluru
Date: 26 May 2018

1. General Information:
Royal Orchid Associated Hotels Private Limited ('the Company') was incorporated on 25 August 2006 as a private limited company to carry on the business hotels/holiday resorts and related services. M/s. A B Holdings Private Limited holds 96% of equity shares and balance 2% hold by Mr. C.K.Baljee and 2% by Mrs. Sunita Baljee.

2. Summary of significant accounting policies

a) Statement of compliance
Financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 26th May 2018.

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the first Ind AS financial statements of the Company. The date of transition to Ind AS is 1 April 2016. Refer note 34 for the details of first-time adoption exemptions availed by the Company, reconciliations and descriptions of the effect of the transition.

b) Basis of accounting and preparation
In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its financial statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1 April, 2017. Accordingly, the Company has prepared these financial statements which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the year ended 31 March, 2018, and accounting policies and other explanatory information (together hereinafter referred to as" financial statements").

The financial Statements have been prepared using the significant accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

The financial Statements have been prepared on the 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.

c) Use of estimates
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Company bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant management judgements
The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the amounts recognized in the financial Statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Classification of leases
The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

2. Summary of significant accounting policies (cont'd)

c) Use of estimates (Cont'd)

Recognition of deferred tax assets
The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions

Evaluation of indicators for impairment of assets
The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Recoverability of advances / receivables
At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Useful lives of depreciable / amortisable assets
Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

Defined benefit obligation (DBO)
Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements
Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

d) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as 12 months.
Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

e) Property, plant and equipment

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its Previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

2. Summary of significant accounting policies (cont'd)

e) Property, plant and equipment (cont'd)

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows as per the indicative useful life prescribed in Schedule II to the Companies Act, 2013:

Asset Category	Useful lives (in years)
Buildings	30
Plant and equipment	15
Furniture and fixtures	8
Vehicles	6
Office equipment	5
Computer equipment	3

Leasehold land is amortised over the period of lease.
The Company has evaluated the applicability of component accounting as prescribed under Ind AS 16 and Schedule II of the Companies Act, 2013, the management has not identified any significant component having different useful lives. Schedule II requires the Company to identify and depreciate significant components with different useful lives separately.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

f) Investment properties

Recognition and initial measurement
Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes to the financial statements. Fair values are determined based on an annual evaluation performed by an accredited external 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.

Subsequent measurement
Depreciation on investment properties is provided on the straight-line method, computed on the basis of useful lives prescribed under Part C of Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition
Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

g) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

2. Summary of significant accounting policies (cont'd)

h) Revenue recognition

Revenue from contracts with customers is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

Income from services
Revenues comprise income from the sale of room nights, food, beverages and allied services during a guest's stay at the hotel. Room revenue is recognised based on occupation and revenue from sale of food, beverages and other allied services, as the respective services are rendered with reasonable certainty of ultimate collection. Other revenues are recognised as and when the services are performed or the right to receive claim is established, with reasonable certainty for ultimate collection. Rebates and discounts granted to customers are reduced from revenue.
Income from management and technical services are recognised as the services are rendered based on the terms of the contract.
Unbilled revenues' represent revenues recognised on services rendered, for which amounts are to be billed in subsequent periods.

Interest income
Interest income is reported on an accrual basis using the effective interest method and is included under the head "other income" in the Statement of Profit and Loss.

i) Employee benefits

Employee benefits include provident fund, employee state insurance scheme, labour welfare fund, gratuity and compensated absences. Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan
Retirement benefit in the form of provident fund and employee state insurance scheme is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and employee state insurance scheme. The Company recognises contribution payable to the schemes as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan
Gratuity
The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Compensated absences
The Company provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of vesting as well as non vesting benefit. The cost of short term compensated absences are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs.

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period. Further, as required under Ind AS compliant Schedule III, the Company transfers those amounts recognized in other comprehensive income to retained earnings in the statement of changes in equity and in the balance sheet.

Short-term employee benefits
Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee

2. Summary of significant accounting policies (cont'd)

j) Share based payments

The Company has equity-settled share-based remuneration plans for its employees. None of the Company’s plans are cash-settled.
Where employees are rewarded using share-based payments, the fair value of employees’ services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.
Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

k) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.
For arrangements entered into prior to 1 April 2016 (date of transition to Ind AS), the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Finance Lease

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset.

Operating Lease
Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases.

l) Foreign currency transactions

Functional and presentation currency
The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupees (₹)

Transactions and balances

- Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit or Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity’s net investment in that foreign operation.

- Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

- Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2. Summary of significant accounting policies (cont'd)

n) Inventories

Inventory comprises food, beverages, stores and spare parts and are valued at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the goods to their present location and condition and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion to make the sale.

o) Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.
Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.
Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

MAT payable for a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as 'MAT Credit Entitlement' under Deferred Tax. The Company reviews the same at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

p) Provisions and contingencies

Provisions
A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets
Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments

Financial assets

Initial recognition and measurement
All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
i. Debt instruments at amortised cost;
ii. Debt instruments at fair value through other comprehensive income (FVTOCI);
iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL); and
iv. Equity investments.

i. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

ii. Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit & loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit & loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 Business Combinations, applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election 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 recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments (cont'd)

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings
This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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.

This category generally applies to borrowings.

Financial guarantee contracts
Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 Financial Instruments and the amount recognised less cumulative amortisation.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments (cont'd)

Derecognition of financial liabilities
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.

r) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables
The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets
For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

s) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

t) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

Royal Orchid Associated Hotels Private Limited
Notes to the financial statements

2. Summary of significant accounting policies (cont'd)

u) Cash and cash equivalents

Cash and cash equivalent in the statement of financial position comprises cash at banks and on hand, demand deposits, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value.

v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the business of operating and managing hotels/ resorts and providing related services, which constitutes its single reportable segment.

w) Earnings/ (Loss) per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

x) Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21,Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.
The amendment will come into force form April 1, 2018. The Company is evaluating the requirements of Ind AS 21 and its effect on the financial statements.

Ind AS 115- Revenue from Contract with Customers:
On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

The standard permits two possible methods of transition:
a. Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.
b. Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch-up approach)
The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018
The Company is evaluating the requirements of Ind AS 115 and its effect on the financial statements.

Royal Orchid Associated Hotels Private Limited
Notes to the financial statements

3 Property, plant and equipment

₹ in lakhs

Particulars	Land (Freehold)	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Computer equipments	Total
Gross Block								
Balance as at 01 April 2016	**-**	**95.64**	**62.03**	**20.74**	**4.59**	**4.65**	**14.39**	**202.04**
Additions	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	-	-	-
Balance as at 31 March 2017	**-**	**95.64**	**62.03**	**20.74**	**4.59**	**4.65**	**14.39**	**202.04**
Additions	-	-	-	-	-	-	0.46	0.46
Disposals/Adjustments	-	-	-	-	-	-	-	-
Balance as at 31 Mar 2018	**-**	**95.64**	**62.03**	**20.74**	**4.59**	**4.65**	**14.85**	**202.50**
Accumulated depreciation								
Balance as at 01 April 2016	**-**	**95.64**	**62.03**	**20.74**	**4.59**	**4.65**	**14.39**	**202.04**
Charge for the year	-	-	-	-	-	-	-	-
Reversal on disposal/adjustments	-	-	-	-	-	-	-	-
Balance as at 31 March 2017	**-**	**95.64**	**62.03**	**20.74**	**4.59**	**4.65**	**14.39**	**202.04**
Charge for the year	-	-	-	-	-	-	0.08	0.08
Reversal on disposal/adjustments	-	-	-	-	-	-	-	-
Balance as at 31 March 2018	**-**	**95.64**	**62.03**	**20.74**	**4.59**	**4.65**	**14.47**	**202.12**
Net block								
Balance as at 01 April 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at 31 March 2017	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at 31 March 2018	**-**	**-**	**-**	**-**	**-**	**-**	**0.38**	**0.38**

Royal Orchid Associated Hotels Private Limited
Notes to the financial statements

		As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 1 April 2016 ₹ in lakhs
4	**Other financial assets**			
	Other financial assets			
	Security deposits with Holding Company	-	-	48.00
	Security deposits for others	88.08	78.08	77.78
		88.08	**78.08**	**125.78**
5	**Deferred tax asset, net**			
	Deferred tax assets on			
	Provision for compensated absences, gratuity and other employee benefits	21.05	16.69	19.88
		21.05	**16.69**	**19.88**
6	**Other non-current assets**			
	Advance tax, net of provision	365.44	259.08	234.94
		365.44	**259.08**	**234.94**
7	**Trade receivables**			
	Unsecured, considered good	995.61	930.23	942.76
	Unbilled revenue	123.73	96.82	81.93
		1,119.34	**1,027.05**	**1,024.69**
8	**Cash and cash equivalents**			
	Balances with banks			
	- in current accounts	18.08	50.99	44.31
	- in deposit accounts (with maturity upto 3 months)	-	-	25.00
	Cash on hand	0.91	0.74	0.85
		18.99	**51.73**	**70.16**
9	**Other financial assets**			
	Interest accrued on deposits	-	-	0.34
	Other advances	11.02	11.57	11.63
		11.02	**11.57**	**11.97**
10	**Other current assets**			
	Prepaid expenses	5.78	62.65	65.12
		5.78	**62.65**	**65.12**

Royal Orchid Associated Hotels Private Limited
Notes to the financial statements

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number	Amounts ₹ in lakhs	Number	Amounts ₹ in lakhs	Number	Amounts ₹ in lakhs
11 Share capital						
Authorised share capital						
Equity shares of ₹ 10 each	20,00,000	200.00	20,00,000	200.00	20,00,000	200.00
	20,00,000	**200.00**	**20,00,000**	**200.00**	**20,00,000**	**200.00**
Issued, subscribed and fully paid up						
Equity shares of ₹ 10 each	5,00,000	50.00	5,00,000	50.00	5,00,000	50.00
	5,00,000	**50.00**	**5,00,000**	**50.00**	**5,00,000**	**50.00**

a) Reconciliation of share capital

There have been no changes in the number of equity shares and amount outstanding at the beginning and at the end of the reporting period.

b) Details of shares held by the holding company and its subsidiary

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number	Amounts ₹ in lakhs	Number	Amounts ₹ in lakhs	Number	Amounts ₹ in lakhs
Equity shares of ₹10 each with voting rights						
A B Holdings Private Limited - Holding Company	4,80,000	48.00	4,80,000	48.00	4,80,000	48.00
	-	-	-	-	-	-
	4,80,000	**48.00**	**4,80,000**	**48.00**	**4,80,000**	**48.00**

c) Shareholders holding more than 5% of the shares of the Company

	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares
Equity shares of ₹10 each with voting rights						
A B Holdings Private Limited	4,80,000	96.00%	4,80,000	96.00%	4,80,000	96.00%
	4,80,000	**96.00%**	**4,80,000**	**96.00%**	**4,80,000**	**96.00%**

d) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each equity share is entitled to one vote per share. Dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and shall be payable in Indian Rupees. In the event of liquidation of the Company, the shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Aggregate number of bonus shares issued and shares

The Company has not issued any bonus shares or any shares for consideration other than cash nor has there been any buy back of shares during five years immediately preceding 31 March 2018.

		As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 1 April 2016 ₹ in lakhs
12	**Long-term borrowings**			
	Unsecured			
	Borrowings from Holding Company (refer note 26(iv))	94.29	94.29	94.29
	Borrowings from Ultimate Holding Company (refer note 26(iv))	338.30	473.27	510.28
		432.59	**567.56**	**604.57**
13	**Long-term provisions**			
	Employee benefits			
	Gratuity (refer note 27(b))	39.86	29.47	28.09
	Compensated absences	25.77	22.00	11.36
		65.63	**51.47**	**39.45**
14	**Trade payables**			
	Creditors	42.44	63.90	44.67
	Dues to employees	121.83	99.86	81.79
	Accrued expenses	27.24	20.21	19.01
		191.51	**183.97**	**145.47**

(i) Based on the information available with the Company, there are no outstanding dues in respect of Micro, Small and Medium enterprises at the Balance Sheet date. The above disclosure has been determined to the extent such parties have been identified on the basis of information available to the Company. This has been relied upon by the auditors.

		As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 1 April 2016 ₹ in lakhs
15	**Other current liabilities**			
	Statutory dues	55.50	109.28	221.78
	Dues to related parties (refer note 26(iv))	57.95	84.14	44.22
	Advance received from customers	389.60	220.02	15.82
	Others	134.40	134.45	137.38
		637.45	**547.89**	**419.20**
16	**Short-term provisions**			
	Employee benefits			
	Gratuity (refer note 27(b))	0.70	0.49	10.57
	Compensated absences	9.41	8.09	6.10
		10.11	**8.58**	**16.67**
17	**Current Tax Liabilities**			
	Current Tax Liabilities, Net	-	-	41.15
		-	**-**	**41.15**

Royal Orchid Associated Hotels Private Limited
Notes to the financial statements

		Year ended 31 March 2018 ₹ in lakhs	Year ended 31 March 2017 ₹ in lakhs
18	**Revenue from operations**		
	From operating and managing hotels	1,306.96	1,080.74
		1,306.96	**1,080.74**
19	**Other income**		
	Interest income		
	From deposits with banks	-	0.01
	From income tax refund	-	1.83
	Other miscellanous income	611.78	530.66
		611.78	**532.50**
20	**Employee benefits expense**		
	Salaries and bonus	874.98	819.90
	Gratuity expense (refer note 27(b))	15.69	11.39
	Share based payments to employees	28.23	27.65
	Staff welfare expenses	17.69	11.38
	Leave Encashment	5.09	11.87
		941.68	**882.19**
21	**Finance costs**		
	Bank charges	0.14	0.08
		0.14	**0.08**
22	**Depreciation and amortisation expense**		
	Depreciation on tangible assets (refer note 3A)	0.08	-
		0.08	**-**
23	**Other expenses**		
	News Papers, Books & periodicals	0.31	0.33
	Power, fuel and water	3.19	6.55
	Communication	15.22	14.29
	Printing and stationery	20.25	13.64
	Subscription charges	23.41	17.70
	Rent	60.78	67.26
	Repairs and maintenance		
	- Plant and equipment	19.44	17.50
	Insurance	2.78	6.13
	Rates and taxes	34.79	103.68
	Legal and professional	406.81	404.89
	Travelling and conveyance	125.43	115.37
	Advertisement and business promotion	101.96	84.13
	Deposit written off	14.15	48.00
	Miscellaneous	1.98	3.08
		830.50	**902.55**

		Year ended 31 March 2018 ₹ in lakhs	Year ended 31 March 2017 ₹ in lakhs
24	**Income tax expenses**		
	A. Amount recognised in profit or loss		
	Current tax		
	Income tax for the year	36.69	13.48
	Adjustments/(credits) related to previous years - Net		
	Total current tax	**36.69**	**13.48**
	Deferred tax		
	Deferred tax for the year	(5.25)	(2.86)
	Minimum alternative tax credit		
	Adjustments/(credits) related to previous years - Net		
	Total deferred tax	**(5.25)**	**(2.86)**
	Total	**31.45**	**10.62**

B. Amount recognised in other comprehensive income

The tax (charge)/credit arising on income and expenses recognised in other comprehensive income is as follows:

Deferred tax		
On items that will not be reclassified to profit or loss		
Remeasurement gains/(losses) on defined benefit plans	(0.88)	(6.05)
Total	**(0.88)**	**(6.05)**

C. Reconciliation of effective tax rate

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

Profit before tax	**146.34**	**(171.58)**
Income tax expense calculated at 27.5525% (2017 - 27.5525%)	40.32	(47.27)
Other timing differences	(8.87)	57.90
	31.45	**10.62**
Adjustments recognised in the current year in relation to the current tax of prior years	-	-
Income tax recognised in profit or loss	**31.45**	**10.62**

The tax rate used for the year 2016-17 and 2017-18 reconciliations above is the corporate tax rate of 27.5525% (25%+ Surcharge at 7% and Education cess at 3%) payable on taxable profits under the Income-tax Act, 1961.

25	**Earnings per share**		
	Weighted average number of shares outstanding	5,00,000	5,00,000
	Net profit after tax attributable to equity shareholders in ₹ in lacs	117.18	(166.30)
	Basic and diluted earnings per share in ₹	23.44	(33.26)
	Nominal value per equity share in ₹	10	10

27 Employee benefit plans

a) Defined contribution plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

b) Defined benefit plans

The Company offers gratuity benefit scheme to its employees in India as per 'The Payment of Gratuity Act, 1972'. Under the act, employee who has completed five years of service is entitled to gratuity benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The following table sets out the status of the gratuity plan as required under Indian Accounting Standard (Ind AS) - 19 - Employee benefits:

		Year ended 31 March 2018 ₹ in lakhs	Year ended 31 March 2017 ₹ in lakhs
(i)	**The amounts recognised in the Balance Sheet are as follows:**		
	Present value of the obligation as at the end of the year	40.55	29.96
	Fair value of plan assets as at the end of the year	-	-
	Net liability/ (assets) recognized in the Balance Sheet	**40.55**	**29.96**
(ii)	**Changes in the present value of defined benefit obligation**		
	Defined benefit obligation as at beginning of the year	29.96	38.66
	Service cost	13.90	10.16
	Interest cost	2.23	3.09
	Actuarial losses/(gains) arising from	-	-
	- change in demographic assumptions	-	-
	- change in financial assumptions	(1.75)	2.02
	- experience variance (i.e. Actual experiences assumptions)	(1.41)	(23.97)
	Benefits paid	(2.38)	-
	Defined benefit obligation as at the end of the year	**40.55**	**29.96**
(iii)	**Changes in the fair value of plan assets**		
	Fair value as at the beginning of the year	-	-
	Return on plan assets	-	-
	Actuarial (losses)/gains	-	-
	Contributions	-	-
	Benefits paid	-	-
	Fair value as at the end of the year	**-**	**-**
(iv)	**Components of net gratuity costs are**		
	Service cost	13.90	10.16
	Net interest cost on the net defined benefit liability	2.23	3.09
	Components of defined benefit costs recognised in Statement of Profit and Loss	**16.13**	**13.25**
(v)	**Other comprehensive income**		
	Change in financial assumptions	(1.75)	2.02
	Experience variance (i.e. actual experience vs assumptions)	(1.41)	(23.97)
	Return on plan assets, excluding amount recognized in net interest expense	-	-
	Change in demographic assumptions	-	-
	Components of defined benefit costs recognized in other comprehensive income	**(3.16)**	**(21.95)**
(vi)	**Assumptions used for actuarial valuation of gratuity and compensated absences**		
	Discount rate	7.80%	7.45%
	Salary escalation rate	7.00%	7.00%
	Mortality rates *(IAL: Indian Assured Lives Mortality (2006-08))*	100% of IAL	100% of IAL

The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

27 Employee benefit plans (cont'd)

(vii) Experience adjustments:

Particulars	**As at 31 March 2018** ₹ in lakhs	**As at 31 March 2017** ₹ in lakhs
Defined Benefit Obligation	40.55	29.96
Fair value of plan assets	-	-
(Surplus)/deficit	40.55	29.96
Experience adjustments on liabilities: gain/(loss)	(1.41)	(23.97)
Experience adjustments on plan assets: gain/(loss)	-	-

(viii) Sensitivity analysis

Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:

a. Interest Rate Risk:
The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of liability (as shown in financial statements).

b. Liquidity Risk:
This is the risk that the Company is not able to meet the short term benefit payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

c. Salary Escalation Risk:
The present value of the above benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

d. Demographic Risk:
The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

e. Regulatory Risk:
Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (for example, increase in the maximum liability on gratuity of ₹ 10,00,000).

f. Asset Liability Mismatching or Market Risk:
The duration of the liability is longer compared to duration of assets exposing the company to market risks for volatilities/fall in interest rate.

g. Investment Risk:
The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	**Year ended 31 March 2018**		**Year ended 31 March 2017**	
	Increase ₹ in lakhs	**Decrease** ₹ in lakhs	**Increase** ₹ in lakhs	**Decrease** ₹ in lakhs
Discount Rate (- / + 1%)	36.04	45.85	26.42	34.14
Salary Growth Rate (- / + 1%)	45.84	35.96	34.12	26.38
Mortality rate (- / + 10%)	40.56	40.54	29.97	29.96

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

There is no change in the method of valuation for the prior period.

(ix) Maturity analysis of Defined Benefit Obligation

Particulars	**As at 31 March 2018** ₹ in lakhs	**As at 31 March 2017** ₹ in lakhs
Weighted average duration (based on discounted cashflows)	13 years	13 years
Expected cash flows over the next (valued on undiscounted basis):		
1 year	0.70	0.49
2 to 5 years	5.65	3.52
6 to 10 years	22.32	10.97
More than 10 years	92.78	75.13

28 Segment information

The Company's business comprises the operation of a hotel, the services of which represents one business segment. Further, the Company derives its entire revenue from services rendered in India. Consequently, the disclosure of business and geographic segment- wise information is not applicable to the Company.

29 Capital management

For the purpose of the Company's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

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 in the financial covenants of any interest-bearing loans and borrowing in the current period.

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 Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash.

₹ in lakhs

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**
Long term borrowings	432.59	567.56	604.57
Less: Cash and cash equivalents	18.99	51.73	70.16
Net debt	**451.58**	**619.29**	**674.73**
Equity	50.00	50.00	50.00
Other Equity	242.79	97.38	236.03
Total capital	**292.79**	**147.38**	**286.03**
Capital and net debt	**744.37**	**766.67**	**960.76**
Gearing ratio	**61%**	**81%**	**70%**

30 Payment to auditors

	As at 31 March 2018 ₹ in lakhs	**As at 31 March 2017** ₹ in lakhs
for audit fees	2.00	2.00
	2.00	**2.00**

26 Related parties

i. Parties where control exists

Name of party	Nature of relationship
Royal Orchid Hotels Limited	Ultimate Holding Company
A B Holdings Private Limited	Holding Company
Icon Hospitality Private Limited	Fellow Subsidiary
Maruti Comforts and Inn Private Limited	Fellow Subsidiary
Cosmos Premises Private Limited	Fellow Subsidiary

ii. Key management personnel (KMP)

Mr. Pushpinder Kumar	Director

iii. Transactions with related parties during the year

(₹ in lakhs)

Particulars	Nature of relationship	Year ended 31 March 2018	Year ended 31 March 2017
Management fees income			
Icon Hospitality Private Limited	Fellow Subsidiary	144.55	113.55
Maruti Comforts and Inn Private Limited	Fellow Subsidiary	111.18	143.51
Cosmos Premises Private Limited	Fellow Subsidiary	124.85	104.55
Current account transactions			
Royal Orchid Hotels Limited	Ultimate Holding Company	(134.97)	(37.01)

iv. Balances receivable from/ (payable to) related parties are summarised

(₹ in lakhs)

Particulars	Nature of relationship	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Advances payable				
Royal Orchid Hotels Limited	Ultimate Holding Company	(338.30)	(473.27)	(510.28)
A B Holdings Private Limited	Holding Company	(94.29)	(94.29)	(94.29)
Management fees receivable				
Icon Hospitality Private Limited	Fellow Subsidiary	370.65	369.16	324.89
Maruti Comforts and Inn Private Limited	Fellow Subsidiary	21.46	2.75	261.28
Cosmos Premises Private Limited	Fellow Subsidiary	24.68	18.43	26.57
Security Deposits receivable				
A B Holdings Private Limited	Holding Company	-	-	48.00

Royal Orchid Associated Hotels Private Limited
Notes to the financial statements

31 Employee Stock Option Plan

The Holding Company operates certain share plans under which share options have been granted to some of the Company's employees. As per the Guidance Note on "Accounting for Employee Share Based Payments", issued by the Institute of Chartered Accountants of India, which is recommendatory, the Company is required to record compensation costs and disclose information relating to the options granted to the employees of the Company under the Share Plans. The Share Plans are assessed, managed and administered by the Holding Company, over whose shares the options are granted. (refer note 34)

32 Fair value measurements

(i) Financial instruments by category

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

₹ in lakhs

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
A. Financial assets			
a) Measured at amortised cost			
Non-current assets			
(i) Other financial assets	88.08	78.08	125.78
Current assets			
(i) Trade receivables	1,119.34	1,027.05	1,024.69
(ii) Cash and cash equivalents	18.99	51.73	70.16
(iii) Other financial assets	11.02	11.57	11.97
	1,237.43	**1,168.43**	**1,232.60**
b) Measured at fair value through OCI	-	-	-
c) Measured at fair value through profit or loss	-	-	-
Total financial assets	**1,237.43**	**1,168.43**	**1,232.60**
B. Financial liabilities			
a) Measured at amortised cost			
Non-current liabilities			
(i) Borrowings	432.59	567.56	604.57
Current liabilities			
(i) Trade payables	191.51	183.97	145.47
	624.10	**751.53**	**750.04**
b) Measured at fair value through OCI	-	-	-
c) Measured at fair value through profit or loss	-	-	-
Total financial liabilities	**624.10**	**751.53**	**750.04**

Notes:

(i) The fair value of trade receivables, trade payables and other Current financial assets and liabilities are considered to be equal to the carrying amounts of these items due to their short – term nature.

(ii) The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(iii) The management assessed that for amortised cost instruments, the fair value approximates largely to the carrying amount.

33 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on it's financial performance. The primary market risk to the Company is foreign exchange exposure risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

The Company's risk management activity focuses on actively securing the Company’s short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below.

(A) Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company, resulting in a financial loss. The Company is exposed to this risk for various financial instruments. The Company’s maximum exposure to credit risk is limited to the carrying amount of financial assets, as summarised below:

₹ in lakhs

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Non-current assets			
(i) Other financial assets	88.08	78.08	125.78
Current assets			
(i) Trade receivables	1,119.34	1,027.05	1,024.69
(ii) Cash and cash equivalents	18.99	51.73	70.16
(iii) Other financial assets	11.02	11.57	11.97
Total financial assets	**1,237.43**	**1,168.43**	**1,232.60**

A1: Trade and other receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the Company 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. On account of adoption of Ind AS 109, Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain. The provision for expected credit loss takes into account available external and internal credit risk factors and Company's historical experience for customers.

The allowance for life time expected credit loss on customer balances for the year ended 31 March 2018 and 31 March 2017 was ₹ Nil.

₹ in lakhs

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Balance at the beginning of the year	-	-	-
Impairment loss recognised	-	-	-
Impairment loss reversed	-	-	-
Balance at the end of the year	**-**	**-**	**-**

A2: Cash and cash equivalents

The credit risk for cash and cash equivalents, and derivative financial instruments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, advances recoverable, loans and advances to employees, security deposit and other financial assets are neither past due nor impaired.

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired.

33 Financial risk management (cont'd)

(B) Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, usually on a month on month basis. Long-term liquidity needs for a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Company’s objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Company’s non-derivative financial liabilities that have contractual maturities (including interest payments where applicable) are summarised below:

Maturities of financial liabilities

₹ in lakhs

As at 31 March 2018	Less than 1 year	1 year to 5 years	More than 5 years	Total
Trade payable	191.51	-	-	191.51
Total	**191.51**	**-**	**-**	**191.51**

As at 31 March 2017	Less than 1 year	1 year to 5 years	More than 5 years	Total
Trade payable	183.97	-	-	183.97
Total	**183.97**	**-**	**-**	**183.97**

As at 01 April 2016	Less than 1 year	1 year to 5 years	More than 5 years	Total
Trade payable	145.47	-	-	145.47
Total	**145.47**	**-**	**-**	**145.47**

This space has been intentionally left blank

33 Financial risk management (cont'd)

(C) Market risk
The Company is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk, which result from both its operating and investing activities.

(i) Foreign currency risk
The predominant currency of the Company's revenues and operating cash flows is Indian Rupees (INR). The Company does not have foreign currency denominated financial assets and liabilities which expose the Company to currency risk.

(ii) Interest rate risk

(ii.a) Liabilities
The Company’s policy is to minimise interest rate cash flow risk exposures on long-term financing. As at 31 March 2018, the Company is not having any borrowings at variable rates and hence Company is not exposed to changes in market interest rates.

(ii.b) Assets
The Company’s fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

This space has been intentionally left blank

34 First-time adoption of Ind AS

These are the Company’s first financial statements prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (‘previous GAAP’).

Accordingly, the Company has prepared the financial statements for the comparitive period as at and for the year ended 31 March 2017 that comply with the applicable Ind AS, as described in the summary of significant accounting policies. In preparing these financial statements, the Company’s opening balance sheet was prepared as at 1 April 2016, the Company’s date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at 1 April 2016 and the comparitive financial statements as at and for the year ended 31 March 2017.

A. Ind AS optional exemptions

A1. Deemed cost for property, plant and equipment, investment property and intangible assets

Ind AS 101 First-time Adoption of Indian Accounting Standards, permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

B. Ind AS mandatory exemptions

B1. Estimates

In accordance with Ind AS, as at the date of transition to Ind AS an entity's estimates shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP except impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition this was not required under the previous GAAP.

B2. Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 Financial Instruments are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:
a) The effects of the retrospective application or retrospective restatement are not determinable; or
b) The retrospective application or restatement requires assumptions about what management’s intent would have been in that period; or
c) The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

34 First-time adoption of Ind AS (cont'd)

B3. De-recognition of financial assets and liabilities

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires a first-time adopter to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 First-time Adoption of Indian Accounting Standards, allows a first-time adopter to apply the de-recognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively from the date of transition to Ind AS.

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS as at the periods specified below.

C1. Reconciliation of other equity

The Company has also prepared a reconciliation of equity as at 31 March 2017 and 1 April 2016 under the previous GAAP with the equity as reported in these financial statements under Ind AS, that reflect the impact of Ind AS on the components of statement of Balance sheet which is presented below:

Particulars	**Note**	**As at 31 March 2017 ₹ in lakhs**	**As at 01 April 2016 ₹ in lakhs**
Equity as reported under previous GAAP		**97.38**	**236.03**
Adjustments on account of:			
(i) ESOP expense charged by Holding Company		(27.65)	-
(ii) Adjustment to reserves on account of deferred employee cost charged by Holding Company		27.65	-
Equity under Ind AS		**97.38**	**236.03**

C2. Reconciliation of total comprehensive income

₹ in lakhs

Particulars	**Year ended 31 March 2017**
Profit after tax as reported under previous GAAP	**(138.65)**
Adjustments on account of:	
(i) Measurement of financial assets and liabilities at amortised cost	
(ii) Measurement of defined benefit obligation	(21.95)
(iii) ESOP expense recognised at fair value through profit or loss	(27.65)
(iv) Revenue arising from Government grant related to assets	
(v) Depreciation due to change in the value of fixed assets arising from government grants	
(vi) Deferred tax on Ind AS adjustments	6.05
Profit after tax as reported under Ind AS	**(182.20)**
Other comprehensive income / (loss) (net of tax)	15.90
Total comprehensive income / (loss) as reported under Ind AS	**(166.30)**

Royal Orchid Associated Hotels Private Limited
Notes to the financial statements

34 First-time adoption of Ind AS (cont'd)

C3. Notes

1 Borrowings

Ind AS 109, 'Financial Instruments' requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred. Accordingly, borrowings as at 01 April 2016 and 31 March 2017 have been reduced with a corresponding adjustment to retained earnings.

2 Government grant

Under the previous GAAP, the Export Promotion Capital Goods (EPCG) benefit received was netted off with the value of property, plant & equipment (PPE). Under Ind AS, the value of PPE has been grossed up and the EPCG benefit is treated as deferred revenue to the extent the export obligations are not met.

3 Employee stock option plan

Under Previous GAAP, the intrinsic value of the employee stock option plan was recognised as an expense over the vesting period. Under Ind AS, the compensation cost of employee stock option plan is recognised based on the fair value of the options determined using an appropriate pricing model at the date of grant. Accordingly, the difference between the intrinsic value of the employee stock option plan and the fair value of the option on the date of grant has been adjusted in opening retained earnings and statement of profit and loss for 1 April 2016 and 31 March 2017 respectively.

4 Defined benefit obligation

Both under the Previous GAAP and Ind AS, the Company recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced by such amount with a corresponding adjustment on defined benefit plans has been recognized in the OCI net of tax.

5 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as ‘other comprehensive income’ includes re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under the Previous GAAP.

6 Other equity

Adjustments to retained earnings as at 31 March 2017 and 1 April 2016 has been adjusted consequent to the above Ind AS transition adjustments.

For and on behalf of the Board of Directors

Sd/-	Sd/-
Pushpinder Kumar	**Karthik Jayaram**
Director	Director
DIN:07139363	DIN:08099394
Place: Bengaluru	Place: Bengaluru
Date: 26 May 2018	Date: 26 May 2018

RIVERSHORE DEVELOPERS PRIVATE LIMITED

Audited Financial Statements

for the year ended

31 March 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF **RIVER SHORE DEVELOPERS PRIVATE LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements **M/S.RIVER SHORE DEVELOPERS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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 standalone financial statements.

We believe that the audit evidence obtained by us 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 Loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

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 of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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, Statement of Changes in Equity and the Statement of Cash Flow 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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" Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting and

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

   i. The Company does not have any pending litigations which would impact its financial position.

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

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

For M/s P.Chandrasekar LLP
Chartered Accountants
Firm Registration No. 000580S/S200066

Sd/-

S.Rajagopalan

Partner
Membership No.025349

Place: Bangalore
Date: 23.05.2018

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2018, we report that:

i. a) The Company has maintained proper record showing full particulars, including quantitative details and situation of fixed assets.

b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

C) The title deeds of immovable properties are held in the name of the company

ii. The Company does not hold any inventory and hence this clause is not applicable

iii. The Company not granted any loan to companies covered in the register maintained under section 189 of the Companies Act, 2013, hence this clause is not applicable.

iv. The company has not granted any of loans, investments, guarantees, and security during the year under provisions of section 185 and 186 of the Companies Act, 2013 hence this clause is not applicable

v. The company has not accepted any deposits accordingly this clause is not applicable.

vi. As per the information and explanations given to us the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

vii. The company is generally regular in depositing, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, wherever applicable to it

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2018 for a period of more than six months from the date they became payable.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

ix. The company has not raised any moneys by way of initial public offer or further public offer during the year, however the company has raised money by issue of equity shares as a private placement during the year.

x. During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

xi. The company has not paid / provided managerial remuneration during the year hence this clause not applicable

xii. The company is not a Nidhi company hence this clause not applicable

xiii. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act,2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards

xiv. During the year the company has issued shares by way of private placement and the company has complied with the provision of Section 42 of the Companies Act, 2013 and as per the information and explanation provided to us the funds received has been used for the purposes for which it were raised.

xv. The company has not entered into any non-cash transactions with directors or persons connected with him hence this clause not applicable

xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 hence this clause not applicable

For M/s P.Chandrasekar LLP

Chartered Accountants

Firm Registration No. 000580S/S20066

Sd/-

S.Rajagopalan

Partner
Membership No.025349

Place: Bangalore
Date: 23.05.2018

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **RIVER SHORE DEVELOPERS PRIVATE LIMITED** ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 M/s P.Chandrasekar LLP
Chartered Accountants
Firm Registration No. 000580S/S200066

Sd/-
S.Rajagopalan
Partner
Membership No.025349

Place: Bangalore
Date: 23.05.2018

River Shore Developers Private Limited
Balance Sheet as at 31 March 2018

	Notes	As at 31 March 2018 ₹'000	As at 31 March 2017 ₹'000	As at 01 April 2016 ₹'000
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3A	3,32,722.40	3,32,722.40	3,32,722.40
(b) Capital Work in progress	3B	1,62,498.87	1,62,498.87	1,62,498.87
		4,95,221.27	**4,95,221.27**	**4,95,221.27**
Current assets				
(a) Financial assets				
(i) Cash and cash equivalents	4	749.83	750.48	750.78
(ii) Other financial assets	5	58.00	58.00	58.00
(d) Other current assets	6	749.44	749.44	857.38
		1,557.27	**1,557.92**	**1,666.16**
TOTAL ASSETS		**4,96,778.54**	**4,96,779.19**	**4,96,887.43**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	7	4,77,981.00	3,55,000.00	3,55,000.00
(b) Instruments entirely equity in nature		-	1,22,981.00	1,01,660.00
(c) Other equity		(1,47,044.27)	(1,09,413.41)	(76,580.54)
		3,30,936.73	**3,68,567.59**	**3,80,079.46**
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	8	50,000.00	50,000.00	50,000.00
(d) Other non-current liabilities	9	4,250.00	4,250.00	4,250.00
		54,250.00	**54,250.00**	**54,250.00**
Current liabilities				
(a) Financial liabilities				
(i) Trade payables	10	956.52	953.41	1,441.52
(ii) Other financial liabilities	11	1,05,905.16	72,057.96	58,198.68
(b) Other current liabilities	12	4,730.13	950.23	2,917.77
		1,11,591.81	**73,961.60**	**62,557.97**
TOTAL EQUITY AND LIABILITIES		**4,96,778.54**	**4,96,779.19**	**4,96,887.43**

See accompanying notes forming part of these financial statements.
In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
FRN Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place: Bangalore
Date: 23 May 2018

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Managing Director
DIN: 03448511

Place: Bangalore
Date: 23 May 2018

Sd/-
Chetan Tewari
Director
DIN: 07394065

Place: Bangalore
Date: 23 May 2018

Sd/-
Peeyush Gupta
Chief Financial Officer
Place: Bangalore
Date: 23 May 2018

Sd/-
Ranabir Sanyal
Company Secretary
Place: Bangalore
Date: 23 May 2018

River Shore Developers Private Limited
Statement of Profit and Loss for the year ended 31 March 2018

	Notes	Year ended 31 March 2018 ₹'000	Year ended 31 March 2017 ₹'000
Revenue			
Revenue from operations		-	-
Other income		-	-
Total revenue		**-**	**-**
Expenses			
Employee benefits expense	13	-	-
Finance costs	14	10,467.97	9,078.99
Other expenses	15	11,697.61	1,505.60
Total expenses		**22,165.58**	**10,584.59**
Profit before tax		**(22,165.58)**	**(10,584.59)**
Tax expense			
Current tax		-	-
Deferred tax charge/(credit)		-	-
		-	**-**
Profit after tax		**(22,165.58)**	**(10,584.59)**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
a) Remeasurement (losses)/gains in defined benefit plans			
Income tax effect		-	-
Net of items that will not be reclassified to profit or loss		-	-
Items that will be reclassified subsequently to profit or loss			
Net of items that will be reclassified subsequently to profit or loss		-	-
Other comprehensive income/(loss), net of tax		**-**	**-**
Total comprehensive income for the period		**(22,165.58)**	**(10,584.59)**
Earnings per equity share of ₹ 10 each			
Basic/Diluted	16	(0.56)	(0.30)

See accompanying notes to Financial Statements.
In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
FRN Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place: Bangalore
Date: 23 May 2018

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Managing Director
DIN: 03448511

Place: Bangalore
Date: 23 May 2018

Sd/-
Chetan Tewari
Director
DIN: 07394065

Place: Bangalore
Date: 23 May 2018

Sd/-
Peeyush Gupta
Chief Financial Officer
Place: Bangalore
Date: 23 May 2018

Sd/-
Ranabir Sanyal
Company Secretary
Place: Bangalore
Date: 23 May 2018

River Shore Developers Private Limited

Statement of Changes in Equity for the year ended 31 March 2018

A. Equity share capital

	Equity shares	
Equity shares of ₹ 10 each, fully paid-up	**Number**	**Amount ₹'000**
As at 1 April 2016	3,55,00,000	3,55,000.00
Add: Issued and subscribed during the year	-	-
As at 31 March 2017	**3,55,00,000**	**3,55,000.00**
Add: Issued and subscribed during the year	1,22,98,100	1,22,981.00
As at 31 March 2018	**4,77,98,100**	**4,77,981.00**

B. Instruments entirely equity in nature

	Compulsorily Convertible Debentures	
Compulsorily Convertible Debentures ₹ 10 each	**Number**	**Amount ₹'000**
Balance as at 1 April 2016	1,01,66,000	1,01,660.00
Changes in compulsorily convertible debentures during the year	21,32,100	21,321.00
Balance as at 31 March 2017	**1,22,98,100**	**1,22,981.00**
Changes in compulsorily convertible debentures during the year	(1,22,98,100)	(1,22,981.00)
Balance as at 31 March 2018	**-**	**-**

C. Other equity

For the year ended 31 March 2018

(INR in thousands)

	Retained Earnings	Items of OCI	Total
Balance as at 31 March 2017	**(1,09,413.41)**	**-**	**(1,09,413.41)**
Loss for the year	(22,165.58)	-	(22,165.58)
Other comprehensive income/(loss), net of tax	-	-	-
Total Comprehensive Income	**(22,165.58)**	**-**	**(22,165.58)**
Dividend on Compulsorily Convertible Debentures	(15,465.28)	-	(15,465.28)
Balance as at 31 March 2018	**(1,47,044.27)**	**-**	**(1,47,044.27)**

For the year ended 31 March 2017

(INR in thousands)

	Retained Earnings	Items of OCI	Total
Balance as at 1 April 2016	**(76,580.54)**	**-**	**(76,580.54)**
Loss for the year	(10,584.59)	-	(10,584.59)
Other comprehensive income/(loss), net of tax	-	-	-
Total comprehensive income	**(10,584.59)**	**-**	**(10,584.59)**
Dividend on Compulsorily Convertible Debentures	(22,248.28)	-	(22,248.28)
Balance as at 31 March 2017	**(1,09,413.41)**	**-**	**(1,09,413.41)**

In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
FRN Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place: Bangalore
Date: 23 May 2018

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Managing Director
DIN: 03448511

Place: Bangalore
Date: 23 May 2018

Sd/-
Chetan Tewari
Director
DIN: 07394065

Place: Bangalore
Date: 23 May 2018

Sd/-
Peeyush Gupta
Chief Financial Officer
Place: Bangalore
Date: 23 May 2018

Sd/-
Ranabir Sanyal
Company Secretary
Place: Bangalore
Date: 23 May 2018

River Shore Developers Private Limited
Cash Flow Statement for the year ended 31 March 2018

	Year ended 31 March 2018 ₹'000	Year ended 31 March 2017 ₹'000
A. Cash flow from operating activities		
Net profit before tax	**(22,165.58)**	**(10,584.59)**
Adjustments for:		
Interest expenses	10,467.97	9,078.99
Operating profit before working capital changes	**(11,697.61)**	**(1,505.60)**
Changes in working capital:		
Increase/(decrease) in trade payables and other liabilities	304.98	(5,867.87)
Decrease in loans and advances	-	107.94
Cash generated from operations	**(11,392.63)**	**(7,265.53)**
Direct taxes paid (net)	-	-
Net cash generated from operating activities	**(11,392.63)**	**(7,265.53)**
B. Cash flows from investing activities	**-**	**-**
Net cash (used in)/generated from investing activities	**-**	**-**
C. Cash flows from financing activities		
Proceeds from Unsecured Loans	11,391.98	7,336.32
Interest paid	-	(71.09)
Net cash (used in) from financing activities	**11,391.98**	**7,265.23**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(0.65)**	**(0.30)**
Cash and cash equivalents at the beginning of the year	**750.48**	**750.78**
Cash and cash equivalents at the end of the year	**749.83**	**750.48**

In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349
Place: Bangalore
Date: 23 May 2018

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Managing Director
DIN: 03448511
Place: Bangalore
Date: 23 May 2018

Sd/-
Chetan Tewari
Director
DIN: 07394065
Place: Bangalore
Date: 23 May 2018

Sd/-
Peeyush Gupta
Chief Financial Officer
Place: Bangalore
Date: 23 May 2018

Sd/-
Ranabir Sanyal
Company Secretary
Place: Bangalore
Date: 23 May 2018

River Shore Developers Private Limited
Notes to the financial statements

1. General Information:

River Shore Developers Private Limited (formerly known as 'Amar Tara Hospitality Private Limited') ('the Company') was incorporated on 29 July 2009. The Company has executed into a tripartite agreement with Royal Orchid Hotels Limited and Amar Tara Private Limited to develop a hotel project in Mumbai. The Company has commenced construction activities in April 2011. The Company has suspended the construction pending certain key approvals from the local authorities.

2. Summary of significant accounting policies

a) Statement of compliance

Financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 23rd May 2018.

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the first Ind AS financial statements of the Company. The date of transition to Ind AS is 1 April 2016. Refer note 22 for the details of first-time adoption exemptions availed by the Company, reconciliations and descriptions of the effect of the transition.

b) Basis of accounting and preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its financial statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1 April, 2017. Accordingly, the Company has prepared these financial statements which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the year ended 31 March, 2018, and accounting policies and other explanatory information (together hereinafter referred to as" financial statements").

The financial Statements have been prepared using the significant accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

The financial Statements have been prepared on the 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.

c) Use of estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Company bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the amounts recognized in the financial Statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Classification of leases

The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

2. Summary of significant accounting policies (cont'd)

c) Use of estimates (Cont'd)

Recognition of deferred tax assets
The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions

Evaluation of indicators for impairment of assets
The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Recoverability of advances / receivables
At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Useful lives of depreciable / amortisable assets
Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

Defined benefit obligation (DBO)
Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements
Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

d) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as 12 months.
Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

e) Property, plant and equipment

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its Previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.
Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

River Shore Developers Private Limited
Notes to the financial statements

2. Summary of significant accounting policies (cont'd)

e) Property, plant and equipment (cont'd)

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows as per the indicative useful life prescribed in Schedule II to the Companies Act, 2013:

Asset Category	Useful lives (in years)
Buildings	30
Plant and equipment	15
Furniture and fixtures	8
Vehicles	6
Office equipment	5
Computer equipment	3

Leasehold land is amortised over the period of lease.
The Company has evaluated the applicability of component accounting as prescribed under Ind AS 16 and Schedule II of the Companies Act, 2013, the management has not identified any significant component having different useful lives. Schedule II requires the Company to identify and depreciate significant components with different useful lives separately.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

f) Investment properties

Recognition and initial measurement
Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes to the financial statements. Fair values are determined based on an annual evaluation performed by an accredited external 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.

Subsequent measurement
Depreciation on investment properties is provided on the straight-line method, computed on the basis of useful lives prescribed under Part C of Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition
Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

g) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

2. Summary of significant accounting policies (cont'd)

h) Revenue recognition

Revenue from contracts with customers is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

Income from services
Revenues comprise income from the sale of room nights, food, beverages and allied services during a guest's stay at the hotel. Room revenue is recognised based on occupation and revenue from sale of food, beverages and other allied services, as the respective services are rendered with reasonable certainty of ultimate collection. Other revenues are recognised as and when the services are performed or the right to receive claim is established, with reasonable certainty for ultimate collection. Rebates and discounts granted to customers are reduced from revenue.
Income from management and technical services are recognised as the services are rendered based on the terms of the contract.
Unbilled revenues' represent revenues recognised on services rendered, for which amounts are to be billed in subsequent periods.

Interest income

Interest income is reported on an accrual basis using the effective interest method and is included under the head "other income" in the Statement of Profit and Loss.

i) Employee benefits

Employee benefits include provident fund, employee state insurance scheme, labour welfare fund, gratuity and compensated absences. Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan
Retirement benefit in the form of provident fund and employee state insurance scheme is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and employee state insurance scheme. The Company recognises contribution payable to the schemes as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan
Gratuity
The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Compensated absences
The Company provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of vesting as well as non vesting benefit. The cost of short term compensated absences are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs.

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period. Further, as required under Ind AS compliant Schedule III, the Company transfers those amounts recognized in other comprehensive income to retained earnings in the statement of changes in equity and in the balance sheet.

Short-term employee benefits
Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee

2. Summary of significant accounting policies (cont'd)

j) Share based payments

The Company has equity-settled share-based remuneration plans for its employees. None of the Company's plans are cash-settled.
Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.
Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

k) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.
For arrangements entered into prior to 1 April 2016 (date of transition to Ind AS), the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Finance Lease
A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at fair value of the leased property or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset.

Operating Lease
Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

l) Foreign currency transactions

Functional and presentation currency
The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupees (₹)

Transactions and balances

- Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit or Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

- Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

- Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2. Summary of significant accounting policies (cont'd)

n) Inventories

Inventory comprises food, beverages, stores and spare parts and are valued at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the goods to their present location and condition and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion to make the sale.

o) Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.
Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.
Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

p) Provisions and contingencies

Provisions
A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets
Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments

Financial assets

Initial recognition and measurement
All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
i. Debt instruments at amortised cost;
ii. Debt instruments at fair value through other comprehensive income (FVTOCI);
iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL); and
iv. Equity investments.

i. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

ii. Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit & loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit & loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 Business Combinations, applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election 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 recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments (cont'd)

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings
This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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.

This category generally applies to borrowings.

Financial guarantee contracts
Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 Financial Instruments and the amount recognised less cumulative amortisation.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments (cont'd)

Derecognition of financial liabilities
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.

r) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables
The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets
For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

s) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

t) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

2. Summary of significant accounting policies (cont'd)

u) Cash and cash equivalents

Cash and cash equivalent in the statement of financial position comprises cash at banks and on hand, demand deposits, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value.

v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the business of operating and managing hotels/ resorts and providing related services, which constitutes its single reportable segment.

w) Earnings/ (Loss) per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

x) Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21,Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.
The amendment will come into force form April 1, 2018. The Company is evaluating the requirements of Ind AS 21 and its effect on the financial statements.

Ind AS 115- Revenue from Contract with Customers:
On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.
The standard permits two possible methods of transition:
a. Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.
b. Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch-up approach)
The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018
The Company is evaluating the requirements of Ind AS 115 and its effect on the financial statements.

River Shore Developers Private Limited
Notes to the financial statements

3A Property, plant and equipment

Amount in ₹ '000

Particulars	Land (Freehold)	Total
<u>**Gross Block**</u>		
Balance as at 01 April 2016	**3,32,722.40**	**3,32,722.40**
Additions	-	-
Disposals/Adjustments	-	-
Balance as at 31 March 2017	**3,32,722.40**	**3,32,722.40**
Additions	-	-
Disposals/Adjustments	-	-
Balance as at 31 Mar 2018	**3,32,722.40**	**3,32,722.40**
<u>**Accumulated depreciation**</u>		
Balance as at 01 April 2016	**-**	**-**
Charge for the year	-	-
Ind AS adjustments	-	-
Reversal on disposal/adjustments	-	-
Balance as at 31 March 2017	**-**	**-**
Charge for the year	-	-
Ind AS adjustments	-	-
Reversal on disposal/adjustments	-	-
Balance as at 31 March 2018	**-**	**-**
<u>**Net block**</u>		
Balance as at 01 April 2016	**3,32,722.40**	**3,32,722.40**
Balance as at 31 March 2017	**3,32,722.40**	**3,32,722.40**
Balance as at 31 March 2018	**3,32,722.40**	**3,32,722.40**

		As at 31 March 2018 ₹'000	As at 31 March 2017 ₹'000	As at 1 April 2016 ₹'000
3B	**Capital work-in-progress**	1,62,498.87	1,62,498.87	1,62,498.87

River Shore Developers Private Limited
Notes to the financial statements

		As at 31 March 2018 ₹'000	As at 31 March 2017 ₹'000	As at 01 April 2016 ₹'000
4	**Cash and cash equivalents**			
	Balances with banks			
	- in current accounts	749.83	750.48	750.78
		749.83	**750.48**	**750.78**
5	**Other financial assets**			
	Other advances	58.00	58.00	58.00
		58.00	**58.00**	**58.00**
6	**Other current assets**			
	(Unsecured, considered good)			
	Advances to suppliers	749.44	749.44	399.29
	Other receivables	-	-	458.09
		749.44	**749.44**	**857.38**

River Shore Developers Private Limited
Notes to the financial statements

	As at 31 March 2018 Number	As at 31 March 2018 Amounts ₹'000	As at 31 March 2017 Number	As at 31 March 2017 Amounts ₹'000	As at 01 April 2016 Number	As at 01 April 2016 Amounts ₹'000
7 Share capital						
Authorised share capital						
Equity shares of ₹ 10 each	5,00,00,000	5,00,000.00	4,00,00,000	4,00,000.00	4,00,00,000	4,00,000.00
	5,00,00,000	**5,00,000.00**	**4,00,00,000**	**4,00,000.00**	**4,00,00,000**	**4,00,000.00**
Issued, subscribed and fully paid up						
Equity shares of ₹ 10 each	4,77,98,100	4,77,981.00	3,55,00,000	3,55,000.00	3,55,00,000	3,55,000.00
	4,77,98,100	**4,77,981.00**	**3,55,00,000**	**3,55,000.00**	**3,55,00,000**	**3,55,000.00**
a) Reconciliation of share capital						
Balance at the beginning of the year	3,55,00,000	3,55,000.00	3,55,00,000	3,55,000.00	3,55,00,000	3,55,000.00
Add: Subscribed during the year	1,22,98,100	1,22,981.00	-	-	-	-
Balance at the end of the year	**4,77,98,100**	**4,77,981.00**	**3,55,00,000**	**3,55,000.00**	**3,55,00,000**	**3,55,000.00**

b) Details of shares held by the holding company and its subsidiary

	As at 31 March 2018 Number	As at 31 March 2018 Amounts ₹'000	As at 31 March 2017 Number	As at 31 March 2017 Amounts ₹'000	As at 01 April 2016 Number	As at 01 April 2016 Amounts ₹'000
Equity shares of ₹10 each with voting rights						
Royal Orchid Hotels Limited - Holding Company	4,77,98,099	4,77,980.99	3,54,99,999	3,54,999.99	2,66,60,000	2,66,600.00
Royal Orchid Goa Private Limited - Fellow Subsidiary	1	0.01	1	0.01	-	-
	4,77,98,100	**4,77,981.00**	**3,55,00,000**	**3,55,000.00**	**2,66,60,000**	**2,66,600.00**

c) Shareholders holding more than 5% of the shares of the Company

Equity shares of ₹10 each with voting rights	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares
Royal Orchid Hotels Limited - Holding Company	4,77,98,099	100.00%	3,54,99,999	100.00%	2,66,60,000	75.10%
Amar Tara Private Limited					88,40,000	24.90%
	4,77,98,099	**100.00%**	**3,54,99,999**	**100.00%**	**3,55,00,000**	**100.00%**

d) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each equity share is entitled to one vote per share. Dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and shall be payable in Indian Rupees. In the event of liquidation of the Company, the shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

The Company has not issued any bonus shares or any shares for consideration other than cash nor has there been any buy back of shares during five years immediately preceding 31 March 2018.

		As at 31 March 2018 ₹'000	As at 31 March 2017 ₹'000	As at 01 April 2016 ₹'000
8	**Borrowings**			
	Secured			
	Term loan from others (refer note below)	50,000.00	50,000.00	50,000.00
		50,000.00	**50,000.00**	**50,000.00**
	Less: Current maturities of long-term debt	-	-	-
		50,000.00	**50,000.00**	**50,000.00**

Note:

Details of terms of repayment, guarantee and security for secured loans from others

(i) Secured by way of first charge on the fixed assets and current assets of the company both present and future. The loan bears interest rate of 18% p.a. The balance outstanding as at 31 March 2018 is ₹ 500.00 lakhs (31 March 2017: ₹ 500.00 lakhs; 01 April 2016: ₹ 500.00 lakhs)

9	**Other non-current financial liabilities**			
	Advance received from customers	4,250.00	4,250.00	4,250.00
		4,250.00	**4,250.00**	**4,250.00**
10	**Trade payables**			
	Acceptances	-	-	-
	Other than acceptances (refer note (i) below)			
	Dues to employees	255.43	255.43	255.43
	Accrued expenses	701.09	697.98	1,186.09
		956.52	**953.41**	**1,441.52**

(i) Based on the information available with the Company, there are no outstanding dues in respect of Micro, Small and Medium enterprises at the Balance Sheet date. The above disclosure has been determined to the extent such parties have been identified on the basis of information available to the Company. This has been relied upon by the auditors.

11	**Other financial liabilities**			
	Unsecured loans	15,034.58	3,642.60	17,627.28
	Interest accrued and due on unsecured loan/debentures	57,281.17	42,041.25	22,017.79
	Interest accrued and due on secured loan	24,047.26	15,947.26	7,847.26
	Project Creditors	4,981.89	5,866.59	6,146.09
	Retention money payable	4,560.26	4,560.26	4,560.26
		1,05,905.16	**72,057.96**	**58,198.68**
12	**Other current liabilities**			
	Statutory dues	4,730.13	950.23	2,917.77
		4,730.13	**950.23**	**2,917.77**

River Shore Developers Private Limited
Notes to the financial statements

		Year ended 31 March 2018 ₹'000	Year ended 31 March 2017 ₹'000
13	**Employee benefits expense**		
	Salaries and bonus	-	-
		-	**-**
14	**Finance costs**		
	Interest expenses		
	On term loan	9,000.00	9,078.99
	On unsecured loans	1,467.97	-
		10,467.97	**9,078.99**
15	**Other expenses**		
	Power, fuel and water	78.92	50.76
	Security charges	480.00	480.00
	Rates and taxes	9,945.74	176.49
	Legal and professional	1,005.00	671.83
	Travelling and conveyance	60.00	39.42
	Directors' sitting fees	20.00	-
	Bank charges	0.65	0.30
	Miscellaneous	107.30	86.80
		11,697.61	**1,505.60**
16	**Earnings per share**		
	Weighted average number of shares outstanding	3,92,39,970	3,55,00,000
	Net profit after tax attributable to equity shareholders in ₹'000	(22,165.58)	(10,584.59)
	Basic and diluted earnings per share in ₹	(0.56)	(0.30)
	Nominal value per equity share in ₹	10	10

17 Related parties

i. Parties where control exists

Name of party	Nature of relationship
Royal Orchid Hotels Limited	Holding Company

ii. Key Management Personnel (KMP)

Mr. Amit Jaiswal	Managing Director
Mr. Vikas Passi	Director
Mr. Chetan Tewari	Director
Mr. Peeyush Gupta	Chief Financial Officer
Mr. Ranabir Sanyal	Company Secretary

iii. Transaction with related party during the year:

(INR in thousands)

Nature of Transaction	Nature of relationship	Year ended 31 March 2018	Year ended 31 March 2017
Interest on unsecured loans			
Royal Orchid Hotels Limited	Holding Company	1,467.97	-
Unsecured loans			
Royal Orchid Hotels Limited	Holding Company	11,391.98	7,336.32
Dividend on Compulsorily Convertible Debentures			
Royal Orchid Hotels Limited	Holding Company	15,465.28	22,248.28

iv. Balances payable to related party is summarised below:

(INR in thousands)

Nature of transactions	Nature of relationship	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Interest accrued on Compulsorily Convertible Debentures and unsecured loans (net of taxes deducted at source)				
Royal Orchid Hotels Limited	Holding Company	57,281.17	42,041.25	22,017.79
Corporate guarantee taken outstanding				
Royal Orchid Hotels Limited	Holding Company	-	-	9,50,000.00

River Shore Developers Private Limited
Notes to the financial statements

18 Segment information

The Company's business comprises the operation of a hotel, the services of which represents one business segment. Further, the Company derives its entire revenue from services rendered in India. Consequently, the disclosure of business and geographic segment- wise information is not applicable to the Company.

19 Capital management

For the purpose of the Company’s capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company’s capital management is to maximise the shareholder value.

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 in the financial covenants of any interest-bearing loans and borrowing in the current period.

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 Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt and interest bearing loans and borrowings less cash.

(INR in thousands)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Long term borrowings	50,000.00	50,000.00	50,000.00
Current maturities of long term borrowings	-	-	-
Short term borrowings	-	-	-
Less: Cash and cash equivalents	749.83	750.48	750.78
Net debt	**50,749.83**	**50,750.48**	**50,750.78**
Equity	4,77,981.00	3,55,000.00	3,55,000.00
Instruments entirely equity in nature	-	1,22,981.00	1,01,660.00
Other Equity	(1,47,044.27)	(1,09,413.41)	(76,580.54)
Total capital	**3,30,936.73**	**3,68,567.59**	**3,80,079.46**
Capital and net debt	**3,81,686.56**	**4,19,318.07**	**4,30,830.24**
Gearing ratio	**13.30%**	**12.10%**	**11.78%**

20 Payment to auditors

	As at 31 March 2018 ₹'000	As at 31 March 2017 ₹'000
for audit fees	85.00	85.00
	85.00	**85.00**

21 Fair value measurements

(i) Financial instruments by category

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

(INR in thousands)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A. Financial assets			
a) Measured at amortised cost			
Current assets			
(i) Trade receivables	-	-	-
(ii) Cash and cash equivalents	749.83	750.48	750.78
(iii) Other financial assets	58.00	58.00	58.00
	807.83	**808.48**	**808.78**
b) Measured at fair value through OCI	-	-	-
c) Measured at fair value through profit or loss	-	-	-
Total financial assets	**807.83**	**808.48**	**808.78**
B. Financial liabilities			
a) Measured at amortised cost			
Non Current liabilities			
(i) Borrowings	50,000.00	50,000.00	50,000.00
Current liabilities			
(i) Trade payables	956.52	953.41	1,441.52
(ii) Other financial liabilities	1,05,905.16	72,057.96	58,198.68
	1,06,861.68	**73,011.37**	**59,640.20**
b) Measured at fair value through OCI	-	-	-
c) Measured at fair value through profit or loss	-	-	-
Total financial liabilities	**1,56,861.68**	**1,23,011.37**	**1,09,640.20**

Notes:

(i) The fair value of trade receivables, trade payables and other Current financial assets and liabilities are considered to be equal to the carrying amounts of these items due to their short – term nature.

(ii) The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(iii) The management assessed that for amortised cost instruments, the fair value approximates largely to the carrying amount.

22 First-time adoption of Ind AS

These are the Company’s first financial statements prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (‘previous GAAP’).

Accordingly, the Company has prepared the financial statements for the comparative period as at and for the year ended 31 March 2017 that comply with the applicable Ind AS, as described in the summary of significant accounting policies. In preparing these financial statements, the Company’s opening balance sheet was prepared as at 1 April 2016, the Company’s date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at 1 April 2016 and the comparative financial statements as at and for the year ended 31 March 2017.

A. Ind AS optional exemptions

A1. Deemed cost for property, plant and equipment, investment property and intangible assets

Ind AS 101 First-time Adoption of Indian Accounting Standards, permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

B. Ind AS mandatory exemptions

B1. Estimates

In accordance with Ind AS, as at the date of transition to Ind AS an entity's estimates shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP except impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition this was not required under the previous GAAP.

B2. Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 Financial Instruments are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

a) The effects of the retrospective application or retrospective restatement are not determinable; or

b) The retrospective application or restatement requires assumptions about what management’s intent would have been in that period; or

c) The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

22 First-time adoption of Ind AS (cont'd)

B3. De-recognition of financial assets and liabilities

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires a first-time adopter to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 First-time Adoption of Indian Accounting Standards, allows a first-time adopter to apply the de-recognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively from the date of transition to Ind AS.

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS as at the periods specified below.

C1. Reconciliation of other equity

The Company has also prepared a reconciliation of equity as at 31 March 2017 and 1 April 2016 under the previous GAAP with the equity as reported in these financial statements under Ind AS, that reflect the impact of Ind AS on the components of statement of Balance sheet which is presented below:

(INR in thousands)

Particulars	As at 31 March 2017	As at 01 April 2016
Equity as reported under previous GAAP	**(1,09,413.41)**	**(76,580.54)**
Adjustments on account of Ind AS	-	-
Equity under Ind AS	**(1,09,413.41)**	**(76,580.54)**

C2. Reconciliation of total comprehensive income

(INR in thousands)

Particulars	Year ended 31 March 2017
Profit after tax as reported under previous GAAP	**(32,832.87)**
Adjustments on account of:	
(i) Interest expense reclassified as dividend expense.	22,248.28
Profit after tax as reported under Ind AS	**(10,584.59)**
Other comprehensive income / (loss) (net of tax)	-
Total comprehensive income / (loss) as reported under Ind AS	**(10,584.59)**

River Shore Developers Private Limited
Notes to the financial statements

22 First-time adoption of Ind AS (cont'd)

C3. Effect of Ind AS on Cashflow

There are no significant reconciliation items between consolidated cash flows prepared under Indian GAAP and those prepared under Ind AS.

23 Approval of Financial Statements

The financial statements were approved for issue by the board of directors on 23 May 2018.

For and on behalf of the Board of Directors

Sd/-
Amit Jaiswal
Managing Director
DIN: 03448511
Place: Bangalore
Date: 23 May 2018

Sd/-
Chetan Tewari
Director
DIN: 07394065
Place: Bangalore
Date: 23 May 2018

Sd/-
Peeyush Gupta
Chief Financial Officer
Place: Bangalore
Date: 23 May 2018

Sd/-
Ranabir Sanyal
Company Secretary
Place: Bangalore
Date: 23 May 2018

AB HOLDINGS PRIVATE LIMITED
Audited Financial Statements
for the year ended
31 March 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF **AB HOLDINGS PRIVATE LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements **M/S. AB HOLDINGS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

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 and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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 standalone financial statements.

We believe that the audit evidence obtained by us 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 31st March, 2018, and its loss for the year ended on that date.

Emphasis of Maters

We draw attention to the following maters in the notes to the financial statements:

a) Note No 6 in the financial statements which indicates that the company has accumulated losses and its net worth has been fully eroded, the company has incurred a net cash loss during the current and previous year(s) and, the company's current liabilities exceeded its current assets as at the balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern basis and our opinion is not modified in respect of these matters

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 of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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, 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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" Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting and

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

i. The Company does not have any pending litigations which would impact its financial position.

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

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

For M/s P.Chandrasekar LLP
Chartered Accountants
Firm Registration No. 000580S/S200066

Sd/-

S.Rajagopalan
Partner
Membership No.025349

Place: Bangalore
Date: 26.05.2018

Annexure 'A' to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2018, we report that:

i. a) The Company has maintained proper record showing full particulars, including quantitative details and situation of fixed assets.

   b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

   c) The company does not have any immovable properties in the name of the company hence this clause is not applicable.

ii. The Company does not hold any inventory and hence this clause is not applicable.

iii. The Company has not granted any additional loans to companies covered in the register maintained under section 189 of the Companies Act, 2013 during the year however, an amount of Rs.94.28 Lakhs has been outstanding as of 31.03.2018.

   a) In respect of loan given , the principal and interest wherever applicable are payable on demand and since the payment of such loans has not been demanded there are no overdue amounts.

   b) There is no amount overdue accordingly this clause is not applicable.

iv. The company has not granted any of loans, investments, guarantees, and security during the year under provisions of section 185 and 186 of the Companies Act, 2013 hence this clause is not applicable .

v. The company has not accepted any deposits accordingly this clause is not applicable.

vi. As per the information and explanations given to us the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

vii. The company is generally regular in depositing, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, wherever applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2018 for a period of more than six months from the date they became payable.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

ix. The company has not raised moneys by way of initial public offer or further public offer during the year and the company has not availed any new terms loans during the year.

x. During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

xi. The company has not paid / provided managerial remuneration during the year hence this clause not applicable

xii. The company is not a Nidhi company hence this clause is not applicable

xiii. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act,2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards

xiv. The company has not issued any shares or Debentures during the year hence this clause is not applicable.

xv. The company has not entered into any non-cash transactions with directors or persons connected with him hence this clause not applicable

xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 hence this clause not applicable

For M/s P.Chandrasekar LLP
Chartered Accountants
Firm Registration No. 000580S/S200066

Sd/-
S.Rajagopalan
Partner
Membership No.025349

Place: Bangalore
Date: 26.05.2018

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **AB HOLDINGS PRIVATE LIMITED** ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 M/s P.Chandrasekar LLP
Chartered Accountants
Firm Registration No. 000580S/S200066

Sd/-
S.Rajagopalan
Partner
Membership No.025349

Place: Bangalore
Date: 26.05.2018

A B Holdings Private Limited
Balance Sheet as at 31 March 2018

	Notes	As at 31 March 2018 ₹'000	As at 31 March 2017 ₹'000	As at 01 April 2016 ₹'000
ASSETS				
Non-current assets				
(a) Capital Work in progress		1,145.52	1,145.52	1,145.52
(b) Financial assets				
(i) Investments	3	4,800.00	4,800.00	4,800.00
		5,945.52	**5,945.52**	**5,945.52**
Current assets				
(a) Cash and cash equivalents	4	142.29	142.39	142.69
(b) Other financial assets	5	9,428.50	9,428.50	9,428.50
		9,570.79	**9,570.89**	**9,571.19**
TOTAL ASSETS		**15,516.31**	**15,516.41**	**15,516.71**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	6	2,600.00	2,600.00	2,600.00
(b) Other equity		(15,634.03)	(15,611.98)	(15,544.33)
		(13,034.03)	**(13,011.98)**	**(12,944.33)**
Liabilities				
Current liabilities				
(a) Other current liabilities	7	28,550.34	28,528.39	28,461.04
		28,550.34	**28,528.39**	**28,461.04**
TOTAL EQUITY AND LIABILITIES		**15,516.31**	**15,516.41**	**15,516.71**

See accompanying notes forming part of these financial statements.

In terms of our report attached.
For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

For and on behalf of the Board of Directors

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place : Bangalore
Date: 26 May 2018

Sd/-
Vikas Passi
Director
DIN:07040355

Place : Bangalore
Date: 26 May 2018

Sd/-
Chetan Tewari
Director
DIN:07394065

Place : Bangalore
Date: 26 May 2018

A B Holdings Private Limited
Statement of Profit and Loss for the year ended 31 March 2018

	Notes	Year ended 31 March 2018 ₹'000	Year ended 31 March 2017 ₹'000
Revenue			
Revenue from operations		-	-
Other income	8	0.13	-
Total revenue		**0.13**	**-**
Expenses			
Employee benefits expense	9	-	-
Depreciation and amortisation	10	-	-
Other expenses	11	22.18	67.65
Total expenses		**22.18**	**67.65**
Profit before tax		**(22.05)**	**(67.65)**
Tax expense		**-**	**-**
Profit after tax		**(22.05)**	**(67.65)**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
a) Remeasurement (losses)/gains in defined benefit plans			
Income tax effect		-	-
Net of items that will not be reclassified to profit or loss		-	-
Items that will be reclassified subsequently to profit or loss			
Net of items that will be reclassified subsequently to profit or loss		-	-
Other comprehensive income/(loss), net of tax		**-**	**-**
Total comprehensive income for the period		**(22.05)**	**(67.65)**
Earnings per equity share of ₹ 10 each			
Basic/Diluted	12	(0.08)	(0.26)

See accompanying notes to Financial Statements.
In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place : Bangalore
Date: 26 May 2018

For and on behalf of the Board of Directors

Sd/-
Vikas Passi
Director
DIN:07040355

Place : Bangalore
Date: 26 May 2018

Sd/-
Chetan Tewari
Director
DIN:07394065

Place : Bangalore
Date: 26 May 2018

A B Holdings Private Limited
Statement of Changes in Equity for the year ended 31 March 2018

A. Equity share capital

Equity shares of ₹ 10 each, fully paid-up	Equity shares Number	Amount ₹'000
As at 1 April 2016	2,60,000	2,600.00
Add: Issued and subscribed during the year	-	-
As at 31 March 2017	**2,60,000**	**2,600.00**
Add: Issued and subscribed during the year	-	-
As at 31 March 2018	**2,60,000**	**2,600.00**

B. Other equity

For the year ended 31 March 2018

(INR in thousands)

	Retained Earnings	Items of OCI DBO Remeasurement	Total
Balance as at 31 March 2017	**(15,611.98)**	**-**	**(15,611.98)**
Profit for the period	(22.05)	-	(22.05)
Other comprehensive income/(loss), net of tax	-	-	-
Total Comprehensive Income	**(22.05)**	**-**	**(22.05)**
Recognition of share based payment	-	-	-
Balance as at 31 March 2018	**(15,634.03)**	**-**	**(15,634.03)**

For the year ended 31 March 2017

(INR in thousands)

	Retained Earnings	Items of OCI DBO Remeasurement	Total
Balance as at 01 April 2016	**(15,544.33)**	**-**	**(15,544.33)**
Profit for the year	(67.65)	-	(67.65)
Other comprehensive income/(loss), net of tax	-	-	-
Total comprehensive income	**(67.65)**	**-**	**(67.65)**
Recognition of share based payment	-	-	-
Balance as at 31 March 2017	**(15,611.98)**	**-**	**(15,611.98)**

In terms of our report attached.
For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place : Bangalore
Date: 26 May 2018

For and on behalf of the Board of Directors

Sd/-
Vikas Passi
Director
DIN:07040355

Place : Bangalore
Date: 26 May 2018

Sd/-
Chetan Tewari
Director
DIN:07394065

Place : Bangalore
Date: 26 May 2018

A B Holdings Private Limited
Cash Flow Statement for the year ended 31 March 2018

	Year ended 31 March 2018 ₹'000	Year ended 31 March 2017 ₹'000
A. Cash flow from operating activities		
Net profit before tax	**(22.05)**	**(67.65)**
Adjustments for:		
Depreciation and amortisation		
Operating profit before working capital changes	**(22.05)**	**(67.65)**
Changes in working capital:		
Increase/(decrease) in provisions, trade payables and other liabilities	21.95	67.35
Cash generated from operations	**(0.10)**	**(0.30)**
Direct taxes paid (net)		
Net cash generated from operating activities	**(0.10)**	**(0.30)**
B. Cash flows from investing activities	**-**	**-**
Net cash (used in)/generated from investing activities	**-**	**-**
C. Cash flows from financing activities	**-**	**-**
Net cash (used in) from financing activities	**-**	**-**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(0.10)**	**(0.30)**
Cash and cash equivalents at the beginning of the year	**142.39**	**142.69**
Cash and cash equivalents at the end of the year	**142.29**	**142.39**

In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place: Bangalore
Date: 26 May 2018

For and on behalf of the Board of Directors

Sd/-
Vikas Passi
Director
DIN:07040355

Place: Bangalore
Date: 26 May 2018

Sd/-
Chetan Tewari
Director
DIN:07394065

Place: Bangalore
Date: 26 May 2018

A B Holdings Private Limited
Notes to the financial statements

1. General Information:

A B Holdings Private Limited ("the Company") was incorporated on 09th November 2006 to carry on the business of hotels/holiday resorts and related services. M/s. Royal Orchid Hotels Ltd holds 96.16% of equity shares. The balance shares are held in the name of Mrs. Sunita Baljee (1.92%) and Mr. Arjun Baljee (1.92%).

2. Summary of significant accounting policies

a) Statement of compliance

Financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 26th May 2018.

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the first Ind AS financial statements of the Company. The date of transition to Ind AS is 1 April 2016. Refer note 19 for the details of first-time adoption exemptions availed by the Company, reconciliations and descriptions of the effect of the transition.

b) Basis of accounting and preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its financial statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1 April, 2017. Accordingly, the Company has prepared these financial statements which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the year ended 31 March, 2018, and accounting policies and other explanatory information (together hereinafter referred to as" financial statements").

The financial Statements have been prepared using the significant accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

The financial Statements have been prepared on the 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.

c) Use of estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Company bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the amounts recognized in the financial Statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Classification of leases

The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

2. Summary of significant accounting policies (cont'd)

c) Use of estimates (Cont'd)

Recognition of deferred tax assets
The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions

Evaluation of indicators for impairment of assets
The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Recoverability of advances / receivables
At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Useful lives of depreciable / amortisable assets
Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

Defined benefit obligation (DBO)
Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements
Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

d) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as 12 months.
Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

e) Property, plant and equipment

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its Previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.
Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

2. Summary of significant accounting policies (cont'd)

e) Property, plant and equipment (cont'd)

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows as per the indicative useful life prescribed in Schedule II to the Companies Act, 2013:

Asset Category	Useful lives (in years)
Buildings	30
Plant and equipment	15
Furniture and fixtures	8
Vehicles	6
Office equipment	5
Computer equipment	3

Leasehold land is amortised over the period of lease.
The Company has evaluated the applicability of component accounting as prescribed under Ind AS 16 and Schedule II of the Companies Act, 2013, the management has not identified any significant component having different useful lives. Schedule II requires the Company to identify and depreciate significant components with different useful lives separately.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

f) Investment properties

Recognition and initial measurement
Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes to the financial statements. Fair values are determined based on an annual evaluation performed by an accredited external 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.

Subsequent measurement
Depreciation on investment properties is provided on the straight-line method, computed on the basis of useful lives prescribed under Part C of Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition
Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

g) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

2. Summary of significant accounting policies (cont'd)

h) Revenue recognition

Revenue from contracts with customers is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

Income from services
Revenues comprise income from the sale of room nights, food, beverages and allied services during a guest’s stay at the hotel. Room revenue is recognised based on occupation and revenue from sale of food, beverages and other allied services, as the respective services are rendered with reasonable certainty of ultimate collection. Other revenues are recognised as and when the services are performed or the right to receive claim is established, with reasonable certainty for ultimate collection. Rebates and discounts granted to customers are reduced from revenue.

Income from management and technical services are recognised as the services are rendered based on the terms of the contract.
Unbilled revenues' represent revenues recognised on services rendered, for which amounts are to be billed in subsequent periods.

Interest income
Interest income is reported on an accrual basis using the effective interest method and is included under the head “other income” in the Statement of Profit and Loss.

i) Employee benefits

Employee benefits include provident fund, employee state insurance scheme, labour welfare fund, gratuity and compensated absences. Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan
Retirement benefit in the form of provident fund and employee state insurance scheme is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and employee state insurance scheme. The Company recognises contribution payable to the schemes as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan
Gratuity
The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Compensated absences
The Company provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of vesting as well as non vesting benefit. The cost of short term compensated absences are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service cost on the Company’s defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs.

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period. Further, as required under Ind AS compliant Schedule III, the Company transfers those amounts recognized in other comprehensive income to retained earnings in the statement of changes in equity and in the balance sheet.

Short-term employee benefits
Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee

2. Summary of significant accounting policies (cont'd)

j) Share based payments

The Company has equity-settled share-based remuneration plans for its employees. None of the Company's plans are cash-settled.
Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.
Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

k) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.
For arrangements entered into prior to 1 April 2016 (date of transition to Ind AS), the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Finance Lease
A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at fair value of the leased property or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset.

Operating Lease
Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

l) Foreign currency transactions

Functional and presentation currency
The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupees (₹)

Transactions and balances

- Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit or Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

- Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

- Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2. Summary of significant accounting policies (cont'd)

n) Inventories

Inventory comprises food, beverages, stores and spare parts and are valued at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the goods to their present location and condition and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion to make the sale.

o) Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.
Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

p) Provisions and contingencies

Provisions
A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets
Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments

Financial assets

Initial recognition and measurement
All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
i. Debt instruments at amortised cost;
ii. Debt instruments at fair value through other comprehensive income (FVTOCI);
iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL); and
iv. Equity investments.

i. Debt instruments at amortised cost
A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

ii. Debt instrument at FVTOCI
A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit & loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit & loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instrument at FVTPL
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

iv. Equity investments
All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 Business Combinations, applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election 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 recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments (cont'd)

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings
This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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.

This category generally applies to borrowings.

Financial guarantee contracts
Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 Financial Instruments and the amount recognised less cumulative amortisation.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments (cont'd)

Derecognition of financial liabilities
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.

r) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables
The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets
For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

s) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

t) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

2. Summary of significant accounting policies (cont'd)

u) Cash and cash equivalents

Cash and cash equivalent in the statement of financial position comprises cash at banks and on hand, demand deposits, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value.

v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the business of operating and managing hotels/ resorts and providing related services, which constitutes its single reportable segment.

w) Earnings/ (Loss) per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

x) Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21,Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.
The amendment will come into force form April 1, 2018. The Company is evaluating the requirements of Ind AS 21 and its effect on the financial statements.

Ind AS 115- Revenue from Contract with Customers:
On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

The standard permits two possible methods of transition:
a. Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.
b. Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch-up approach)
The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018
The Company is evaluating the requirements of Ind AS 115 and its effect on the financial statements.

A B Holdings Private Limited
Notes to the financial statements

		As at 31 March 2018 ₹'000	As at 31 March 2017 ₹'000	As at 01 April 2016 ₹'000
3	**Investments**			
	(Valued at cost, unless stated otherwise)			
	Long-term, trade investments in equity instruments (unquoted)			
	Investments in shares of subsidiaries			
	Royal Orchid Associated Hotels Pvt Ltd	4,800.00	4,800.00	4,800.00
	(480,000 (31 March 2017 – 480,000) equity shares of ₹10 each)			
		4,800.00	**4,800.00**	**4,800.00**
4	**Cash and cash equivalents**			
	Balances with banks			
	- in current accounts	142.29	142.39	142.69
		142.29	**142.39**	**142.69**
5	**Other financial assets**			
	Dues from a subsidiary	9,428.50	9,428.50	9,428.50
		9,428.50	**9,428.50**	**9,428.50**

A B Holdings Private Limited
Notes to the financial statements

		As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
		Number	Amounts ₹'000	Number	Amounts ₹'000	Number	Amounts ₹'000
6	**Share capital**						
	Authorised share capital						
	Equity shares of ₹ 10 each	1,50,00,000	1,50,000.00	1,50,00,000	1,50,000.00	1,50,00,000	1,50,000.00
		1,50,00,000	**1,50,000.00**	**1,50,00,000**	**1,50,000.00**	**1,50,00,000**	**1,50,000.00**
	Issued, subscribed and fully paid up						
	Equity shares of ₹ 10 each	2,60,000	2,600.00	2,60,000	2,600.00	2,60,000	2,600.00
		2,60,000	**2,600.00**	**2,60,000**	**2,600.00**	**2,60,000**	**2,600.00**

a) **Reconciliation of share capital**

There have been no changes in the number of equity shares and amount outstanding at the beginning and at the end of the reporting period.

b) **Details of shares held by the holding company and its subsidiary**

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number	Amounts ₹'000	Number	Amounts ₹'000	Number	Amounts ₹'000
Equity shares of ₹10 each with voting rights						
Royal Orchid Hotels Limited - Holding Company	2,50,000	2,500.00	2,50,000	2,500.00	2,50,000	2,500.00
	2,50,000	**2,500.00**	**2,50,000**	**2,500.00**	**2,50,000**	**2,500.00**

c) **Shareholders holding more than 5% of the shares of the Company**

Equity shares of ₹10 each with voting rights	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares
Royal Orchid Hotels Limited - Holding Company	2,50,000	96.15%	2,50,000	96.15%	2,50,000	96.15%
	2,50,000	**96.15%**	**2,50,000**	**96.15%**	**2,50,000**	**96.15%**

d) **Terms and rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each equity share is entitled to one vote per share. Dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and shall be payable in Indian Rupees. In the event of liquidation of the Company, the shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) **Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date**

The Company has not issued any bonus shares or any shares for consideration other than cash nor has there been any buy back of shares during five years immediately preceding 31 March 2018.

A B Holdings Private Limited
Notes to the financial statements

		As at 31 March 2018 ₹'000	As at 31 March 2017 ₹'000	As at 01 April 2016 ₹'000
7	**Other current liabilities**			
	Dues to related parties	352.63	352.63	352.63
	Dues to Holding Company	28,134.08	28,129.83	28,091.23
	Dues to other parties	63.63	45.93	17.18
		28,550.34	**28,528.39**	**28,461.04**

		Year ended 31 March 2018 ₹'000	Year ended 31 March 2017 ₹'000
8	**Other income**		
	Miscellaneous	0.13	-
		0.13	**-**
9	**Employee benefits expense**		
	Salaries and bonus	-	-
		-	**-**
10	**Depreciation and amortisation expense**		
	Depreciation on tangible assets	-	-
		-	**-**
11	**Other expenses**		
	Legal and professional	17.70	28.75
	Directors' sitting fees	-	35.00
	Bank charges	0.24	0.30
	Miscellaneous	4.24	3.60
		22.18	**67.65**
12	**Earnings per share**		
	Weighted average number of shares outstanding	2,60,000	2,60,000
	Net profit after tax attributable to equity shareholders in ₹'000	(22.05)	(67.65)
	Basic and diluted earnings per share in ₹	(0.08)	(0.26)
	Nominal value per equity share in ₹	10	10

A B Holdings Private Limited
Notes to the financial statements

13 Related parties

i. Parties where control exists

Name of party	Nature of relationship
Royal Orchid Hotels Limited	Holding Company
Royal Orchid Associated Hotels Private Limited	Subsidiary
Royal Orchid Hyderabad Private Limited	Fellow Subsidiary

ii. Transactions with related parties during the year

(INR in thousands)

Particulars	Nature of relationship	Year ended 31 March 2018	Year ended 31 March 2017
Current account receipts/(payments)			
Royal Orchid Hotels Limited	Holding Company	(4.25)	(38.60)

iii. Balances receivable from/ (payable to) related parties are summarised below:

(INR in thousands)

Particulars	Nature of relationship	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Advances receivable				
Royal Orchid Associated Hotels Private Limited	Subsidiary	9,428.50	9,428.50	9,428.50
Advances payable				
Royal Orchid Hotels Limited	Holding Company	(28,134.08)	(28,129.83)	(28,091.23)
Royal Orchid Hyderabad Private Limited	Fellow Subsidiary	(32.78)	(32.78)	(32.78)

A B Holdings Private Limited
Notes to the financial statements

14 Segment information

The Company's business comprises the operation of a hotel, the services of which represents one business segment. Further, the Company derives its entire revenue from services rendered in India. Consequently, the disclosure of business and geographic segment- wise information is not applicable to the Company.

15 Networth Erosion

The company has incurred loss in the current year and its Networth has eroded. Since the company is confident in raising capital in light of continued support of the management, the financial statement has been prepared on going concern basis and no adjustments are made on the carrying value of assets and liabilities.

16 Capital management

For the purpose of the Company's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

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 in the financial covenants of any interest-bearing loans and borrowing in the current period.

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 Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt and interest bearing loans and borrowings less cash.

(INR in thousands)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Long term borrowings	-	-	-
Current maturities of long term borrowings	-	-	-
Short term borrowings	-	-	-
Less: Cash and cash equivalents	(142.29)	(142.39)	(142.69)
Net debt	**(142.29)**	**(142.39)**	**(142.69)**
Equity	2,600.00	2,600.00	2,600.00
Other Equity	(15,634.03)	(15,611.98)	(15,544.33)
Total capital	**(13,034.03)**	**(13,011.98)**	**(12,944.33)**
Capital and net debt	**(13,176.32)**	**(13,154.38)**	**(13,087.03)**
Gearing ratio	**1.08%**	**1.08%**	**1.09%**

17 Payment to auditors

	As at 31 March 2018 ₹'000	As at 31 March 2017 ₹'000
for audit fees	17.70	28.75
	17.70	**28.75**

A B Holdings Private Limited
Notes to the financial statements

18 Fair value measurements

(i) Financial instruments by category

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

(INR in thousands)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A. Financial assets			
a) Measured at amortised cost			
Current assets			
(i) Trade receivables	-	-	-
(ii) Cash and cash equivalents	142.29	142.39	142.69
(iii) Other financial assets	9,428.50	9,428.50	9,428.50
	9,570.79	**9,570.89**	**9,571.19**
b) Measured at fair value through OCI	-	**-**	**-**
c) Measured at fair value through profit or loss	-	**-**	**-**
Total financial assets	**9,570.79**	**9,570.89**	**9,571.19**
B. Financial liabilities			
a) Measured at amortised cost			
Current liabilities			
(i) Other financial liabilities	28,550.34	28,528.39	28,461.04
	28,550.34	**28,528.39**	**28,461.04**
b) Measured at fair value through OCI	-	**-**	**-**
c) Measured at fair value through profit or loss	-	**-**	**-**
Total financial liabilities	**28,550.34**	**28,528.39**	**28,461.04**

Notes:

(i) The fair value of trade receivables, trade payables and other Current financial assets and liabilities are considered to be equal to the carrying amounts of these items due to their short – term nature.

(ii) The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(iii) The management assessed that for amortised cost instruments, the fair value approximates largely to the carrying amount.

19 First-time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP').

Accordingly, the Company has prepared the financial statements for the comparative period as at and for the year ended 31 March 2017 that comply with the applicable Ind AS, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at 1 April 2016 and the comparative financial statements as at and for the year ended 31 March 2017.

A. Ind AS optional exemptions

A1. Deemed cost for property, plant and equipment, investment property and intangible assets

Ind AS 101 First-time Adoption of Indian Accounting Standards, permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

B. Ind AS mandatory exemptions

B1. Estimates

In accordance with Ind AS, as at the date of transition to Ind AS an entity's estimates shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP except impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition this was not required under the previous GAAP.

B2. Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 Financial Instruments are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:
a) The effects of the retrospective application or retrospective restatement are not determinable; or
b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period; or
c) The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

19 First-time adoption of Ind AS (cont'd)

B3. De-recognition of financial assets and liabilities

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires a first-time adopter to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 First-time Adoption of Indian Accounting Standards, allows a first-time adopter to apply the de-recognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively from the date of transition to Ind AS.

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS as at the periods specified below.

C1. Reconciliation of other equity

The Company has also prepared a reconciliation of equity as at 31 March 2017 and 1 April 2016 under the previous GAAP with the equity as reported in these financial statements under Ind AS, that reflect the impact of Ind AS on the components of statement of Balance sheet which is presented below:

(INR in thousands)

Particulars	As at 31 March 2017	As at 01 April 2016
Equity as reported under previous GAAP	**(15,611.98)**	**(15,544.33)**
Adjustments on account of:		
(i) Measurement of financial assets and liabilities at amortised cost	-	-
(ii) Changes in the value of property, plant and equipment arising from government grants	-	-
Equity under Ind AS	**(15,611.98)**	**(15,544.33)**

C2. Reconciliation of total comprehensive income

(INR in thousands)

Particulars	Year ended 31 March 2017
Profit after tax as reported under previous GAAP	**(67.65)**
Adjustments on account of:	
(i) Measurement of financial assets and liabilities at amortised cost	-
(ii) Measurement of defined benefit obligation	-
(iii) ESOP expense recognised at fair value through profit or loss	-
(iv) Revenue arising from Government grant related to assets	-
(v) Depreciation due to change in the value of fixed assets arising from government grants	-
(vi) Amortisation expense from Revaluation Reserve	-
Profit after tax as reported under Ind AS	**(67.65)**
Other comprehensive income / (loss) (net of tax)	-
Total comprehensive income / (loss) as reported under Ind AS	**(67.65)**

19 First-time adoption of Ind AS (cont'd)

C3. Effect of Ind AS on Cashflow

There are no significant reconciliation items between consolidated cash flows prepared under Indian GAAP and those prepared under Ind AS.

20 Approval of Financial Statements

The financial statements were approved for issue by the board of directors on 26 May 2018.

For and on behalf of the Board of Directors

Sd/-	Sd/-
Vikas Passi	**Chetan Tewari**
Director	Director
DIN:07040355	DIN:07394065
Place : Bangalore	Place : Bangalore
Date: 26 May 2018	Date: 26 May 2018

ROYAL ORCHID GOA PRIVATE LIMITED

Audited Financial Statements

for the year ended

31 March 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF **ROYAL ORCHID GOA PRIVATE LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements **M/S.ROYAL ORCHID GOA PRIVATE LIMITED**("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

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 and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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 standalone financial statements.

We believe that the audit evidence obtained by us 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 Loss, total comprehensive income, the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As the company has not met the qualifying requirement of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, the same is not forming part of our report.

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, 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 A" Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting and

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

   i. The Company does not have any pending litigations which would impact its financial position.

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

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

For M/s P.Chandrasekar LLP
Chartered Accountants
Firm Registration No. 000580S/S200066

Sd/-
S.Rajagopalan
Partner
Membership No.025349

Place: Bangalore
Date: 26.05.2018

Annexure - A to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **ROYAL ORCHID GOA PRIVATE LIMITED** ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 M/s P.Chandrasekar LLP
Chartered Accountants
Firm Registration No. 000580S/S200066

Sd/-
S.Rajagopalan
Partner
Membership No.025349

Place: Bangalore
Date: 26.05.2018

Royal Orchid Goa Private Limited
Balance Sheet as at 31 March 2018

	Notes	As at 31 March 2018 ₹'000	As at 31 March 2017 ₹'000	As at 1 April 2016 ₹'000
ASSETS				
Current assets				
(a) Financial assets				
(i) Cash and cash equivalents	3	495.45	497.24	500.94
		495.45	**497.24**	**500.94**
TOTAL ASSETS		**495.45**	**497.24**	**500.94**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	4	500.00	500.00	500.00
(b) Other equity		(121.20)	(92.60)	(53.75)
		378.80	**407.40**	**446.25**
Liabilities				
Current liabilities				
(a) Other current liabilities	5	116.65	89.84	54.69
		116.65	**89.84**	**54.69**
TOTAL EQUITY AND LIABILITIES		**495.45**	**497.24**	**500.94**

See accompanying notes forming part of these financial statements.

In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place : Bangalore
Date: 26 May 2018

For and on behalf of the Board of Directors

Sd/-
Chander K. Baljee
Director
DIN:00081844

Place : Bangalore
Date: 26 May 2018

Sd/-
Chetan Tewari
Director
DIN:07394065

Place : Bangalore
Date: 26 May 2018

Royal Orchid Goa Private Limited
Statement of Profit and Loss for the year ended 31 March 2018

	Notes	Year ended 31 March 2018 ₹'000	Year ended 31 March 2017 ₹'000
Revenue			
Revenue from operations		-	-
Other income	6	0.10	0.05
Total revenue		**0.10**	**0.05**
Expenses			
Other expenses	7	28.70	38.90
Total expenses		**28.70**	**38.90**
Profit before tax		**(28.60)**	**(38.85)**
Tax expense		-	-
Profit after tax		**(28.60)**	**(38.85)**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
a) Remeasurement (losses)/gains in defined benefit plans			
Income tax effect		-	-
Net of items that will not be reclassified to profit or loss		-	-
Items that will be reclassified subsequently to profit or loss			
Net of items that will be reclassified subsequently to profit or loss		-	-
Other comprehensive income/(loss), net of tax		**-**	**-**
Total comprehensive income for the period		**(28.60)**	**(38.85)**
Earnings per equity share of ₹ 100 each			
Basic/Diluted	8	(5.72)	(7.77)

See accompanying notes to Financial Statements.

In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place : Bangalore
Date: 26 May 2018

For and on behalf of the Board of Director

Sd/-
Chander K. Baljee
Director
DIN:00081844

Place : Bangalore
Date: 26 May 2018

Sd/-
Chetan Tewari
Director
DIN:07394065

Place : Bangalore
Date: 26 May 2018

Royal Orchid Goa Private Limited
Statement of Changes in Equity for the year ended 31 March 2018

A. Equity share capital

	Equity shares Number	Equity shares Amount ₹'000
Equity shares of ₹ 100 each, fully paid-up		
As at 1 April 2016	5,000	500.00
Add: Issued and subscribed during the year	-	-
As at 31 March 2017	**5,000**	**500.00**
Add: Issued and subscribed during the year	-	-
As at 31 March 2018	**5,000**	**500.00**

B. Other equity

For the year ended 31 March 2018

(INR in thousands)

	Reserves and Surplus			Items of OCI	Total
	Securities Premium Account	Retained Earnings	General Reserve	DBO Remeasurement	
Balance as at 31 March 2017	**-**	**(92.60)**	**-**	**-**	**(92.60)**
Profit for the period	-	(28.60)	-	-	(28.60)
Other comprehensive income/(loss), net of tax	-	-	-	-	-
Total Comprehensive Income	**-**	**(28.60)**	**-**	**-**	**(28.60)**
Recognition of share based payment	-	-	-	-	-
Balance as at 31 March 2018	**-**	**(121.20)**	**-**	**-**	**(121.20)**

For the year ended 31 March 2017

(INR in thousands)

	Reserves and Surplus			Items of OCI	Total
	Securities Premium Account	Retained Earnings	General Reserve	DBO Remeasurement	
Balance as at 1 April 2016	**-**	**(53.75)**	**-**	**-**	**(53.75)**
Profit for the year	-	(38.85)	-	-	(38.85)
Other comprehensive income/(loss), net of tax	-	-	-	-	-
Total comprehensive income	**-**	**(38.85)**	**-**	**-**	**(38.85)**
Recognition of share based payment	-	-	-	-	-
Balance as at 31 March 2017	**-**	**(92.60)**	**-**	**-**	**(92.60)**

In terms of our report attached.
For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place : Bangalore
Date: 26 May 2018

For and on behalf of the Board of Directors

Sd/-
Chander K. Baljee
Director
DIN:00081844

Place : Bangalore
Date: 26 May 2018

Sd/-
Chetan Tewari
Director
DIN:07394065

Place : Bangalore
Date: 26 May 2018

Royal Orchid Goa Private Limited
Cash Flow Statement for the year ended 31 March 2018

	Year ended 31 March 2018 ₹'000	Year ended 31 March 2017 ₹'000
A. Cash flow from operating activities		
Net profit before tax	**(28.60)**	**(38.85)**
Adjustments for:		
Depreciation and amortisation		
Operating profit before working capital changes	**(28.60)**	**(38.85)**
Changes in working capital:		
Increase/(decrease) in provisions, trade payables and other liabilities	26.81	35.15
Cash generated from operations	**(1.79)**	**(3.70)**
Direct taxes paid (net)		
Net cash generated from operating activities	**(1.79)**	**(3.70)**
B. Cash flows from investing activities	**-**	**-**
Net cash (used in)/generated from investing activities	**-**	**-**
C. Cash flows from financing activities	**-**	**-**
Net cash (used in) from financing activities	**-**	**-**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(1.79)**	**(3.70)**
Cash and cash equivalents at the beginning of the year	**497.24**	**500.94**
Cash and cash equivalents at the end of the year	**495.45**	**497.24**

In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place: Bangalore
Date: 26 May 2018

For and on behalf of the Board of Directors

Sd/-
Chander K. Baljee
Director
DIN:00081844

Place : Bangalore
Date: 26 May 2018

Sd/-
Chetan Tewari
Director
DIN:07394065

Place: Bangalore
Date: 26 May 2018

Royal Orchid Goa Private Limited
Notes to the financial statements

1. General Information:

Royal Orchid Goa Private Limited ("the Company") was incorporated on 05th June 2008 to carry on the business of hotels/holiday resorts and related services. M/s. Royal Orchid Hotels Limited holds 99.98% of equity shares and balance 0.02% held in the name of Mr. Keshav Baljee.

2. Summary of significant accounting policies

a) Statement of compliance

Financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 26th May 2018.

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the first Ind AS financial statements of the Company. The date of transition to Ind AS is 1 April 2016. Refer note 14 for the details of first-time adoption exemptions availed by the Company, reconciliations and descriptions of the effect of the transition.

b) Basis of accounting and preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its financial statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1 April, 2017. Accordingly, the Company has prepared these financial statements which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the year ended 31 March, 2018, and accounting policies and other explanatory information (together hereinafter referred to as" financial statements").

The financial Statements have been prepared using the significant accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

The financial Statements have been prepared on the 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.

c) Use of estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Company bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the amounts recognized in the financial Statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Classification of leases

The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

2. Summary of significant accounting policies (cont'd)

c) Use of estimates (Cont'd)

Recognition of deferred tax assets
The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions

Evaluation of indicators for impairment of assets
The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Recoverability of advances / receivables
At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Useful lives of depreciable / amortisable assets
Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

Defined benefit obligation (DBO)
Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements
Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

d) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as 12 months.
Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

e) Property, plant and equipment

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its Previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

2. Summary of significant accounting policies (cont'd)

e) Property, plant and equipment (cont'd)

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows as per the indicative useful life prescribed in Schedule II to the Companies Act, 2013:

Asset Category	Useful lives (in years)
Buildings	30
Plant and equipment	15
Furniture and fixtures	8
Vehicles	6
Office equipment	5
Computer equipment	3

Leasehold land is amortised over the period of lease.
The Company has evaluated the applicability of component accounting as prescribed under Ind AS 16 and Schedule II of the Companies Act, 2013, the management has not identified any significant component having different useful lives. Schedule II requires the Company to identify and depreciate significant components with different useful lives separately.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

f) Investment properties

Recognition and initial measurement
Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes to the financial statements. Fair values are determined based on an annual evaluation performed by an accredited external 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.

Subsequent measurement
Depreciation on investment properties is provided on the straight-line method, computed on the basis of useful lives prescribed under Part C of Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition
Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

g) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

2. Summary of significant accounting policies (cont'd)

h) Revenue recognition

Revenue from contracts with customers is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

Income from services
Revenues comprise income from the sale of room nights, food, beverages and allied services during a guest’s stay at the hotel. Room revenue is recognised based on occupation and revenue from sale of food, beverages and other allied services, as the respective services are rendered with reasonable certainty of ultimate collection. Other revenues are recognised as and when the services are performed or the right to receive claim is established, with reasonable certainty for ultimate collection. Rebates and discounts granted to customers are reduced from revenue.

Income from management and technical services are recognised as the services are rendered based on the terms of the contract.

Unbilled revenues' represent revenues recognised on services rendered, for which amounts are to be billed in subsequent periods.

Interest income

Interest income is reported on an accrual basis using the effective interest method and is included under the head “other income” in the Statement of Profit and Loss.

i) Employee benefits

Employee benefits include provident fund, employee state insurance scheme, labour welfare fund, gratuity and compensated absences. Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan
Retirement benefit in the form of provident fund and employee state insurance scheme is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and employee state insurance scheme. The Company recognises contribution payable to the schemes as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan
Gratuity
The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Compensated absences
The Company provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of vesting as well as non vesting benefit. The cost of short term compensated absences are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service cost on the Company’s defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs.

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period. Further, as required under Ind AS compliant Schedule III, the Company transfers those amounts recognized in other comprehensive income to retained earnings in the statement of changes in equity and in the balance sheet.

Short-term employee benefits
Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee

2. Summary of significant accounting policies (cont'd)

j) Share based payments

The Company has equity-settled share-based remuneration plans for its employees. None of the Company's plans are cash-settled.
Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.
Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

k) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.
For arrangements entered into prior to 1 April 2016 (date of transition to Ind AS), the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Finance Lease
A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at fair value of the leased property or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset.

Operating Lease
Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

l) Foreign currency transactions

Functional and presentation currency
The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupees (₹)

Transactions and balances
- Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit or Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

- Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

- Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2. Summary of significant accounting policies (cont'd)

n) Inventories

Inventory comprises food, beverages, stores and spare parts and are valued at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the goods to their present location and condition and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion to make the sale.

o) Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.
Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

p) Provisions and contingencies

Provisions
A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets
Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments

Financial assets

Initial recognition and measurement
All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
i. Debt instruments at amortised cost;
ii. Debt instruments at fair value through other comprehensive income (FVTOCI);
iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL); and
iv. Equity investments.

i. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

ii. Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit & loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit & loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 Business Combinations, applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election 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 recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments (cont'd)

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings
This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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.

This category generally applies to borrowings.

Financial guarantee contracts
Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 Financial Instruments and the amount recognised less cumulative amortisation.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments (cont'd)

Derecognition of financial liabilities
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.

r) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables
The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets
For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

s) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

t) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

2. Summary of significant accounting policies (cont'd)

u) Cash and cash equivalents

Cash and cash equivalent in the statement of financial position comprises cash at banks and on hand, demand deposits, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value.

v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the business of operating and managing hotels/ resorts and providing related services, which constitutes its single reportable segment.

w) Earnings/ (Loss) per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

x) Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21,Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.
The amendment will come into force form April 1, 2018. The Company is evaluating the requirements of Ind AS 21 and its effect on the financial statements.

Ind AS 115- Revenue from Contract with Customers:
On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

The standard permits two possible methods of transition:
a. Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.
b. Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch-up approach)
The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018
The Company is evaluating the requirements of Ind AS 115 and its effect on the financial statements.

Royal Orchid Goa Private Limited
Notes to the financial statements

		As at 31 March 2018 ₹'000	As at 31 March 2017 ₹'000	As at 1 April 2016 ₹'000
3	**Cash and cash equivalents**			
	Balances with banks			
	- in current accounts	495.45	497.24	500.94
		495.45	**497.24**	**500.94**

(This space has been intentionally left blank)

Royal Orchid Goa Private Limited
Notes to the financial statements

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number	Amounts ₹'000	Number	Amounts ₹'000	Number	Amounts ₹'000
4 Share capital						
Authorised share capital						
Equity shares of ₹ 100 each	5,000	500.00	5,000	500.00	5,000	500.00
	5,000	**500.00**	**5,000**	**500.00**	**5,000**	**500.00**
Issued, subscribed and fully paid up						
Equity shares of ₹ 100 each	5,000	500.00	5,000	500.00	5,000	500.00
	5,000	**500.00**	**5,000**	**500.00**	**5,000**	**500.00**

a) Reconciliation of share capital

There have been no changes in the number of equity shares and amount outstanding at the beginning and at the end of the reporting period.

b) Details of shares held by the holding company and its subsidiary

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number	Amounts ₹'000	Number	Amounts ₹'000	Number	Amounts ₹'000
Equity shares of ₹100 each with voting rights						
Royal Orchid Hotels Limited - Holding Company	4,999	499.90	4,999	499.90	4,999	499.90
	4,999	**499.90**	**4,999**	**499.90**	**4,999**	**499.90**

c) Shareholders holding more than 5% of the shares of the Company

Equity shares of ₹100 each with voting rights	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares
Royal Orchid Hotels Limited - Holding Company	4,999	99.98%	4,999	99.98%	4,999	99.98%
	4,999	**99.98%**	**4,999**	**99.98%**	**4,999**	**99.98%**

d) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 100 per share. Each equity share is entitled to one vote per share. Dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and shall be payable in Indian Rupees. In the event of liquidation of the Company, the shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Aggregate number of bonus shares issued and shares issued for

The Company has not issued any bonus shares or any shares for consideration other than cash nor has there been any buy back of shares during five years immediately preceding 31 March 2018.

Royal Orchid Goa Private Limited
Notes to the financial statements

		As at 31 March 2018 ₹'000	As at 31 March 2017 ₹'000	As at 1 April 2016 ₹'000
5	**Other current liabilities**			
	Dues to Holding Company	53.02	43.91	37.51
	Dues to other parties	63.63	45.93	17.18
		116.65	**89.84**	**54.69**

		Year ended 31 March 2018 ₹'000	Year ended 31 March 2017 ₹'000
6	**Other income**		
	Miscellaneous	0.10	0.05
		0.10	**0.05**
7	**Other expenses**		
	Legal and professional	17.70	28.75
	Bank charges	1.89	0.30
	Miscellaneous	9.11	9.85
		28.70	**38.90**
8	**Earnings per share**		
	Weighted average number of shares outstanding	5,000	5,000
	Net profit after tax attributable to equity shareholders in ₹'000	(28.60)	(38.85)
	Basic and diluted earnings per share in ₹	(5.72)	(7.77)
	Nominal value per equity share in ₹	100	100

Royal Orchid Goa Private Limited
Notes to the financial statements

9 Related parties

i. Parties where control exists

Name of party	Nature of relationship
Royal Orchid Hotels Limited	Holding Company

ii. Transactions with related parties during the year

(INR in thousands)

Particulars	Nature of relationship	Year ended 31 March 2018	Year ended 31 March 2017
Current account receipts/(payments)			
Royal Orchid Hotels Limited	Holding Company	9.11	6.40

iii. Balances receivable from/ (payable to) related parties are summarised below:

(INR in thousands)

Particulars	Nature of relationship	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Advances payable				
Royal Orchid Hotels Limited	Holding Company	53.02	43.91	37.51

Royal Orchid Goa Private Limited
Notes to the financial statements

10 Segment information

The Company's business comprises the operation of a hotel, the services of which represents one business segment. Further, the Company derives its entire revenue from services rendered in India. Consequently, the disclosure of business and geographic segment- wise information is not applicable to the Company.

11 Capital management

For the purpose of the Company's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

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 in the financial covenants of any interest-bearing loans and borrowing in the current period.

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 Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash.

(INR in thousands)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Long term borrowings	-	-	-
Current maturities of long term borrowings	-	-	-
Short term borrowings	-	-	-
Less: Cash and cash equivalents	(495.45)	(497.24)	(500.94)
Net debt	**(495.45)**	**(497.24)**	**(500.94)**
Equity	500.00	500.00	500.00
Other Equity	(121.20)	(92.60)	(53.75)
Total capital	**378.80**	**407.40**	**446.25**
Capital and net debt	**(116.65)**	**(89.84)**	**(54.69)**
Gearing ratio	**424.74%**	**553.50%**	**916.03%**

12 Payment to auditors

	As at 31 March 2018 ₹'000	As at 31 March 2017 ₹'000
for audit fees	17.70	28.75
	17.70	**28.75**

Royal Orchid Goa Private Limited
Notes to the financial statements

13 Fair value measurements

(i) Financial instruments by category

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

(INR in thousands)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A. Financial assets			
a) Measured at amortised cost			
Current assets			
(i) Cash and cash equivalents	495.45	497.24	500.94
	495.45	**497.24**	**500.94**
b) Measured at fair value through OCI	-	-	-
c) Measured at fair value through profit or loss	-	-	-
Total financial assets	**495.45**	**497.24**	**500.94**
B. Financial liabilities			
a) Measured at amortised cost			
Current liabilities	-	-	-
b) Measured at fair value through OCI	-	-	-
c) Measured at fair value through profit or loss	-	-	-
Total financial liabilities	-	-	-

Notes:

(i) The fair value of trade receivables, trade payables and other Current financial assets and liabilities are considered to be equal to the carrying amounts of these items due to their short – term nature.

(ii) The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(iii) The management assessed that for amortised cost instruments, the fair value approximates largely to the carrying amount.

14 First-time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP').

Accordingly, the Company has prepared the financial statements for the comparative period as at and for the year ended 31 March 2017 that comply with the applicable Ind AS, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at 1 April 2016 and the comparative financial statements as at and for the year ended 31 March 2017.

A. Ind AS optional exemptions

A1. Deemed cost for property, plant and equipment, investment property and intangible assets

Ind AS 101 First-time Adoption of Indian Accounting Standards, permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

B. Ind AS mandatory exemptions

B1. Estimates

In accordance with Ind AS, as at the date of transition to Ind AS an entity's estimates shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP except impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition this was not required under the previous GAAP.

B2. Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 Financial Instruments are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

a) The effects of the retrospective application or retrospective restatement are not determinable; or

b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period; or

c) The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

B3. De-recognition of financial assets and liabilities

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires a first-time adopter to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 First-time Adoption of Indian Accounting Standards, allows a first-time adopter to apply the de-recognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively from the date of transition to Ind AS.

Royal Orchid Goa Private Limited
Notes to the financial statements

14 First-time adoption of Ind AS (cont'd)

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS as at the periods specified below.

C1. Reconciliation of other equity

The Company has also prepared a reconciliation of equity as at 31 March 2017 and 1 April 2016 under the previous GAAP with the equity as reported in these financial statements under Ind AS, that reflect the impact of Ind AS on the components of statement of Balance sheet which is presented below:

(INR in thousands)

Particulars	As at 31 March 2017	As at 01 April 2016
Equity as reported under previous GAAP	**(92.60)**	**(53.75)**
Adjustments on account of:		
(i) Measurement of financial assets and liabilities at amortised cost	-	-
(ii) Changes in the value of property, plant and equipment arising from government grants	-	-
Equity under Ind AS	**(92.60)**	**(53.75)**

C2. Reconciliation of total comprehensive income

(INR in thousands)

Particulars	Year ended 31 March 2017
Profit after tax as reported under previous GAAP	**(38.85)**
Adjustments on account of:	
(i) Measurement of financial assets and liabilities at amortised cost	-
(ii) Measurement of defined benefit obligation	-
(iii) ESOP expense recognised at fair value through profit or loss	-
(iv) Revenue arising from Government grant related to assets	-
(v) Depreciation due to change in the value of fixed assets arising from government grants	-
(vi) Amortisation expense from Revaluation Reserve	-
Profit after tax as reported under Ind AS	**(38.85)**
Other comprehensive income / (loss) (net of tax)	-
Total comprehensive income / (loss) as reported under Ind AS	**(38.85)**

C3. Effect of Ind AS on Cashflow

There are no significant reconciliation items between consolidated cash flows prepared under Indian GAAP and those prepared under Ind AS.

15 Approval of Financial Statements

The financial statements were approved for issue by the board of directors on 26 May 2018.

For and on behalf of the Board of Directors

Sd/-
Chander K. Baljee
Director
DIN:00081844
Place : Bangalore
Date: 26 May 2018

Sd/-
Chetan Tewari
Director
DIN:07394065
Place : Bangalore
Date: 26 May 2018

ROYAL ORCHID HYDERABAD PRIVATE LIMITED

Audited Financial Statements

for the year ended

31 March 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF **ROYAL ORCHID HYDERABAD PRIVATE LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements **M/S.ROYAL ORCHID HYDERABAD PRIVATE LIMITED**("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

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 and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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 standalone financial statements.

We believe that the audit evidence obtained by us 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 Loss, total comprehensive income, the changes in equity for the year ended on that date.

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 of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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, 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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" Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting and

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

   i. The Company does not have any pending litigations which would impact its financial position.

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

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

For M/s P.Chandrasekar LLP
Chartered Accountants
Firm Registration No. 000580S/S200066

Sd/-
S.Rajagopalan
Partner
Membership No.025349

Place: Bangalore
Date: 28.05.2018

Annexure "A" to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2018, we report that:

i. The Company does not have fixed assets as on 31.03.2018 and hence this clause is not applicable

ii. The Company does not hold any inventory and hence this clause is not applicable.

iii. The Company has not granted any loan to companies covered in the register maintained under section 189 of the Companies Act, 2013 during the year hence this clause is not applicable

iv. The company has not granted any of loans, investments, guarantees, and security during the year under provisions of section 185 and 186 of the Companies Act, 2013 hence this clause is not applicable .

v. The company has not accepted any deposits accordingly this clause is not applicable.

vi. As per the information and explanations given to us the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

vii. The company is generally regular in depositing, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, wherever applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2018 for a period of more than six months from the date they became payable.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

ix. The company has not raised moneys by way of initial public offer or further public offer during the year and the company has not availed any new terms loans during the year.

x. During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

xi. The company has not paid / provided managerial remuneration during the year hence this clause not applicable

xii. The company is not a Nidhi company hence this clause is not applicable

xiii. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act,2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards

xiv. The company has not issued any shares or Debentures during the year hence this clause is not applicable.

xv. The company has not entered into any non-cash transactions with directors or persons connected with him hence this clause not applicable

xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 hence this clause not applicable

For M/s P.Chandrasekar LLP

Chartered Accountants

Firm Registration No. 000580S/S200066

Sd/-

S.Rajagopalan

Partner

Membership No.02534

Place: Bangalore

Date: 28.05.2018

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **ROYAL ORCHID HYDERABAD PRIVATE LIMITED** ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 M/s P.Chandrasekar LLP
Chartered Accountants
Firm Registration No. 000580S/S200066

Sd/-
S.Rajagopalan
Partner
Membership No.025349

Place: Bangalore
Date: 28.05.2018

Royal Orchid Hyderabad Private Limited
Balance Sheet as at 31 March 2018

	Notes	As at 31 March 2018 ₹ '000	As at 31 March 2017 ₹ '000	As at 1 April 2016 ₹ '000
ASSETS				
Non-current assets				
(a) Capital Work in progress		35.92	35.92	35.92
		35.92	**35.92**	**35.92**
Current assets				
(a) Financial assets				
(i) Other current assets	3	15,032.78	15,032.78	15,032.78
		15,032.78	**15,032.78**	**15,032.78**
TOTAL ASSETS		**15,068.70**	**15,068.70**	**15,068.70**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	4	17,700.00	17,700.00	17,700.00
(b) Other equity		(2,891.60)	(2,871.47)	(2,842.01)
		14,808.40	**14,828.53**	**14,857.99**
Liabilities				
Current liabilities				
(a) Other current liabilities	5	260.30	240.17	210.71
		260.30	**240.17**	**210.71**
TOTAL EQUITY AND LIABILITIES		**15,068.70**	**15,068.70**	**15,068.70**

See accompanying notes forming part of these financial statements.

In terms of our report attached.

For P. Chandrasekar LLP
Chartered Accountants
Firm Regn No.000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No.025349

Place: Bengaluru
Date: 28 May 2018

For and on behalf of the Board of Directors

Sd/-
Chander K. Baljee
Director
DIN:00081844
Place: Bangalore
Date: 28 May 2018

Sd/-
Sunita Baljee
Director
DIN:00080737
Place : Bangalore
Date: 28 May 2018

Royal Orchid Hyderabad Private Limited
Statement of Profit and Loss for the year ended 31 March 2018

	Notes	Year ended 31 March 2018 ₹ '000	Year ended 31 March 2017 ₹ '000
Revenue			
Revenue from operations		-	-
Other income		-	-
Total revenue		**-**	**-**
Expenses			
Other expenses	6	20.13	29.46
Total expenses		**20.13**	**29.46**
Profit before tax		**(20.13)**	**(29.46)**
Tax expense		-	-
Profit after tax		**(20.13)**	**(29.46)**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
a) Remeasurement (losses)/gains in defined benefit plans			
Income tax effect		-	-
Net of items that will not be reclassified to profit or loss		-	-
Items that will be reclassified subsequently to profit or loss			
Net of items that will be reclassified subsequently to profit or loss		-	-
Other comprehensive income/(loss), net of tax		**-**	**-**
Total comprehensive income for the period		**(20.13)**	**(29.46)**
Earnings per equity share of ₹ 10 each			
Basic/Diluted	7	(0.01)	(0.02)

See accompanying notes to Financial Statements.
In terms of our report attached.

For P. Chandrasekar LLP
Chartered Accountants
Firm Regn No.000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No.025349

Place: Bengaluru
Date: 28 May 2018

For and on behalf of the Board of Directors

Sd/-

Chander K. Baljee
Director
DIN:00081844
Place: Bangalore
Date: 28 May 2018

Sd/-

Sunita Baljee
Director
DIN:00080737
Place : Bangalore
Date: 28 May 2018

Royal Orchid Hyderabad Private Limited
Statement of Changes in Equity for the year ended 31 March 2018

A. Equity share capital

	Equity shares Number	Equity shares Amount ₹'000
Equity shares of ₹ 10 each, fully paid-up		
As at 1 April 2016	17,70,000	17,700.00
Add: Issued and subscribed during the year	-	-
As at 31 March 2017	**17,70,000**	**17,700.00**
Add: Issued and subscribed during the year	-	-
As at 31 March 2018	**17,70,000**	**17,700.00**

B. Other equity

For the year ended 31 March 2018

(INR in thousands)

	Reserves and Surplus		Items of OCI	Total
	Securities Premium Account	Retained Earnings	DBO Remeasurement	
Balance as at 31 March 2017	**-**	**(2,871.47)**	**-**	**(2,871.47)**
Profit for the period	-	(20.13)	-	(20.13)
Other comprehensive income/(loss), net of tax	-	-	-	-
Total Comprehensive Income	**-**	**(20.13)**	**-**	**(20.13)**
Recognition of share based payment	-	-	-	-
Balance as at 31 March 2018	**-**	**(2,891.60)**	**-**	**(2,891.60)**

For the year ended 31 March 2017

(INR in thousands)

	Reserves and Surplus		Items of OCI	Total
	Securities Premium Account	Retained Earnings	DBO Remeasurement	
Balance as at 1 April 2016	**-**	**(2,842.01)**	**-**	**(2,842.01)**
Profit for the year	-	(29.46)	-	(29.46)
Other comprehensive income/(loss), net of tax	-	-	-	-
Total comprehensive income	**-**	**(29.46)**	**-**	**(29.46)**
Recognition of share based payment	-	-	-	-
Balance as at 31 March 2017	**-**	**(2,871.47)**	**-**	**(2,871.47)**

See accompanying notes to Financial Statements.
In terms of our report attached.

For P. Chandrasekar LLP
Chartered Accountants
Firm Regn No.000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No.025349

Place: Bengaluru
Date: 28 May 2018

For and on behalf of the Board of Directors

Sd/-

Chander K. Baljee
Director
DIN:00081844
Place: Bangalore
Date: 28 May 2018

Sd/-

Sunita Baljee
Director
DIN:00080737
Place : Bangalore
Date: 28 May 2018

Royal Orchid Hyderabad Private Limited
Cash Flow Statement for the year ended 31 March 2018

	Year ended 31 March 2018 ₹'000	Year ended 31 March 2017 ₹'000
A. Cash flow from operating activities		
Net profit before tax	**(20.13)**	**(29.46)**
Adjustments for:		
Depreciation and amortisation		
Operating profit before working capital changes	**(20.13)**	**(29.46)**
Changes in working capital:		
Increase/(decrease) in provisions, trade payables and other liabilities	20.13	29.46
Cash generated from operations	**-**	**-**
Direct taxes paid (net)		
Net cash generated from operating activities	**-**	**-**
B. Cash flows from investing activities	**-**	**-**
Net cash (used in)/generated from investing activities	**-**	**-**
C. Cash flows from financing activities	**-**	**-**
Net cash (used in) from financing activities	**-**	**-**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**-**	**-**
Cash and cash equivalents at the beginning of the year	**-**	**-**
Cash and cash equivalents at the end of the year	**-**	**-**

In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place: Bangalore
Date: 28 May 2018

For and on behalf of the Board of Directors

Sd/-
Chander K. Baljee
Director
DIN:00081844

Place: Bangalore
Date: 28 May 2018

Sd/-
Sunita Baljee
Director
DIN:00080737

Place: Bangalore
Date: 28 May 2018

Royal Orchid Hyderabad Private Limited
Notes to the financial statements

1. General Information:

Royal Orchid Hyderabad Private Limited ("the Company") was incorporated on 12th September 2005 to carry on the business of hotels/holiday resorts and related services. M/s. Royal Orchid Hotels Ltd holds 99.45% of equity shares and balance shares are held in the name of Mrs. Sunita Baljee (0.55%).

The company has signed a lease agreement on 06th December 2004 with Bagga Group for a lease of the property for a period of 25 years and has paid an interest free deposit of Rs.150 lakhs. The lease commences from the date of completion of the building and amenities proposed to be constructed at Hyderabad. The company initiated legal proceeding to recover the deposit paid to Bagga Group as the building and amenities were not handed over to the company.

2. Summary of significant accounting policies

a) Statement of compliance

Financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 28th May 2018.

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the first Ind AS financial statements of the Company. The date of transition to Ind AS is 1 April 2016. Refer note 14 for the details of first-time adoption exemptions availed by the Company, reconciliations and descriptions of the effect of the transition.

b) Basis of accounting and preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its financial statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1 April, 2017. Accordingly, the Company has prepared these financial statements which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the year ended 31 March, 2018, and accounting policies and other explanatory information (together hereinafter referred to as" financial statements").

The financial Statements have been prepared using the significant accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

The financial Statements have been prepared on the 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.

c) Use of estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Company bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the amounts recognized in the financial Statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Classification of leases

The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

2. Summary of significant accounting policies (cont'd)

c) Use of estimates (Cont'd)

Recognition of deferred tax assets
The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions

Evaluation of indicators for impairment of assets
The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Recoverability of advances / receivables
At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Useful lives of depreciable / amortisable assets
Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

Defined benefit obligation (DBO)
Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements
Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

d) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as 12 months.
Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

e) Property, plant and equipment

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its Previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

2. Summary of significant accounting policies (cont'd)

e) Property, plant and equipment (cont'd)

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows as per the indicative useful life prescribed in Schedule II to the Companies Act, 2013:

Asset Category	Useful lives (in years)
Buildings	30
Plant and equipment	15
Furniture and fixtures	8
Vehicles	6
Office equipment	5
Computer equipment	3

Leasehold land is amortised over the period of lease.
The Company has evaluated the applicability of component accounting as prescribed under Ind AS 16 and Schedule II of the Companies Act, 2013, the management has not identified any significant component having different useful lives. Schedule II requires the Company to identify and depreciate significant components with different useful lives separately.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

f) Investment properties

Recognition and initial measurement
Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes to the financial statements. Fair values are determined based on an annual evaluation performed by an accredited external 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.

Subsequent measurement
Depreciation on investment properties is provided on the straight-line method, computed on the basis of useful lives prescribed under Part C of Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition
Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

g) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

2. Summary of significant accounting policies (cont'd)

h) Revenue recognition

Revenue from contracts with customers is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

Income from services

Revenues comprise income from the sale of room nights, food, beverages and allied services during a guest's stay at the hotel. Room revenue is recognised based on occupation and revenue from sale of food, beverages and other allied services, as the respective services are rendered with reasonable certainty of ultimate collection. Other revenues are recognised as and when the services are performed or the right to receive claim is established, with reasonable certainty for ultimate collection. Rebates and discounts granted to customers are reduced from revenue.

Income from management and technical services are recognised as the services are rendered based on the terms of the contract.
Unbilled revenues' represent revenues recognised on services rendered, for which amounts are to be billed in subsequent periods.

Interest income

Interest income is reported on an accrual basis using the effective interest method and is included under the head "other income" in the Statement of Profit and Loss.

i) Employee benefits

Employee benefits include provident fund, employee state insurance scheme, labour welfare fund, gratuity and compensated absences. Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan
Retirement benefit in the form of provident fund and employee state insurance scheme is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and employee state insurance scheme. The Company recognises contribution payable to the schemes as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan
Gratuity
The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Compensated absences
The Company provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of vesting as well as non vesting benefit. The cost of short term compensated absences are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs.

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period. Further, as required under Ind AS compliant Schedule III, the Company transfers those amounts recognized in other comprehensive income to retained earnings in the statement of changes in equity and in the balance sheet.

Short-term employee benefits
Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee

2. Summary of significant accounting policies (cont'd)

j) Share based payments

The Company has equity-settled share-based remuneration plans for its employees. None of the Company's plans are cash-settled.
Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.
Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

k) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.
For arrangements entered into prior to 1 April 2016 (date of transition to Ind AS), the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Finance Lease
A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at fair value of the leased property or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset.

Operating Lease
Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

l) Foreign currency transactions

Functional and presentation currency
The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupees (₹)

Transactions and balances

- Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit or Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

- Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

- Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2. Summary of significant accounting policies (cont'd)

n) Inventories

Inventory comprises food, beverages, stores and spare parts and are valued at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the goods to their present location and condition and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion to make the sale.

o) Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.
Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

p) Provisions and contingencies

Provisions
A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets
Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments

Financial assets

Initial recognition and measurement
All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
i. Debt instruments at amortised cost;
ii. Debt instruments at fair value through other comprehensive income (FVTOCI);
iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL); and
iv. Equity investments.

i. Debt instruments at amortised cost
A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

ii. Debt instrument at FVTOCI
A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit & loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit & loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instrument at FVTPL
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

iv. Equity investments
All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 Business Combinations, applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election 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 recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments (cont'd)

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or
b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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.

This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 Financial Instruments and the amount recognised less cumulative amortisation.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments (cont'd)

Derecognition of financial liabilities
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.

r) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables
The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets
For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

s) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

t) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

2. Summary of significant accounting policies (cont'd)

u) Cash and cash equivalents

Cash and cash equivalent in the statement of financial position comprises cash at banks and on hand, demand deposits, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value.

v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the business of operating and managing hotels/ resorts and providing related services, which constitutes its single reportable segment.

w) Earnings/ (Loss) per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

x) Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21,Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.
The amendment will come into force form April 1, 2018. The Company is evaluating the requirements of Ind AS 21 and its effect on the financial statements.

Ind AS 115- Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

The standard permits two possible methods of transition:
a. Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.
b. Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch-up approach)
The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018
The Company is evaluating the requirements of Ind AS 115 and its effect on the financial statements.

Royal Orchid Hyderabad Private Limited
Notes to the financial statements

		As at 31 March 2018 ₹ '000	As at 31 March 2017 ₹ '000	As at 1 April 2016 ₹ '000
3	**Other financial assets**			
	Other advances	15,032.78	15,032.78	15,032.78
		15,032.78	**15,032.78**	**15,032.78**

(This space has been intentionally left blank)

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number	Amounts ₹ '000	Number	Amounts ₹ '000	Number	Amounts ₹ '000
4 Share capital						
Authorised share capital						
Equity shares of ₹ 10 each	20,00,000	20,000.00	20,00,000	20,000.00	20,00,000	20,000.00
	20,00,000	**20,000.00**	**20,00,000**	**20,000.00**	**20,00,000**	**20,000.00**
Issued, subscribed and fully paid up						
Equity shares of ₹ 10 each	17,70,000	17,700.00	17,70,000	17,700.00	17,70,000	17,700.00
	17,70,000	**17,700.00**	**17,70,000**	**17,700.00**	**17,70,000**	**17,700.00**

a) Reconciliation of share capital

There have been no changes in the number of equity shares and amount outstanding at the beginning and at the end of the reporting period.

b) Details of shares held by the holding company and its subsidiary

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number	Amounts ₹ '000	Number	Amounts ₹ '000	Number	Amounts ₹ '000
Equity shares of ₹10 each with voting rights						
Royal Orchid Hotels Limited - Holding Company	17,70,000	17,700.00	17,70,000	17,700.00	17,70,000	17,700.00
	17,70,000	**17,700.00**	**17,70,000**	**17,700.00**	**17,70,000**	**17,700.00**

c) Shareholders holding more than 5% of the shares of the Company

Equity shares of ₹10 each with voting rights	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares
Royal Orchid Hotels Limited - Holding Company	17,60,200	99.45%	17,60,200	99.45%	17,60,200	99.45%
	17,60,200	**99.45%**	**17,60,200**	**99.45%**	**17,60,200**	**99.45%**

d) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each equity share is entitled to one vote per share. Dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and shall be payable in Indian Rupees. In the event of liquidation of the Company, the shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Aggregate number of bonus shares issued and shares issued for

The Company has not issued any bonus shares or any shares for consideration other than cash nor has there been any buy back of shares during five years immediately preceding 31 March 2018.

Royal Orchid Hyderabad Private Limited
Notes to the financial statements

		As at 31 March 2018 ₹ '000	As at 31 March 2017 ₹ '000	As at 1 April 2016 ₹ '000
5	**Other current liabilities**			
	Dues to Holding Company	196.67	194.25	193.54
	Dues to other parties	63.63	45.93	17.18
		260.30	**240.17**	**210.71**

		Year ended 31 March 2018 ₹ '000	Year ended 31 March 2017 ₹ '000
6	**Other expenses**		
	Legal and professional	17.70	28.75
	Rate & Taxes	2.43	-
	Miscellaneous	-	0.71
		20.13	**29.46**

7	**Earnings per share**		
	Weighted average number of shares outstanding	17,70,000	17,70,000
	Net profit after tax attributable to equity shareholders in ₹'000	(20.13)	(29.46)
	Basic and diluted earnings per share in ₹	(0.01)	(0.02)
	Nominal value per equity share in ₹	10	10

8 Related parties

i. Parties where control exists

Name of party	Nature of relationship
Royal Orchid Hotels Limited	Holding Company
A.B. Holdings Private Limited	Fellow Subsidiary

ii. Transactions with related parties during the year

(INR in thousands)

Particulars	Nature of relationship	Year ended 31 March 2018	Year ended 31 March 2017
Current account receipts/(payments)			
Royal Orchid Hotels Limited	Holding Company	2.43	0.71

iii. Balances receivable from/ (payable to) related parties are summarised below:

(INR in thousands)

Particulars	Nature of relationship	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Advances receivable				
A.B. Holdings Private Limited	Fellow Subsidiary	32.78	32.78	32.78
Advances payable				
Royal Orchid Hotels Limited	Holding Company	196.67	194.25	193.54

Royal Orchid Hyderabad Private Limited
Notes to the financial statements

9 Segment information

The Company's business comprises the operation of a hotel, the services of which represents one business segment. Further, the Company derives its entire revenue from services rendered in India. Consequently, the disclosure of business and geographic segment- wise information is not applicable to the Company.

10 Networth Erosion

The company has incurred loss in the current year and its Networth has eroded. Since the company is confident in raising capital in light of continued support of the management, the financial statement has been prepared on going concern basis and no adjustments are made on the carrying value of assets and liabilities.

11 Capital management

For the purpose of the Company's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

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 in the financial covenants of any interest-bearing loans and borrowing in the current period.

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 Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt and interest bearing loans and borrowings less cash.

(INR in thousands)

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 01 April 2016**
Long term borrowings	-	-	-
Current maturities of long term borrowings	-	-	-
Short term borrowings	-	-	-
Less: Cash and cash equivalents	-	-	-
Net debt	**-**	**-**	**-**
Equity	17,700.00	17,700.00	17,700.00
Other Equity	(2,891.60)	(2,871.47)	(2,842.01)
Total capital	**14,808.40**	**14,828.53**	**14,857.99**
Capital and net debt	**14,808.40**	**14,828.53**	**14,857.99**
Gearing ratio	**0.00%**	**0.00%**	**0.00%**

12 Payment to auditors

	As at 31 March 2018 ₹'000	**As at 31 March 2017 ₹'000**
for audit fees	17.70	28.75
	17.70	**28.75**

Royal Orchid Hyderabad Private Limited
Notes to the financial statements

13 Fair value measurements

(i) Financial instruments by category

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

(INR in thousands)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A. Financial assets			
a) Measured at amortised cost			
Current assets			
(i) Other financial assets	15,032.78	15,032.78	15,032.78
	15,032.78	**15,032.78**	**15,032.78**
b) Measured at fair value through OCI	-	-	-
c) Measured at fair value through profit or loss	-	-	-
Total financial assets	**15,032.78**	**15,032.78**	**15,032.78**
B. Financial liabilities			
a) Measured at amortised cost			
Current liabilities	-	-	-
b) Measured at fair value through OCI	-	-	-
c) Measured at fair value through profit or loss	-	-	-
Total financial liabilities	**-**	**-**	**-**

Notes:

(i) The fair value of trade receivables, trade payables and other Current financial assets and liabilities are considered to be equal to the carrying amounts of these items due to their short – term nature.

(ii) The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(iii) The management assessed that for amortised cost instruments, the fair value approximates largely to the carrying amount.

14 First-time adoption of Ind AS

These are the Company’s first financial statements prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (‘previous GAAP’).

Accordingly, the Company has prepared the financial statements for the comparative period as at and for the year ended 31 March 2017 that comply with the applicable Ind AS, as described in the summary of significant accounting policies. In preparing these financial statements, the Company’s opening balance sheet was prepared as at 1 April 2016, the Company’s date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at 1 April 2016 and the comparative financial statements as at and for the year ended 31 March 2017.

A. Ind AS optional exemptions

A1. Deemed cost for property, plant and equipment, investment property and intangible assets

Ind AS 101 First-time Adoption of Indian Accounting Standards, permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

B. Ind AS mandatory exemptions

B1. Estimates

In accordance with Ind AS, as at the date of transition to Ind AS an entity's estimates shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP except impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition this was not required under the previous GAAP.

B2. Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 Financial Instruments are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

a) The effects of the retrospective application or retrospective restatement are not determinable; or

b) The retrospective application or restatement requires assumptions about what management’s intent would have been in that period; or

c) The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

14 First-time adoption of Ind AS (cont'd)

B3. De-recognition of financial assets and liabilities

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires a first-time adopter to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 First-time Adoption of Indian Accounting Standards, allows a first-time adopter to apply the de-recognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively from the date of transition to Ind AS.

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS as at the periods specified below.

C1. Reconciliation of other equity

The Company has also prepared a reconciliation of equity as at 31 March 2017 and 1 April 2016 under the previous GAAP with the equity as reported in these financial statements under Ind AS, that reflect the impact of Ind AS on the components of statement of Balance sheet which is presented below:

(INR in thousands)

Particulars	As at 31 March 2017	As at 01 April 2016
Equity as reported under previous GAAP	**(2,871.47)**	**(2,842.01)**
Adjustments on account of:		
(i) Measurement of financial assets and liabilities at amortised cost	-	-
(ii) Changes in the value of property, plant and equipment arising from government grants	-	-
Equity under Ind AS	**(2,871.47)**	**(2,842.01)**

C2. Reconciliation of total comprehensive income

(INR in thousands)

Particulars	Year ended 31 March 2017
Profit after tax as reported under previous GAAP	**(29.46)**
Adjustments on account of:	
(i) Measurement of financial assets and liabilities at amortised cost	-
(ii) Measurement of defined benefit obligation	-
(iii) ESOP expense recognised at fair value through profit or loss	-
(iv) Revenue arising from Government grant related to assets	-
(v) Depreciation due to change in the value of fixed assets arising from government grants	-
(vi) Amortisation expense from Revaluation Reserve	-
Profit after tax as reported under Ind AS	**(29.46)**
Other comprehensive income / (loss) (net of tax)	-
Total comprehensive income / (loss) as reported under Ind AS	**(29.46)**

Royal Orchid Hyderabad Private Limited
Notes to the financial statements

14 First-time adoption of Ind AS (cont'd)

C3. Effect of Ind AS on Cashflow

There are no significant reconciliation items between consolidated cash flows prepared under Indian GAAP and those prepared under Ind AS.

15 Approval of Financial Statements

The financial statements were approved for issue by the board of directors on 28 May 2018.

For and on behalf of the Board of Directors

Sd/-
Chander K. Baljee
Director
DIN:00081844
Place: Bangalore
Date: 28 May 2018

Sd/-
Sunita Baljee
Director
DIN:00080737
Place: Bangalore
Date: 28 May 2018

ROYAL ORCHID MAHARASHTRA PRIVATE LIMITED

Audited Financial Statements

for the year ended

31 March 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF **ROYAL ORCHID MAHARASHTRA PRIVATE LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements **M/S.ROYAL ORCHID MAHARASHTRA PRIVATE LIMITED**("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

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 and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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 standalone financial statements.

We believe that the audit evidence obtained by us 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 Loss, total comprehensive income, the changes in equity for the year ended on that date.

Emphasis of Maters

We draw attention to the following maters in the notes to the financial statements:

a) Note '**5**' in the financial statements which indicates that the company has accumulated losses and its net worth has been fully eroded, the company has incurred a net cash loss during the current and previous year(s) and, the company's current liabilities exceeded its current assets as at the balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and our opinion is not modified in respect of these matters

Report on Other Legal and Regulatory Requirements

1. As the company has not met the qualifying requirement of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, the same is not forming part of our report.

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, 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 A" Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting and

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

i. The Company does not have any pending litigations which would impact its financial position.

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

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

For M/s P.Chandrasekar LLP
Chartered Accountants
Firm Registration No. 000580S/S200066

Sd/-
S.Rajagopalan
Partner
Membership No.025349

Place: Bangalore
Date: 28.05.2018

Annexure - A to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **ROYAL ORCHID MAHARASHTRA PRIVATE LIMITED** ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 M/s P.Chandrasekar LLP
Chartered Accountants
Firm Registration No. 000580S/S200066

Sd/-
S.Rajagopalan
Partner
Membership No.025349

Place: Bangalore
Date: 28.05.2018

Royal Orchid Maharashtra Private Limited
Balance Sheet as at 31 March 2018

	Notes	As at 31 March 2018 ₹'000	As at 31 March 2017 ₹'000	As at 1 April 2016 ₹'000
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	23,272.01	23,272.01	23,272.01
		23,272.01	**23,272.01**	**23,272.01**
Current assets				
(a) Financial assets				
(i) Cash and cash equivalents	4	34.41	35.07	35.37
		34.41	**35.07**	**35.37**
TOTAL ASSETS		**23,306.42**	**23,307.08**	**23,307.38**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	5	500.00	500.00	500.00
(b) Other equity		(2,662.86)	(2,322.25)	(2,292.80)
		(2,162.86)	**(1,822.25)**	**(1,792.80)**
Liabilities				
Current liabilities				
(a) Other current liabilities	6	25,469.28	25,129.33	25,100.18
		25,469.28	**25,129.33**	**25,100.18**
TOTAL EQUITY AND LIABILITIES		**23,306.42**	**23,307.08**	**23,307.38**

See accompanying notes forming part of these financial statements.

In terms of our report attached.
For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place : Bangalore
Date: 28 May 2018

For and on behalf of the Board of Directors

Sd/-
Chander K. Baljee
Director
DIN:00081844

Place : Bangalore
Date: 28 May 2018

Sd/-
Chetan Tewari
Director
DIN:07394065

Place : Bangalore
Date: 28 May 2018

Royal Orchid Maharashtra Private Limited
Statement of Profit and Loss for the year ended 31 March 2018

	Notes	Year ended 31 March 2018 ₹'000	Year ended 31 March 2017 ₹'000
Revenue			
Revenue from operations		-	-
Other income		-	-
Total revenue		**-**	**-**
Expenses			
Other expenses	7	340.61	29.45
Total expenses		**340.61**	**29.45**
Profit before tax		**(340.61)**	**(29.45)**
Tax expense		-	-
Profit after tax		**(340.61)**	**(29.45)**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
a) Remeasurement (losses)/gains in defined benefit plans			
Income tax effect		-	-
Net of items that will not be reclassified to profit or loss		-	-
Items that will be reclassified subsequently to profit or loss			
Net of items that will be reclassified subsequently to profit or loss		-	-
Other comprehensive income/(loss), net of tax		**-**	**-**
Total comprehensive income for the period		**(340.61)**	**(29.45)**
Earnings per equity share of ₹ 100 each			
Basic/Diluted	8	(68.12)	(5.89)

See accompanying notes to Financial Statements.

In terms of our report attached.
For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place : Bangalore
Date: 28 May 2018

For and on behalf of the Board of Directors

Sd/-
Chander K. Baljee
Director
DIN:00081844

Place : Bangalore
Date: 28 May 2018

Sd/-
Chetan Tewari
Director
DIN:07394065

Place : Bangalore
Date: 28 May 2018

Royal Orchid Maharashtra Private Limited
Statement of Changes in Equity for the year ended 31 March 2018

A. Equity share capital

	Equity shares Number	Equity shares Amount
Equity shares of ₹ 100 each, fully paid-up		
As at 1 April 2016	5,000	5,00,000
Add: Issued and subscribed during the year	-	-
As at 31 March 2017	**5,000**	**5,00,000**
Add: Issued and subscribed during the year	-	-
As at 31 March 2018	**5,000**	**5,00,000**

B. Other equity

For the year ended 31 March 2018

(INR in thousands)

	Reserves and Surplus			Items of OCI	Total
	Securities Premium Account	Retained Earnings	General Reserve	DBO Remeasurement	
Balance as at 31 March 2017	**-**	**(2,322.25)**	**-**	**-**	**(2,322.25)**
Profit for the period	-	(340.61)	-	-	(340.61)
Other comprehensive income/(loss), net of tax	-	-	-	-	-
Total Comprehensive Income	**-**	**(340.61)**	**-**	**-**	**(340.61)**
Recognition of share based payment	-	-	-	-	-
Balance as at 31 March 2018	**-**	**(2,662.86)**	**-**	**-**	**(2,662.86)**

For the year ended 31 March 2017

(INR in thousands)

	Reserves and Surplus			Items of OCI	Total
	Securities Premium Account	Retained Earnings	General Reserve	DBO Remeasurement	
Balance as at 1 April 2016	**-**	**(2,292.80)**	**-**	**-**	**(2,292.80)**
Profit for the year	-	(29.45)	-	-	(29.45)
Other comprehensive income/(loss), net of tax	-	-	-	-	-
Total comprehensive income	**-**	**(29.45)**	**-**	**-**	**(29.45)**
Recognition of share based payment	-	-	-	-	-
Balance as at 31 March 2017	**-**	**(2,322.25)**	**-**	**-**	**(2,322.25)**

In terms of our report attached.
For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place : Bangalore
Date: 28 May 2018

For and on behalf of the Board of Directors

Sd/-
Chander K. Baljee
Director
DIN:00081844

Place : Bangalore
Date: 28 May 2018

Sd/-
Chetan Tewari
Director
DIN:07394065

Place : Bangalore
Date: 28 May 2018

Royal Orchid Maharashtra Private Limited
Cash Flow Statement for the year ended 31 March 2018

	Year ended 31 March 2018 ₹'000	Year ended 31 March 2017 ₹'000
A. Cash flow from operating activities		
Net profit before tax	**(340.61)**	**(29.45)**
Adjustments for:		
Depreciation and amortisation		
Operating profit before working capital changes	**(340.61)**	**(29.45)**
Changes in working capital:		
Increase/(decrease) in provisions, trade payables and other liabilities	339.95	29.15
Cash generated from operations	**(0.66)**	**(0.30)**
Direct taxes paid (net)		
Net cash generated from operating activities	**(0.66)**	**(0.30)**
B. Cash flows from investing activities	**-**	**-**
Net cash (used in)/generated from investing activities	**-**	**-**
C. Cash flows from financing activities	**-**	**-**
Net cash (used in) from financing activities	**-**	**-**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(0.66)**	**(0.30)**
Cash and cash equivalents at the beginning of the year	**35.07**	**35.37**
Cash and cash equivalents at the end of the year	**34.41**	**35.07**

In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place: Bangalore
Date: 28 May 2018

For and on behalf of the Board of Directors

Sd/-
Chander K. Baljee
Director
DIN:00081844

Place : Bangalore
Date: 28 May 2018

Sd/-
Chetan Tewari
Director
DIN:07394065

Place: Bangalore
Date: 28 May 2018

Royal Orchid Maharashtra Private Limited
Notes to the financial statements

1. General Information:

Royal Orchid Maharashtra Private Limited ("the Company") was incorporated on 05th June 2008 to carry on the business of hotels/holiday resorts and related services. M/s. Royal Orchid Hotels Limited holds 99.98% of equity shares and balance 0.02% held in the name of Mr. Keshav Baljee.

The company has signed an agreement to purchase 221 acres [3120000 sq mts] in Aynode village, Dodamarg Taluk in Maharashtra on 24th September 2008 with Mr. Narayan Arjun Gawas representing owners of the property and Mr. Rajesh Mahajan as confirming party.

2. Summary of significant accounting policies

a) Statement of compliance

Financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 28th May 2018.

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the first Ind AS financial statements of the Company. The date of transition to Ind AS is 1 April 2016. Refer note 14 for the details of first-time adoption exemptions availed by the Company, reconciliations and descriptions of the effect of the transition.

b) Basis of accounting and preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its financial statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1 April, 2017. Accordingly, the Company has prepared these financial statements which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the year ended 31 March, 2018, and accounting policies and other explanatory information (together hereinafter referred to as" financial statements").

The financial Statements have been prepared using the significant accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

The financial Statements have been prepared on the 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.

c) Use of estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Company bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the amounts recognized in the financial Statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Classification of leases

The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

2. Summary of significant accounting policies (cont'd)

c) Use of estimates (Cont'd)

Recognition of deferred tax assets
The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions

Evaluation of indicators for impairment of assets
The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Recoverability of advances / receivables
At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Useful lives of depreciable / amortisable assets
Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

Defined benefit obligation (DBO)
Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements
Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

d) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as 12 months.
Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

e) Property, plant and equipment

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its Previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Royal Orchid Maharashtra Private Limited
Notes to the financial statements

2. Summary of significant accounting policies (cont'd)

e) Property, plant and equipment (cont'd)

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows as per the indicative useful life prescribed in Schedule II to the Companies Act, 2013:

Asset Category	Useful lives (in years)
Buildings	30
Plant and equipment	15
Furniture and fixtures	8
Vehicles	6
Office equipment	5
Computer equipment	3

Leasehold land is amortised over the period of lease.
The Company has evaluated the applicability of component accounting as prescribed under Ind AS 16 and Schedule II of the Companies Act, 2013, the management has not identified any significant component having different useful lives. Schedule II requires the Company to identify and depreciate significant components with different useful lives separately.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

f) Investment properties

Recognition and initial measurement
Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes to the financial statements. Fair values are determined based on an annual evaluation performed by an accredited external 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.

Subsequent measurement
Depreciation on investment properties is provided on the straight-line method, computed on the basis of useful lives prescribed under Part C of Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition
Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

g) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

2. Summary of significant accounting policies (cont'd)

h) Revenue recognition

Revenue from contracts with customers is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

Income from services
Revenues comprise income from the sale of room nights, food, beverages and allied services during a guest's stay at the hotel. Room revenue is recognised based on occupation and revenue from sale of food, beverages and other allied services, as the respective services are rendered with reasonable certainty of ultimate collection. Other revenues are recognised as and when the services are performed or the right to receive claim is established, with reasonable certainty for ultimate collection. Rebates and discounts granted to customers are reduced from revenue.

Income from management and technical services are recognised as the services are rendered based on the terms of the contract.

Unbilled revenues' represent revenues recognised on services rendered, for which amounts are to be billed in subsequent periods.

Interest income

Interest income is reported on an accrual basis using the effective interest method and is included under the head "other income" in the Statement of Profit and Loss.

i) Employee benefits

Employee benefits include provident fund, employee state insurance scheme, labour welfare fund, gratuity and compensated absences. Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan
Retirement benefit in the form of provident fund and employee state insurance scheme is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and employee state insurance scheme. The Company recognises contribution payable to the schemes as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan
Gratuity
The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Compensated absences
The Company provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of vesting as well as non vesting benefit. The cost of short term compensated absences are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs.

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period. Further, as required under Ind AS compliant Schedule III, the Company transfers those amounts recognized in other comprehensive income to retained earnings in the statement of changes in equity and in the balance sheet.

Short-term employee benefits
Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee

2. Summary of significant accounting policies (cont'd)

j) Share based payments

The Company has equity-settled share-based remuneration plans for its employees. None of the Company's plans are cash-settled.
Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.
Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

k) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.
For arrangements entered into prior to 1 April 2016 (date of transition to Ind AS), the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Finance Lease
A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at fair value of the leased property or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset.

Operating Lease
Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

l) Foreign currency transactions

Functional and presentation currency
The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupees (₹)

Transactions and balances

- Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit or Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

- Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

- Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2. Summary of significant accounting policies (cont'd)

n) Inventories

Inventory comprises food, beverages, stores and spare parts and are valued at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the goods to their present location and condition and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion to make the sale.

o) Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.
Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

p) Provisions and contingencies

Provisions
A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets
Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments

Financial assets

Initial recognition and measurement
All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
i. Debt instruments at amortised cost;
ii. Debt instruments at fair value through other comprehensive income (FVTOCI);
iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL); and
iv. Equity investments.

i. Debt instruments at amortised cost
A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

ii. Debt instrument at FVTOCI
A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit & loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit & loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instrument at FVTPL
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

iv. Equity investments
All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 Business Combinations, applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election 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 recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments (cont'd)

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings
This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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.

This category generally applies to borrowings.

Financial guarantee contracts
Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 Financial Instruments and the amount recognised less cumulative amortisation.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments (cont'd)

Derecognition of financial liabilities
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.

r) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables
The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets
For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

s) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

t) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

2. Summary of significant accounting policies (cont'd)

u) Cash and cash equivalents

Cash and cash equivalent in the statement of financial position comprises cash at banks and on hand, demand deposits, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value.

v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the business of operating and managing hotels/ resorts and providing related services, which constitutes its single reportable segment.

w) Earnings/ (Loss) per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

x) Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21,Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.
The amendment will come into force form April 1, 2018. The Company is evaluating the requirements of Ind AS 21 and its effect on the financial statements.

Ind AS 115- Revenue from Contract with Customers:
On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

The standard permits two possible methods of transition:
a. Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.
b. Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch-up approach)
The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018
The Company is evaluating the requirements of Ind AS 115 and its effect on the financial statements.

Royal Orchid Maharashtra Private Limited
Notes to the financial statements

3 Property, plant and equipment

(INR in thousands)

Particulars	Land (Freehold)	Total
Gross Block		
Balance as at 01 April 2016	**23,272.01**	**23,272.01**
Additions	-	-
Disposals/Adjustments	-	-
Balance as at 31 March 2017	**23,272.01**	**23,272.01**
Additions	-	-
Disposals/Adjustments	-	-
Balance as at 31 Mar 2018	**23,272.01**	**23,272.01**
Accumulated depreciation		
Balance as at 01 April 2016	**-**	**-**
Charge for the year	-	-
Ind AS adjustments	-	-
Reversal on disposal/adjustments	-	-
Balance as at 31 March 2017	**-**	**-**
Charge for the year	-	-
Ind AS adjustments	-	-
Reversal on disposal/adjustments	-	-
Balance as at 31 March 2018	**-**	**-**
Net block		
Balance as at 01 April 2016	**23,272.01**	**23,272.01**
Balance as at 31 March 2017	**23,272.01**	**23,272.01**
Balance as at 31 March 2018	**23,272.01**	**23,272.01**

Royal Orchid Maharashtra Private Limited
Notes to the financial statements

		As at 31 March 2018 ₹'000	As at 31 March 2017 ₹'000	As at 1 April 2016 ₹'000
4	**Cash and cash equivalents**			
	Balances with banks			
	- in current accounts	34.41	35.07	35.37
		34.41	**35.07**	**35.37**

(This space has been intentionally left blank)

Royal Orchid Maharashtra Private Limited
Notes to the financial statements

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number	Amounts ₹'000	Number	Amounts ₹'000	Number	Amounts ₹'000
5 Share capital						
Authorised share capital						
Equity shares of ₹ 100 each	5,000	500.00	5,000	500.00	5,000	500.00
	5,000	**500.00**	**5,000**	**500.00**	**5,000**	**500.00**
Issued, subscribed and fully paid up						
Equity shares of ₹ 100 each	5,000	500.00	5,000	500.00	5,000	500.00
	5,000	**500.00**	**5,000**	**500.00**	**5,000**	**500.00**

a) **Reconciliation of share capital**

There have been no changes in the number of equity shares and amount outstanding at the beginning and at the end of the reporting period.

b) **Details of shares held by the holding company and its subsidiary**

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number	Amounts ₹'000	Number	Amounts ₹'000	Number	Amounts ₹'000
Equity shares of ₹100 each with voting rights						
Royal Orchid Hotels Limited - Holding Company	4,999	499.90	4,999	499.90	4,999	499.90
	-	-	-	-	-	-
	4,999	**499.90**	**4,999**	**499.90**	**4,999**	**499.90**

c) **Shareholders holding more than 5% of the shares of the Company**

Equity shares of ₹100 each with voting rights	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares
Royal Orchid Hotels Limited - Holding Company	4,999	99.98%	4,999	99.98%	4,999	99.98%
	4,999	**99.98%**	**4,999**	**99.98%**	**4,999**	**99.98%**

d) **Terms and rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 100 per share. Each equity share is entitled to one vote per share. Dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and shall be payable in Indian Rupees. In the event of liquidation of the Company, the shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) **Aggregate number of bonus shares issued and shares issued for**

The Company has not issued any bonus shares or any shares for consideration other than cash nor has there been any buy back of shares during five years immediately preceding 31 March 2018.

Royal Orchid Maharashtra Private Limited
Notes to the financial statements

	As at 31 March 2018 ₹'000	As at 31 March 2017 ₹'000	As at 1 April 2016 ₹'000
6 Other current liabilities			
Dues to Holding Company	25,405.66	25,083.40	25,083.00
Dues to other parties	63.62	45.93	17.18
	25,469.28	**25,129.33**	**25,100.18**

	Year ended 31 March 2018 ₹'000	Year ended 31 March 2017 ₹'000
7 Other expenses		
Legal and professional	17.70	28.75
Rates & Taxes	320.64	-
Bank charges	0.65	0.30
Miscellaneous	1.62	0.40
	340.61	**29.45**
8 Earnings per share		
Weighted average number of shares outstanding	5,000	5,000
Net profit after tax attributable to equity shareholders in ₹'000	(340.61)	(29.45)
Basic and diluted earnings per share in ₹	(68.12)	(5.89)
Nominal value per equity share in ₹	100	100

9 Related parties

i. Parties where control exists

Name of party	**Nature of relationship**
Royal Orchid Hotels Limited	Holding Company

ii. Transactions with related parties during the year

(INR in thousands)

Particulars	**Nature of relationship**	**Year ended 31 March 2018**	**Year ended 31 March 2017**
Current account receipts/(payments)			
Royal Orchid Hotels Limited	Holding Company	322.26	0.40

iii. Balances receivable from/ (payable to) related parties are summarised below:

(INR in thousands)

Particulars	**Nature of relationship**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 01 April 2016**
Advances payable				
Royal Orchid Hotels Limited	Holding Company	25,405.66	25,083.40	25,083.00

Royal Orchid Maharashtra Private Limited
Notes to the financial statements

10 Segment information

The Company's business comprises the operation of a hotel, the services of which represents one business segment. Further, the Company derives its entire revenue from services rendered in India. Consequently, the disclosure of business and geographic segment- wise information is not applicable to the Company.

11 Capital management

For the purpose of the Company's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

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 in the financial covenants of any interest-bearing loans and borrowing in the current period.

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 Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash.

(INR in thousands)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Long term borrowings	-	-	-
Current maturities of long term borrowings	-	-	-
Short term borrowings	-	-	-
Less: Cash and cash equivalents	34.41	35.07	35.37
Net debt	**34.41**	**35.07**	**35.37**
Equity	500.00	500.00	500.00
Other Equity	(2,662.86)	(2,322.25)	(2,292.80)
Total capital	**(2,162.86)**	**(1,822.25)**	**(1,792.80)**
Capital and net debt	**(2,128.44)**	**(1,787.17)**	**(1,757.42)**
Gearing ratio	**-1.62%**	**-1.96%**	**-2.01%**

12 Payment to auditors

	As at 31 March 2018 ₹'000	As at 31 March 2017 ₹'000
for audit fees	17.70	28.75
	17.70	**28.75**

Royal Orchid Maharashtra Private Limited
Notes to the financial statements

13 Fair value measurements

(i) Financial instruments by category

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

(INR in thousands)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A. Financial assets			
a) Measured at amortised cost			
Current assets			
(i) Cash and cash equivalents	34.41	35.07	35.37
	34.41	**35.07**	**35.37**
b) Measured at fair value through OCI	-	-	-
c) Measured at fair value through profit or loss	-	-	-
Total financial assets	**34.41**	**35.07**	**35.37**
B. Financial liabilities			
a) Measured at amortised cost			
Current liabilities	-	-	-
b) Measured at fair value through OCI	-	-	-
c) Measured at fair value through profit or loss	-	-	-
Total financial liabilities	**-**	**-**	**-**

Notes:

(i) The fair value of trade receivables, trade payables and other Current financial assets and liabilities are considered to be equal to the carrying amounts of these items due to their short – term nature.

(ii) The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(iii) The management assessed that for amortised cost instruments, the fair value approximates largely to the carrying amount.

14 First-time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP').

Accordingly, the Company has prepared the financial statements for the comparative period as at and for the year ended 31 March 2017 that comply with the applicable Ind AS, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at 1 April 2016 and the comparative financial statements as at and for the year ended 31 March 2017.

A. Ind AS optional exemptions

A1. Deemed cost for property, plant and equipment, investment property and intangible assets

Ind AS 101 First-time Adoption of Indian Accounting Standards, permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

B. Ind AS mandatory exemptions

B1. Estimates

In accordance with Ind AS, as at the date of transition to Ind AS an entity's estimates shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP except impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition this was not required under the previous GAAP.

B2. Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 Financial Instruments are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:
a) The effects of the retrospective application or retrospective restatement are not determinable; or
b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period; or
c) The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

B3. De-recognition of financial assets and liabilities

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires a first-time adopter to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 First-time Adoption of Indian Accounting Standards, allows a first-time adopter to apply the de-recognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively from the date of transition to Ind AS.

Royal Orchid Maharashtra Private Limited
Notes to the financial statements

14 First-time adoption of Ind AS (cont'd)

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS as at the periods specified below.

C1. Reconciliation of other equity

The Company has also prepared a reconciliation of equity as at 31 March 2017 and 1 April 2016 under the previous GAAP with the equity as reported in these financial statements under Ind AS, that reflect the impact of Ind AS on the components of statement of Balance sheet which is presented below:

(INR in thousands)

Particulars	As at 31 March 2017	As at 01 April 2016
Equity as reported under previous GAAP	**(2,322.25)**	**(2,292.80)**
Adjustments on account of:		
(i) Measurement of financial assets and liabilities at amortised cost	-	-
(ii) Changes in the value of property, plant and equipment arising from government grants	-	-
Equity under Ind AS	**(2,322.25)**	**(2,292.80)**

C2. Reconciliation of total comprehensive income

(INR in thousands)

Particulars	Year ended 31 March 2017
Profit after tax as reported under previous GAAP	**(29.45)**
Adjustments on account of:	
(i) Measurement of financial assets and liabilities at amortised cost	-
(ii) Measurement of defined benefit obligation	-
(iii) ESOP expense recognised at fair value through profit or loss	-
(iv) Revenue arising from Government grant related to assets	-
(v) Depreciation due to change in the value of fixed assets arising from government grants	-
(vi) Amortisation expense from Revaluation Reserve	-
Profit after tax as reported under Ind AS	**(29.45)**
Other comprehensive income / (loss) (net of tax)	-
Total comprehensive income / (loss) as reported under Ind AS	**(29.45)**

C3. Effect of Ind AS on Cashflow

There are no significant reconciliation items between consolidated cash flows prepared under Indian GAAP and those prepared under Ind AS.

15 Approval of Financial Statements

The financial statements were approved for issue by the board of directors on 28 May 2018.

For and on behalf of the Board of Directors

Sd/-
Chander K. Baljee
Director
DIN:00081844
Place : Bangalore
Date: 28 May 2018

Sd/-
Chetan Tewari
Director
DIN:07394065
Place : Bangalore
Date: 28 May 2018

ROYAL ORCHID MUMBAI PRIVATE LIMITED

Audited Financial Statements

for the year ended

31 March 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF **ROYAL ORCHID MUMBAI PRIVATE LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements **M/S.ROYAL ORCHID MUMBAI PRIVATE LIMITED**("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

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 and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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 standalone financial statements.

We believe that the audit evidence obtained by us 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 Loss, total comprehensive income, the changes in equity for the year ended on that date.

Emphasis of Maters

We draw attention to the following maters in the notes to the financial statements:

a) Other equity in the financial statements which indicates that the company has accumulated losses and its net worth has been fully eroded, the company has incurred a net cash loss during the current and previous year(s) and, the company has no assets as at the balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern basis and our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As the company has not met the qualifying requirement of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, the same is not forming part of our report.

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, 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 A" Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting and

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

i. The Company does not have any pending litigations which would impact its financial position.

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

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

For M/s P.Chandrasekar LLP
Chartered Accountants
Firm Registration No. 000580S/S200066

Sd/-
S.Rajagopalan
Partner
Membership No.025349

Place: Bangalore
Date: 28.05.2018

Annexure - A to the Auditors’ Report

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

We have audited the internal financial controls over financial reporting of **ROYAL ORCHID MUMBAI PRIVATE LIMITED** (“the Company”) as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 M/s P.Chandrasekar LLP
Chartered Accountants
Firm Registration No. 000580S/S200066

Sd/-
S.Rajagopalan
Partner
Membership No.025349

Place: Bangalore
Date: 28.05.2018

Royal Orchid Mumbai Private Limited
Balance Sheet as at 31 March 2018

	Notes	As at 31 March 2018 ₹'000	As at 31 March 2017 ₹'000	As at 1 April 2016 ₹'000
ASSETS				
Current assets				
(a) Financial assets				
(i) Cash and cash equivalents	3	-	-	500.00
		-	**-**	**500.00**
TOTAL ASSETS		**-**	**-**	**500.00**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	4	500.00	500.00	500.00
(b) Other equity		(629.90)	(610.18)	(81.43)
		(129.90)	**(110.18)**	**418.57**
Liabilities				
Current liabilities				
(a) Other current liabilities	5	129.90	110.18	81.43
		129.90	**110.18**	**81.43**
TOTAL EQUITY AND LIABILITIES		**-**	**-**	**500.00**

See accompanying notes forming part of these financial statements.

In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place : Bangalore
Date: 28 May 2018

For and on behalf of the Board of Directors

Sd/-
Chander K. Baljee
Director
DIN:00081844

Place : Bangalore
Date: 28 May 2018

Sd/-
Chetan Tewari
Director
DIN:07394065

Place : Bangalore
Date: 28 May 2018

Royal Orchid Mumbai Private Limited
Statement of Profit and Loss for the year ended 31 March 2018

	Notes	Year ended 31 March 2018 ₹'000	Year ended 31 March 2017 ₹'000
Revenue			
Revenue from operations		-	-
Other income		-	-
Total revenue		**-**	**-**
Expenses			
Other expenses	6	19.72	528.75
Total expenses		**19.72**	**528.75**
Profit before tax		**(19.72)**	**(528.75)**
Tax expense		-	-
Profit after tax		**(19.72)**	**(528.75)**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
a) Remeasurement (losses)/gains in defined benefit plans			
Income tax effect		-	-
Net of items that will not be reclassified to profit or loss		-	-
Items that will be reclassified subsequently to profit or loss			
Net of items that will be reclassified subsequently to profit or loss		-	-
Other comprehensive income/(loss), net of tax		**-**	**-**
Total comprehensive income for the period		**(19.72)**	**(528.75)**
Earnings per equity share of ₹ 10 each			
Basic/Diluted	7	(0.39)	(10.58)

See accompanying notes to Financial Statements.

In terms of our report attached.
For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place : Bangalore
Date: 28 May 2018

For and on behalf of the Board of Directors

Sd/-
Chander K. Baljee
Director
DIN:00081844

Place : Bangalore
Date: 28 May 2018

Sd/-
Chetan Tewari
Director
DIN:07394065

Place : Bangalore
Date: 28 May 2018

Royal Orchid Mumbai Private Limited
Statement of Changes in Equity for the year ended 31 March 2018

A. Equity share capital

Equity shares of ₹ 10 each, fully paid-up	Equity shares Number	Amount ₹'000
As at 1 April 2016	50,000	5,000.00
Add: Issued and subscribed during the year	-	-
As at 31 March 2017	**50,000**	**5,000.00**
Add: Issued and subscribed during the year	-	-
As at 31 March 2018	**50,000**	**5,000.00**

B. Other equity

For the year ended 31 March 2018

(INR in thousands)

	Reserves and Surplus			Items of OCI	Total
	Securities Premium Account	Retained Earnings	General Reserve	DBO Remeasurement	
Balance as at 31 March 2017	**-**	**(610.18)**	**-**	**-**	**(610.18)**
Profit for the period	-	(19.72)	-	-	(19.72)
Other comprehensive income/(loss), net of tax	-	-	-	-	-
Total Comprehensive Income	**-**	**(19.72)**	**-**	**-**	**(19.72)**
Recognition of share based payment	-	-	-	-	-
Balance as at 31 March 2018	**-**	**(629.90)**	**-**	**-**	**(629.90)**

For the year ended 31 March 2017

(INR in thousands)

	Reserves and Surplus			Items of OCI	Total
	Securities Premium Account	Retained Earnings	General Reserve	DBO Remeasurement	
Balance as at 1 April 2016	**-**	**(81.43)**	**-**	**-**	**(81.43)**
Profit for the year	-	(528.75)	-	-	(528.75)
Other comprehensive income/(loss), net of tax	-	-	-	-	-
Total comprehensive income	**-**	**(528.75)**	**-**	**-**	**(528.75)**
Recognition of share based payment	-	-	-	-	-
Balance as at 31 March 2017	**-**	**(610.18)**	**-**	**-**	**(610.18)**

In terms of our report attached.
For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place : Bangalore
Date: 28 May 2018

For and on behalf of the Board of Directors

Sd/-
Chander K. Baljee
Director
DIN:00081844

Place : Bangalore
Date: 28 May 2018

Sd/-
Chetan Tewari
Director
DIN:07394065

Place : Bangalore
Date: 28 May 2018

Royal Orchid Mumbai Private Limited
Cash Flow Statement for the year ended 31 March 2018

	Year ended 31 March 2018 ₹'000	Year ended 31 March 2017 ₹'000
A. Cash flow from operating activities		
Net profit before tax	**(19.72)**	**(528.75)**
Adjustments for:		
Depreciation and amortisation		
Operating profit before working capital changes	**(19.72)**	**(528.75)**
Changes in working capital:		
Increase/(decrease) in provisions, trade payables and other liabilities	19.72	28.75
Cash generated from operations	**-**	**(500.00)**
Direct taxes paid (net)		
Net cash generated from operating activities	**-**	**(500.00)**
B. Cash flows from investing activities	**-**	**-**
Net cash (used in)/generated from investing activities	**-**	**-**
C. Cash flows from financing activities	**-**	**-**
Net cash (used in) from financing activities	**-**	**-**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**-**	**(500.00)**
Cash and cash equivalents at the beginning of the year	**-**	**500.00**
Cash and cash equivalents at the end of the year	**-**	**-**

In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place: Bangalore
Date: 28 May 2018

For and on behalf of the Board of Directors

Sd/-
Chander K. Baljee
Director
DIN:00081844

Place : Bangalore
Date: 28 May 2018

Sd/-
Chetan Tewari
Director
DIN:07394065

Place: Bangalore
Date: 28 May 2018

Royal Orchid Mumbai Private Limited
Notes to the financial statements

1. General Information:

Royal Orchid Mumbai Private Limited ("the Company") was incorporated on 20th April 2009 to carry on the business of hotels/holiday resorts and related services. M/s. Royal Orchid Hotels Limited holds 99.99% of equity shares and balance 0.01% held in the name of Mr. Keshav Baljee.

2. Summary of significant accounting policies

a) Statement of compliance

Financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 28th May 2018.

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the first Ind AS financial statements of the Company. The date of transition to Ind AS is 1 April 2016. Refer note 13 for the details of first-time adoption exemptions availed by the Company, reconciliations and descriptions of the effect of the transition.

b) Basis of accounting and preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its financial statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1 April, 2017. Accordingly, the Company has prepared these financial statements which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the year ended 31 March, 2018, and accounting policies and other explanatory information (together hereinafter referred to as" financial statements").

The financial Statements have been prepared using the significant accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

The financial Statements have been prepared on the 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.

c) Use of estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Company bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the amounts recognized in the financial Statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Classification of leases

The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

2. Summary of significant accounting policies (cont'd)

c) Use of estimates (Cont'd)

Recognition of deferred tax assets
The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Evaluation of indicators for impairment of assets
The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Recoverability of advances / receivables
At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Useful lives of depreciable / amortisable assets
Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

Defined benefit obligation (DBO)
Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements
Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

d) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as 12 months.
Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

e) Property, plant and equipment

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its Previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Royal Orchid Mumbai Private Limited
Notes to the financial statements

2. Summary of significant accounting policies (cont'd)

e) Property, plant and equipment (cont'd)

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows as per the indicative useful life prescribed in Schedule II to the Companies Act, 2013:

Asset Category	Useful lives (in years)
Buildings	30
Plant and equipment	15
Furniture and fixtures	8
Vehicles	6
Office equipment	5
Computer equipment	3

Leasehold land is amortised over the period of lease.
The Company has evaluated the applicability of component accounting as prescribed under Ind AS 16 and Schedule II of the Companies Act, 2013, the management has not identified any significant component having different useful lives. Schedule II requires the Company to identify and depreciate significant components with different useful lives separately.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

f) Investment properties

Recognition and initial measurement
Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes to the financial statements. Fair values are determined based on an annual evaluation performed by an accredited external 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.

Subsequent measurement
Depreciation on investment properties is provided on the straight-line method, computed on the basis of useful lives prescribed under Part C of Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition
Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

g) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

2. Summary of significant accounting policies (cont'd)

h) Revenue recognition

Revenue from contracts with customers is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

Income from services
Revenues comprise income from the sale of room nights, food, beverages and allied services during a guest's stay at the hotel. Room revenue is recognised based on occupation and revenue from sale of food, beverages and other allied services, as the respective services are rendered with reasonable certainty of ultimate collection. Other revenues are recognised as and when the services are performed or the right to receive claim is established, with reasonable certainty for ultimate collection. Rebates and discounts granted to customers are reduced from revenue.

Income from management and technical services are recognised as the services are rendered based on the terms of the contract.

Unbilled revenues' represent revenues recognised on services rendered, for which amounts are to be billed in subsequent periods.

Interest income

Interest income is reported on an accrual basis using the effective interest method and is included under the head "other income" in the Statement of Profit and Loss.

i) Employee benefits

Employee benefits include provident fund, employee state insurance scheme, labour welfare fund, gratuity and compensated absences. Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan
Retirement benefit in the form of provident fund and employee state insurance scheme is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and employee state insurance scheme. The Company recognises contribution payable to the schemes as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan
Gratuity
The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Compensated absences
The Company provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of vesting as well as non vesting benefit. The cost of short term compensated absences are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs.

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period. Further, as required under Ind AS compliant Schedule III, the Company transfers those amounts recognized in other comprehensive income to retained earnings in the statement of changes in equity and in the balance sheet.

Short-term employee benefits
Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee

2. Summary of significant accounting policies (cont'd)

j) Share based payments

The Company has equity-settled share-based remuneration plans for its employees. None of the Company's plans are cash-settled.
Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.
Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

k) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.
For arrangements entered into prior to 1 April 2016 (date of transition to Ind AS), the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Finance Lease
A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at fair value of the leased property or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset.

Operating Lease
Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

l) Foreign currency transactions

Functional and presentation currency
The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupees (₹)

Transactions and balances
- Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit or Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

- Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

- Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2. Summary of significant accounting policies (cont'd)

n) Inventories

Inventory comprises food, beverages, stores and spare parts and are valued at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the goods to their present location and condition and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion to make the sale.

o) Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.
Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

p) Provisions and contingencies

Provisions
A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets
Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments

Financial assets

Initial recognition and measurement
All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
i. Debt instruments at amortised cost;
ii. Debt instruments at fair value through other comprehensive income (FVTOCI);
iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL); and
iv. Equity investments.

i. Debt instruments at amortised cost
A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

ii. Debt instrument at FVTOCI
A ‘debt instrument’ is classified as at the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
b) The asset’s contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit & loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit & loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instrument at FVTPL
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

iv. Equity investments
All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 Business Combinations, applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election 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 recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments (cont'd)

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or
b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings
This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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.

This category generally applies to borrowings.

Financial guarantee contracts
Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 Financial Instruments and the amount recognised less cumulative amortisation.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments (cont'd)

Derecognition of financial liabilities
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.

r) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables
The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets
For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

s) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

t) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

2. Summary of significant accounting policies (cont'd)

u) Cash and cash equivalents

Cash and cash equivalent in the statement of financial position comprises cash at banks and on hand, demand deposits, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value.

v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the business of operating and managing hotels/ resorts and providing related services, which constitutes its single reportable segment.

w) Earnings/ (Loss) per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

x) Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21,Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.
The amendment will come into force form April 1, 2018. The Company is evaluating the requirements of Ind AS 21 and its effect on the financial statements.

Ind AS 115- Revenue from Contract with Customers:
On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

The standard permits two possible methods of transition:
a. Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.
b. Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch-up approach)
The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018
The Company is evaluating the requirements of Ind AS 115 and its effect on the financial statements.

		As at 31 March 2018 ₹'000	As at 31 March 2017 ₹'000	As at 1 April 2016 ₹'000
3	**Cash and cash equivalents**			
	Cash on hand	-	-	500.00
		-	**-**	**500.00**

(This space has been intentionally left blank)

Royal Orchid Mumbai Private Limited
Notes to the financial statements

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number	Amounts ₹'000	Number	Amounts ₹'000	Number	Amounts ₹'000
4 Share capital						
Authorised share capital						
Equity shares of ₹ 10 each	50,000	500.00	50,000	500.00	50,000	500.00
	50,000	**500.00**	**50,000**	**500.00**	**50,000**	**500.00**
Issued, subscribed and fully paid up						
Equity shares of ₹ 10 each	50,000	500.00	50,000	500.00	50,000	500.00
	50,000	**500.00**	**50,000**	**500.00**	**50,000**	**500.00**

a) Reconciliation of share capital

There have been no changes in the number of equity shares and amount outstanding at the beginning and at the end of the reporting period.

b) Details of shares held by the holding company and its subsidiary

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number	Amounts ₹'000	Number	Amounts ₹'000	Number	Amounts ₹'000
Equity shares of ₹10 each with voting rights						
Royal Orchid Hotels Limited - Holding Company	49,999	499.99	49,999	499.99	49,999	499.99
	-	-	-	-	-	-
	49,999	**499.99**	**49,999**	**499.99**	**49,999**	**499.99**

c) Shareholders holding more than 5% of the shares of the Company

Equity shares of ₹10 each with voting rights	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares
Royal Orchid Hotels Limited - Holding Company	49,999	100.00%	49,999	100.00%	49,999	100.00%
	-		-		-	
	49,999	**100.00%**	**49,999**	**100.00%**	**49,999**	**100.00%**

d) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each equity share is entitled to one vote per share. Dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and shall be payable in Indian Rupees. In the event of liquidation of the Company, the shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Aggregate number of bonus shares issued and shares issued for

The Company has not issued any bonus shares or any shares for consideration other than cash nor has there been any buy back of shares during five years immediately preceding 31 March 2018.

Royal Orchid Mumbai Private Limited
Notes to the financial statements

		As at 31 March 2018 ₹'000	As at 31 March 2017 ₹'000	As at 31 March 2016 ₹'000
5	**Other current liabilities**			
	Dues to Holding Company	66.28	64.26	64.26
	Dues to other parties	63.63	45.93	17.18
		129.90	**110.18**	**81.43**

		Year ended 31 March 2018 ₹'000	Year ended 31 March 2017 ₹'000
6	**Other expenses**		
	Legal and professional	17.70	28.75
	Miscellaneous	2.02	500.00
		19.72	**528.75**
7	**Earnings per share**		
	Weighted average number of shares outstanding	50,000	50,000
	Net profit after tax attributable to equity shareholders in ₹'000	(19.72)	(528.75)
	Basic and diluted earnings per share in ₹	(0.39)	(10.58)
	Nominal value per equity share in ₹	10	10

8 Related parties

i. Parties where control exists

Name of party	Nature of relationship
Royal Orchid Hotels Limited	Holding Company

ii. Transactions with related parties during the year

(INR in thousands)

Particulars	Nature of relationship	Year ended 31 March 2018	Year ended 31 March 2017
Current account receipts/(payments)			
Royal Orchid Hotels Limited	Holding Company	2.02	-

iii. Balances receivable from/ (payable to) related parties are summarised below:

(INR in thousands)

Particulars	Nature of relationship	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Advances payable				
Royal Orchid Hotels Limited	Holding Company	66.28	64.26	64.26

Royal Orchid Mumbai Private Limited
Notes to the financial statements

9 Segment information

The Company's business comprises the operation of a hotel, the services of which represents one business segment. Further, the Company derives its entire revenue from services rendered in India. Consequently, the disclosure of business and geographic segment- wise information is not applicable to the Company.

10 Capital management

For the purpose of the Company's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

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 in the financial covenants of any interest-bearing loans and borrowing in the current period.

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 Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash.

(INR in thousands)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Long term borrowings	-	-	-
Current maturities of long term borrowings	-	-	-
Short term borrowings	-	-	-
Less: Cash and cash equivalents	-	-	500.00
Net debt	-	-	**500.00**
Equity	500.00	500.00	500.00
Other Equity	(629.90)	(610.18)	(81.43)
Total capital	**(129.90)**	**(110.18)**	**418.57**
Capital and net debt	**(129.90)**	**(110.18)**	**918.57**
Gearing ratio	**0.00%**	**0.00%**	**54.43%**

11 Payment to auditors

	As at 31 March 2018 ₹'000	As at 31 March 2017 ₹'000
for audit fees	17.70	28.75
	17.70	**28.75**

Royal Orchid Mumbai Private Limited
Notes to the financial statements

12 Fair value measurements

(i) Financial instruments by category

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

(INR in thousands)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A. Financial assets			
a) Measured at amortised cost			
Current assets			
(i) Cash and cash equivalents	-	-	500.00
	-	**-**	**500.00**
b) Measured at fair value through OCI	-	**-**	**-**
c) Measured at fair value through profit or loss	-	**-**	**-**
Total financial assets	**-**	**-**	**500.00**
B. Financial liabilities			
a) Measured at amortised cost			
Current liabilities	-	**-**	**-**
b) Measured at fair value through OCI	-	**-**	**-**
c) Measured at fair value through profit or loss	-	**-**	**-**
Total financial liabilities	**-**	**-**	**-**

Notes:

(i) The fair value of trade receivables, trade payables and other Current financial assets and liabilities are considered to be equal to the carrying amounts of these items due to their short – term nature.

(ii) The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(iii) The management assessed that for amortised cost instruments, the fair value approximates largely to the carrying amount.

13 First-time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP').

Accordingly, the Company has prepared the financial statements for the comparative period as at and for the year ended 31 March 2017 that comply with the applicable Ind AS, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at 1 April 2016 and the comparative financial statements as at and for the year ended 31 March 2017.

A. Ind AS optional exemptions

A1. Deemed cost for property, plant and equipment, investment property and intangible assets

Ind AS 101 First-time Adoption of Indian Accounting Standards, permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

B. Ind AS mandatory exemptions

B1. Estimates

In accordance with Ind AS, as at the date of transition to Ind AS an entity's estimates shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP except impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition this was not required under the previous GAAP.

B2. Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 Financial Instruments are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:
a) The effects of the retrospective application or retrospective restatement are not determinable; or
b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period; or
c) The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

B3. De-recognition of financial assets and liabilities

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires a first-time adopter to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 First-time Adoption of Indian Accounting Standards, allows a first-time adopter to apply the de-recognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively from the date of transition to Ind AS.

Royal Orchid Mumbai Private Limited
Notes to the financial statements

13 First-time adoption of Ind AS (cont'd)

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS as at the periods specified below.

C1. Reconciliation of other equity

The Company has also prepared a reconciliation of equity as at 31 March 2017 and 1 April 2016 under the previous GAAP with the equity as reported in these financial statements under Ind AS, that reflect the impact of Ind AS on the components of statement of Balance sheet which is presented below:

(INR in thousands)

Particulars	As at 31 March 2017	As at 01 April 2016
Equity as reported under previous GAAP	**(610.18)**	**(81.43)**
Adjustments on account of:		
(i) Measurement of financial assets and liabilities at amortised cost	-	-
(ii) Changes in the value of property, plant and equipment arising from government grants	-	-
Equity under Ind AS	**(610.18)**	**(81.43)**

C2. Reconciliation of total comprehensive income

(INR in thousands)

Particulars	Year ended 31 March 2017
Profit after tax as reported under previous GAAP	**(528.75)**
Adjustments on account of:	
(i) Measurement of financial assets and liabilities at amortised cost	-
(ii) Measurement of defined benefit obligation	-
(iii) ESOP expense recognised at fair value through profit or loss	-
(iv) Revenue arising from Government grant related to assets	-
(v) Depreciation due to change in the value of fixed assets arising from government grants	-
(vi) Amortisation expense from Revaluation Reserve	-
Profit after tax as reported under Ind AS	**(528.75)**
Other comprehensive income / (loss) (net of tax)	-
Total comprehensive income / (loss) as reported under Ind AS	**(528.75)**

C3. Effect of Ind AS on Cashflow

There are no significant reconciliation items between consolidated cash flows prepared under Indian GAAP and those prepared under Ind AS.

14 Approval of Financial Statements

The financial statements were approved for issue by the board of directors on 28 May 2018.

For and on behalf of the Board of Directors

Sd/-	Sd/-
Chander K. Baljee	**Chetan Tewari**
Director	Director
DIN:00081844	DIN:07394065
Place : Bangalore	Place : Bangalore
Date: 28 May 2018	Date: 28 May 2018

ROYAL ORCHID SHIMLA PRIVATE LIMITED

Audited Financial Statements

for the year ended

31 March 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF **ROYAL ORCHID SHIMLA PRIVATE LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements **M/S.ROYAL ORCHID SHIMLA PRIVATE LIMITED**("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

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 and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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 standalone financial statements.

We believe that the audit evidence obtained by us 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 Loss, total comprehensive income, the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As the company has not met the qualifying requirement of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, the same is not forming part of our report.

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, 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 A" Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting and

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

   i. The Company does not have any pending litigations which would impact its financial position.

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

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

For M/s P.Chandrasekar LLP
Chartered Accountants
Firm Registration No. 000580S/S200066

Sd/-
S.Rajagopalan
Partner
Membership No.025349

Place: Bangalore
Date: 28.05.2018

Annexure - A to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **ROYAL ORCHID SHIMLA PRIVATE LIMITED** ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 M/s P.Chandrasekar LLP
Chartered Accountants
Firm Registration No. 000580S/S200066

Sd/-
S.Rajagopalan
Partner
Membership No.025349

Place: Bangalore
Date: 28.05.2018

Royal Orchid Shimla Private Limited
Balance Sheet as at 31 March 2018

	Notes	As at 31 March 2018 ₹'000	As at 31 March 2017 ₹'000	As at 1 April 2016 ₹'000
ASSETS				
Current assets				
(a) Financial assets				
(i) Cash and cash equivalents	3	499.01	499.66	499.96
		499.01	**499.66**	**499.96**
TOTAL ASSETS		**499.01**	**499.66**	**499.96**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	4	500.00	500.00	500.00
(c) Other equity		(109.76)	(89.39)	(59.94)
		390.24	**410.61**	**440.06**
Liabilities				
Current liabilities				
(a) Other current liabilities	5	108.77	89.05	59.90
		108.77	**89.05**	**59.90**
TOTAL EQUITY AND LIABILITIES		**499.01**	**499.66**	**499.96**

See accompanying notes forming part of these financial statements.

In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place : Bangalore
Date: 28 May 2018

For and on behalf of the Board of Directors

Sd/-
Chander K. Baljee
Director
DIN:00081844

Place : Bangalore
Date: 28 May 2018

Sd/-
Chetan Tewari
Director
DIN:07394065

Place : Bangalore
Date: 28 May 2018

Royal Orchid Shimla Private Limited
Statement of Profit and Loss for the year ended 31 March 2018

	Notes	Year ended 31 March 2018 ₹'000	Year ended 31 March 2017 ₹'000
Revenue			
Revenue from operations		-	-
Other income		-	-
Total revenue		**-**	**-**
Expenses			
Other expenses	6	20.37	29.45
Total expenses		**20.37**	**29.45**
Profit before tax		**(20.37)**	**(29.45)**
Tax expense		-	-
Profit after tax		**(20.37)**	**(29.45)**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
a) Remeasurement (losses)/gains in defined benefit plans			
Income tax effect		-	-
Net of items that will not be reclassified to profit or loss		-	-
Items that will be reclassified subsequently to profit or loss			
Net of items that will be reclassified subsequently to profit or loss		-	-
Other comprehensive income/(loss), net of tax		**-**	**-**
Total comprehensive income for the period		**(20.37)**	**(29.45)**
Earnings per equity share of ₹ 100 each			
Basic/Diluted	7	(4.07)	(5.89)

See accompanying notes to Financial Statements.

In terms of our report attached.
For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place : Bangalore
Date: 28 May 2018

For and on behalf of the Board of Directors

Sd/-
Chander K. Baljee
Director
DIN:00081844

Place : Bangalore
Date: 28 May 2018

Sd/-
Chetan Tewari
Director
DIN:07394065

Place : Bangalore
Date: 28 May 2018

Royal Orchid Shimla Private Limited
Statement of Changes in Equity for the year ended 31 March 2018

A. Equity share capital

Equity shares of ₹ 100 each, fully paid-up	**Equity shares Number**	**Equity shares Amount ₹'000**
As at 1 April 2016	5,000	500.00
Add: Issued and subscribed during the year	-	-
As at 31 March 2017	**5,000**	**500.00**
Add: Issued and subscribed during the year	-	-
As at 31 March 2018	**5,000**	**500.00**

B. Other equity

For the year ended 31 March 2018

(INR in thousands)

	Reserves and Surplus			**Items of OCI**	**Total**
	Securities Premium Account	**Retained Earnings**	**General Reserve**	**DBO Remeasurement**	
Balance as at 31 March 2017	**- -**	**89.39**	**-**	**-**	**(89.39)**
Profit for the period	- -	20.37	-	-	(20.37)
Other comprehensive income/(loss), net of tax	-	-	-	-	-
Total Comprehensive Income	**- -**	**20.37**	**-**	**-**	**(20.37)**
Recognition of share based payment	-	-	-	-	-
Balance as at 31 March 2018	**- -**	**109.76**	**-**	**-**	**(109.76)**

For the year ended 31 March 2017

(INR in thousands)

	Reserves and Surplus			**Items of OCI**	**Total**
	Securities Premium Account	**Retained Earnings**	**General Reserve**	**DBO Remeasurement**	
Balance as at 1 April 2016	**- -**	**59.94**	**-**	**-**	**(59.94)**
Profit for the year	- -	29.45	-	-	(29.45)
Other comprehensive income/(loss), net of tax	-	-	-	-	-
Total comprehensive income	**- -**	**29.45**	**-**	**-**	**(29.45)**
Recognition of share based payment	-	-	-	-	-
Balance as at 31 March 2017	**- -**	**89.39**	**-**	**-**	**(89.39)**

In terms of our report attached.
For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place : Bangalore
Date: 28 May 2018

For and on behalf of the Board of Directors

Sd/-
Chander K. Baljee
Director
DIN:00081844

Place : Bangalore
Date: 28 May 2018

Sd/-
Chetan Tewari
Director
DIN:07394065

Place : Bangalore
Date: 28 May 2018

Royal Orchid Shimla Private Limited
Cash Flow Statement for the year ended 31 March 2018

	Year ended 31 March 2018 ₹'000	Year ended 31 March 2017 ₹'000
A. Cash flow from operating activities		
Net profit before tax	**(20.37)**	**(29.45)**
Adjustments for:		
Depreciation and amortisation		
Operating profit before working capital changes	**(20.37)**	**(29.45)**
Changes in working capital:		
Increase/(decrease) in provisions, trade payables and other liabilities	19.72	29.15
Cash generated from operations	**(0.65)**	**(0.30)**
Direct taxes paid (net)		
Net cash generated from operating activities	**(0.65)**	**(0.30)**
B. Cash flows from investing activities	**-**	**-**
Net cash (used in)/generated from investing activities	**-**	**-**
C. Cash flows from financing activities	**-**	**-**
Net cash (used in) from financing activities	**-**	**-**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(0.65)**	**(0.30)**
Cash and cash equivalents at the beginning of the year	**499.66**	**499.96**
Cash and cash equivalents at the end of the year	**499.01**	**499.66**

In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place: Bangalore
Date: 28 May 2018

For and on behalf of the Board of Directors

Sd/-
Chander K. Baljee
Director
DIN:00081844

Place : Bangalore
Date: 28 May 2018

Sd/-
Chetan Tewari
Director
DIN:07394065

Place: Bangalore
Date: 28 May 2018

Royal Orchid Shimla Private Limited
Notes to the financial statements

1. General Information:

Royal Orchid Shimla Private Limited ("the Company") was incorporated on 29th May 2008 to carry on the business of hotels/holiday resorts and related services. M/s. Royal Orchid Hotels Limited holds 99.98% of equity shares and balance 0.02% held in the name of Mr. Keshav Baljee.

2. Summary of significant accounting policies

a) Statement of compliance

Financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 28th May 2018.

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the first Ind AS financial statements of the Company. The date of transition to Ind AS is 1 April 2016. Refer note 13 for the details of first-time adoption exemptions availed by the Company, reconciliations and descriptions of the effect of the transition.

b) Basis of accounting and preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its financial statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1 April, 2017. Accordingly, the Company has prepared these financial statements which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the year ended 31 March, 2018, and accounting policies and other explanatory information (together hereinafter referred to as" financial statements").

The financial Statements have been prepared using the significant accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

The financial Statements have been prepared on the 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.

c) Use of estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Company bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the amounts recognized in the financial Statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Classification of leases

The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

2. Summary of significant accounting policies (cont'd)

c) Use of estimates (Cont'd)

Recognition of deferred tax assets
The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions

Evaluation of indicators for impairment of assets
The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Recoverability of advances / receivables
At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Useful lives of depreciable / amortisable assets
Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

Defined benefit obligation (DBO)
Management’s estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements
Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm’s length transaction at the reporting date.

d) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as 12 months.
Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

e) Property, plant and equipment

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its Previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under ‘Capital work-in-progress’. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

2. Summary of significant accounting policies (cont'd)

e) Property, plant and equipment (cont'd)

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows as per the indicative useful life prescribed in Schedule II to the Companies Act, 2013:

Asset Category	Useful lives (in years)
Buildings	30
Plant and equipment	15
Furniture and fixtures	8
Vehicles	6
Office equipment	5
Computer equipment	3

Leasehold land is amortised over the period of lease.
The Company has evaluated the applicability of component accounting as prescribed under Ind AS 16 and Schedule II of the Companies Act, 2013, the management has not identified any significant component having different useful lives. Schedule II requires the Company to identify and depreciate significant components with different useful lives separately.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

f) Investment properties

Recognition and initial measurement
Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes to the financial statements. Fair values are determined based on an annual evaluation performed by an accredited external 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.

Subsequent measurement
Depreciation on investment properties is provided on the straight-line method, computed on the basis of useful lives prescribed under Part C of Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition
Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

g) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

Royal Orchid Shimla Private Limited
Notes to the financial statements

2. Summary of significant accounting policies (cont'd)

h) Revenue recognition

Revenue from contracts with customers is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

Income from services
Revenues comprise income from the sale of room nights, food, beverages and allied services during a guest's stay at the hotel. Room revenue is recognised based on occupation and revenue from sale of food, beverages and other allied services, as the respective services are rendered with reasonable certainty of ultimate collection. Other revenues are recognised as and when the services are performed or the right to receive claim is established, with reasonable certainty for ultimate collection. Rebates and discounts granted to customers are reduced from revenue.

Income from management and technical services are recognised as the services are rendered based on the terms of the contract.

Unbilled revenues' represent revenues recognised on services rendered, for which amounts are to be billed in subsequent periods.

Interest income

Interest income is reported on an accrual basis using the effective interest method and is included under the head "other income" in the Statement of Profit and Loss.

i) Employee benefits

Employee benefits include provident fund, employee state insurance scheme, labour welfare fund, gratuity and compensated absences. Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan
Retirement benefit in the form of provident fund and employee state insurance scheme is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and employee state insurance scheme. The Company recognises contribution payable to the schemes as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan
Gratuity
The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Compensated absences
The Company provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of vesting as well as non vesting benefit. The cost of short term compensated absences are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs.

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period. Further, as required under Ind AS compliant Schedule III, the Company transfers those amounts recognized in other comprehensive income to retained earnings in the statement of changes in equity and in the balance sheet.

Short-term employee benefits
Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee

2. Summary of significant accounting policies (cont'd)

j) Share based payments

The Company has equity-settled share-based remuneration plans for its employees. None of the Company's plans are cash-settled.
Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.
Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

k) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.
For arrangements entered into prior to 1 April 2016 (date of transition to Ind AS), the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Finance Lease
A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at fair value of the leased property or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset.

Operating Lease
Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

l) Foreign currency transactions

Functional and presentation currency
The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupees (₹)

Transactions and balances
- Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit or Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

- Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

- Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2. Summary of significant accounting policies (cont'd)

n) Inventories

Inventory comprises food, beverages, stores and spare parts and are valued at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the goods to their present location and condition and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion to make the sale.

o) Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.
Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

p) Provisions and contingencies

Provisions
A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets
Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments

Financial assets

Initial recognition and measurement
All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
i. Debt instruments at amortised cost;
ii. Debt instruments at fair value through other comprehensive income (FVTOCI);
iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL); and
iv. Equity investments.

i. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

ii. Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit & loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit & loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 Business Combinations, applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election 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 recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments (cont'd)

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings
This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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.

This category generally applies to borrowings.

Financial guarantee contracts
Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 Financial Instruments and the amount recognised less cumulative amortisation.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments (cont'd)

Derecognition of financial liabilities
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.

r) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables
The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets
For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

s) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

t) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

2. Summary of significant accounting policies (cont'd)

u) Cash and cash equivalents

Cash and cash equivalent in the statement of financial position comprises cash at banks and on hand, demand deposits, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value.

v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the business of operating and managing hotels/ resorts and providing related services, which constitutes its single reportable segment.

w) Earnings/ (Loss) per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

x) Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21,Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.
The amendment will come into force form April 1, 2018. The Company is evaluating the requirements of Ind AS 21 and its effect on the financial statements.

Ind AS 115- Revenue from Contract with Customers:
On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

The standard permits two possible methods of transition:
a. Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.
b. Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch-up approach)
The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018
The Company is evaluating the requirements of Ind AS 115 and its effect on the financial statements.

Royal Orchid Shimla Private Limited
Notes to the financial statements

		As at 31 March 2018 ₹'000	As at 31 March 2017 ₹'000	As at 1 April 2016 ₹'000
3	**Cash and cash equivalents**			
	Balances with banks			
	- in current accounts	499.01	499.66	499.96
		499.01	**499.66**	**499.96**

(This space has been intentionally left blank)

Royal Orchid Shimla Private Limited
Notes to the financial statements

	As at 31 March 2018 Number	As at 31 March 2018 Amounts ₹'000	As at 31 March 2017 Number	As at 31 March 2017 Amounts ₹'000	As at 31 March 2016 Number	As at 31 March 2016 Amounts ₹'000
4 Share capital						
Authorised share capital						
Equity shares of ₹ 100 each	5,000	500.00	5,000	500.00	5,000	500.00
	5,000	**500.00**	**5,000**	**500.00**	**5,000**	**500.00**
Issued, subscribed and fully paid up						
Equity shares of ₹ 100 each	5,000	500.00	5,000	500.00	5,000	500.00
	5,000	**500.00**	**5,000**	**500.00**	**5,000**	**500.00**

a) Reconciliation of share capital

There have been no changes in the number of equity shares and amount outstanding at the beginning and at the end of the reporting period.

b) Details of shares held by the holding company and its subsidiary

	As at 31 March 2018 Number	As at 31 March 2018 Amounts ₹'000	As at 31 March 2017 Number	As at 31 March 2017 Amounts ₹'000	As at 31 March 2017 Number	As at 31 March 2017 Amounts ₹'000
Equity shares of ₹100 each with voting rights						
Royal Orchid Hotels Limited - Holding Company	4,999	499.90	4,999	499.90	4,999	499.90
	-	-	-	-	-	-
	4,999	**499.90**	**4,999**	**499.90**	**4,999**	**499.90**

c) Shareholders holding more than 5% of the shares of the Company

Equity shares of ₹100 each with voting rights	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares
Royal Orchid Hotels Limited - Holding Company	4,999	99.98%	4,999	99.98%	4,999	99.98%
	-		-		-	
	4,999	**99.98%**	**4,999**	**99.98%**	**4,999**	**99.98%**

d) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 100 per share. Each equity share is entitled to one vote per share. Dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and shall be payable in Indian Rupees. In the event of liquidation of the Company, the shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Aggregate number of bonus shares issued and shares issued for

The Company has not issued any bonus shares or any shares for consideration other than cash nor has there been any buy back of shares during five years immediately preceding 31 March 2018.

Royal Orchid Shimla Private Limited
Notes to the financial statements

		As at 31 March 2018 ₹'000	As at 31 March 2017 ₹'000	As at 1 April 2016 ₹'000
5	**Other current liabilities**			
	Dues to Holding Company	45.14	43.12	42.72
	Dues to other parties	63.63	45.93	17.18
		108.77	**89.05**	**59.90**

		Year ended 31 March 2018 ₹'000	Year ended 31 March 2017 ₹'000
6	**Other expenses**		
	Legal and professional	17.70	28.75
	Bank charges	0.65	0.30
	Miscellaneous	2.02	0.40
		20.37	**29.45**
7	**Earnings per share**		
	Weighted average number of shares outstanding	5,000	5,000
	Net profit after tax attributable to equity shareholders in ₹'000	(20.37)	(29.45)
	Basic and diluted earnings per share in ₹	(4.07)	(5.89)
	Nominal value per equity share in ₹	100	100

8 Related parties

i. Parties where control exists

Name of party	Nature of relationship
Royal Orchid Hotels Limited	Holding Company

ii. Transactions with related parties during the year

(INR in thousands)

Particulars	Nature of relationship	Year ended 31 March 2018	Year ended 31 March 2017
Current account receipts/(payments)			
Royal Orchid Hotels Limited	Holding Company	2.02	0.40

iii. Balances receivable from/ (payable to) related parties are summarised below:

(INR in thousands)

Particulars	Nature of relationship	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Advances payable				
Royal Orchid Hotels Limited	Holding Company	45.14	43.12	42.72

Royal Orchid Shimla Private Limited
Notes to the financial statements

9 Segment information

The Company's business comprises the operation of a hotel, the services of which represents one business segment. Further, the Company derives its entire revenue from services rendered in India. Consequently, the disclosure of business and geographic segment- wise information is not applicable to the Company.

10 Capital management

For the purpose of the Company's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

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 in the financial covenants of any interest-bearing loans and borrowing in the current period.

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 Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash.

(INR in thousands)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Long term borrowings	-	-	-
Current maturities of long term borrowings	-	-	-
Short term borrowings	-	-	-
Less: Cash and cash equivalents	499.01	499.66	499.96
Net debt	**499.01**	**499.66**	**499.96**
Equity	500.00	500.00	500.00
Other Equity	(109.76)	(89.39)	(59.94)
Total capital	**390.24**	**410.62**	**440.07**
Capital and net debt	**889.25**	**910.27**	**940.02**
Gearing ratio	**56.12%**	**54.89%**	**53.19%**

11 Payment to auditors

	As at 31 March 2018 ₹'000	As at 31 March 2017 ₹'000
for audit fees	17.70	28.75
	17.70	**28.75**

Royal Orchid Shimla Private Limited
Notes to the financial statements

12 Fair value measurements

(i) Financial instruments by category

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

(INR in thousands)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A. Financial assets			
a) Measured at amortised cost			
Current assets			
(i) Cash and cash equivalents	499.01	499.66	499.96
	499.01	**499.66**	**499.96**
b) Measured at fair value through OCI	-	-	-
c) Measured at fair value through profit or loss	-	-	-
Total financial assets	**499.01**	**499.66**	**499.96**
B. Financial liabilities			
a) Measured at amortised cost			
Current liabilities	-	-	-
b) Measured at fair value through OCI	-	-	-
c) Measured at fair value through profit or loss	-	-	-
Total financial liabilities	-	-	-

Notes:

(i) The fair value of trade receivables, trade payables and other Current financial assets and liabilities are considered to be equal to the carrying amounts of these items due to their short – term nature.

(ii) The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(iii) The management assessed that for amortised cost instruments, the fair value approximates largely to the carrying amount.

13 First-time adoption of Ind AS

These are the Company’s first financial statements prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (‘previous GAAP’).

Accordingly, the Company has prepared the financial statements for the comparative period as at and for the year ended 31 March 2017 that comply with the applicable Ind AS, as described in the summary of significant accounting policies. In preparing these financial statements, the Company’s opening balance sheet was prepared as at 1 April 2016, the Company’s date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at 1 April 2016 and the comparative financial statements as at and for the year ended 31 March 2017.

A. Ind AS optional exemptions

A1. Deemed cost for property, plant and equipment, investment property and intangible assets

Ind AS 101 First-time Adoption of Indian Accounting Standards, permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

B. Ind AS mandatory exemptions

B1. Estimates

In accordance with Ind AS, as at the date of transition to Ind AS an entity's estimates shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP except impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition this was not required under the previous GAAP.

B2. Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 Financial Instruments are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:
a) The effects of the retrospective application or retrospective restatement are not determinable; or
b) The retrospective application or restatement requires assumptions about what management’s intent would have been in that period; or
c) The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

B3. De-recognition of financial assets and liabilities

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires a first-time adopter to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 First-time Adoption of Indian Accounting Standards, allows a first-time adopter to apply the de-recognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity’s choosing, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively from the date of transition to Ind AS.

Royal Orchid Shimla Private Limited
Notes to the financial statements

13 First-time adoption of Ind AS (cont'd)

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS as at the periods specified below.

C1. Reconciliation of other equity

The Company has also prepared a reconciliation of equity as at 31 March 2017 and 1 April 2016 under the previous GAAP with the equity as reported in these financial statements under Ind AS, that reflect the impact of Ind AS on the components of statement of Balance sheet which is presented below:

(INR in thousands)

Particulars	As at 31 March 2017	As at 01 April 2016
Equity as reported under previous GAAP	**(89.39)**	**(59.94)**
Adjustments on account of:		
(i) Measurement of financial assets and liabilities at amortised cost	-	-
(ii) Changes in the value of property, plant and equipment arising from government grants	-	-
Equity under Ind AS	**(89.39)**	**(59.94)**

C2. Reconciliation of total comprehensive income

(INR in thousands)

Particulars	Year ended 31 March 2017
Profit after tax as reported under previous GAAP	**(29.45)**
Adjustments on account of:	
(i) Measurement of financial assets and liabilities at amortised cost	-
(ii) Measurement of defined benefit obligation	-
(iii) ESOP expense recognised at fair value through profit or loss	-
(iv) Revenue arising from Government grant related to assets	-
(v) Depreciation due to change in the value of fixed assets arising from government grants	-
(vi) Amortisation expense from Revaluation Reserve	-
Profit after tax as reported under Ind AS	**(29.45)**
Other comprehensive income / (loss) (net of tax)	-
Total comprehensive income / (loss) as reported under Ind AS	**(29.45)**

C3. Effect of Ind AS on Cashflow

There are no significant reconciliation items between consolidated cash flows prepared under Indian GAAP and those prepared under Ind AS.

14 Approval of Financial Statements

The financial statements were approved for issue by the board of directors on 28 May 2018.

For and on behalf of the Board of Directors

Sd/-
Chander K. Baljee
Director
DIN:00081844
Place : Bangalore
Date: 28 May 2018

Sd/-
Chetan Tewari
Director
DIN:07394065
Place : Bangalore
Date: 28 May 2018

ROYAL ORCHID SOUTH PRIVATE LIMITED

Audited Financial Statements

for the year ended

31 March 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF **ROYAL ORCHID SOUTH PRIVATE LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements **M/S.ROYAL ORCHID SOUTH PRIVATE LIMITED**("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

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 and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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 standalone financial statements.

We believe that the audit evidence obtained by us 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 Loss, total comprehensive income, the changes in equity for the year ended on that date.

Emphasis of Maters

We draw attention to the following maters in the notes to the financial statements:

a) Other equity in the financial statements which indicates that the company has accumulated losses and its net worth has been fully eroded, the company has incurred a net cash loss during the current and previous year(s) and, the company's current liabilities exceeded its current assets as at the balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern basis and our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As the company has not met the qualifying requirement of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, the same is not forming part of our report.

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, 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 A" Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting and

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

i. The Company does not have any pending litigations which would impact its financial position.

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

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

For M/s P.Chandrasekar LLP
Chartered Accountants
Firm Registration No. 000580S/S200066

Sd/-
S.Rajagopalan
Partner
Membership No.025349

Place: Bangalore
Date: 28.05.2018

Annexure - A to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **ROYAL ORCHID SOUTH PRIVATE LIMITED** ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 M/s P.Chandrasekar LLP
Chartered Accountants
Firm Registration No. 000580S/S200066

Sd/-
S.Rajagopalan
Partner
Membership No.025349

Place: Bangalore
Date: 28.05.2018

Royal Orchid South Private Limited
Balance Sheet as at 31 March 2018

	Notes	As at 31 March 2018 ₹'000	As at 31 March 2017 ₹'000	As at 01 April 2016 ₹'000
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	2,430.00	2,430.00	2,430.00
		2,430.00	**2,430.00**	**2,430.00**
Current assets				
(a) Financial assets				
(i) Cash and cash equivalents	4	50.31	50.96	51.26
(ii) Other financial assets	5	99.01	99.01	99.01
		149.32	**149.97**	**150.27**
TOTAL ASSETS		**2,579.32**	**2,579.97**	**2,580.27**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	6	9,100.00	9,100.00	9,100.00
(c) Other equity		(10,147.10)	(10,038.42)	(9,844.80)
		(1,047.10)	**(938.42)**	**(744.80)**
Liabilities				
Current liabilities				
(a) Other current liabilities	7	3,438.64	3,330.61	3,137.29
(b) Current Tax Liabilities, Net	8	187.78	187.78	187.78
		3,626.42	**3,518.39**	**3,325.07**
TOTAL EQUITY AND LIABILITIES		**2,579.32**	**2,579.97**	**2,580.27**

See accompanying notes forming part of these financial statements.

In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place : Bangalore
Date: 28 May 2018

For and on behalf of the Board of Directors

Sd/-
Chander K. Baljee
Director
DIN:00081844

Place : Bangalore
Date: 28 May 2018

Sd/-
Chetan Tewari
Director
DIN:07394065

Place : Bangalore
Date: 28 May 2018

Royal Orchid South Private Limited
Statement of Profit and Loss for the year ended 31 March 2018

	Notes	Year ended 31 March 2018 ₹'000	Year ended 31 March 2017 ₹'000
Revenue			
Revenue from operations		-	-
Other income		-	-
Total revenue		**-**	**-**
Expenses			
Other expenses	9	108.68	116.95
Total expenses		**108.68**	**116.95**
Profit before tax		**(108.68)**	**(116.95)**
Tax expense	10		
Current tax		-	76.67
		-	**76.67**
Profit after tax		**(108.68)**	**(193.62)**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
a) Remeasurement (losses)/gains in defined benefit plans			
Income tax effect		-	-
Net of items that will not be reclassified to profit or loss		-	-
Items that will be reclassified subsequently to profit or loss		-	-
Net of items that will be reclassified subsequently to profit or loss		-	-
Other comprehensive income/(loss), net of tax		**-**	**-**
Total comprehensive income for the period		**(108.68)**	**(193.62)**
Earnings per equity share of ₹ 10 each			
Basic/Diluted	11	-0.12	-0.21

See accompanying notes to Financial Statements.

In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place : Bangalore
Date: 28 May 2018

For and on behalf of the Board of Directors

Sd/-
Chander K. Baljee
Director
DIN:00081844

Place : Bangalore
Date: 28 May 2018

Sd/-
Chetan Tewari
Director
DIN:07394065

Place : Bangalore
Date: 28 May 2018

Royal Orchid South Private Limited
Statement of Changes in Equity for the year ended 31 March 2018

A. Equity share capital

	Equity shares Number	Equity shares Amount ₹'000
Equity shares of ₹ 10 each, fully paid-up		
As at 1 April 2016	10,00,000	10,000.00
Add: Issued and subscribed during the year	-	-
As at 31 March 2017	**10,00,000**	**10,000.00**
Add: Issued and subscribed during the year	-	-
As at 31 March 2018	**10,00,000**	**10,000.00**

B. Other equity

For the year ended 31 March 2018

(INR in thousands)

	Reserves and Surplus	Items of OCI	Total
	Retained Earnings	DBO Remeasurement	
Balance as at 31 March 2017	**(10,038.42)**	**-**	**(10,038.42)**
Profit for the period	(108.68)	-	(108.68)
Other comprehensive income/(loss), net of tax	-	-	-
Total Comprehensive Income	**(108.68)**	**-**	**(108.68)**
Recognition of share based payment	-	-	-
Balance as at 31 March 2018	**(10,147.10)**	**-**	**(10,147.10)**

For the year ended 31 March 2017

(INR in thousands)

	Reserves and Surplus	Items of OCI	Total
	Retained Earnings	DBO Remeasurement	
Balance as at 01 April 2016	**(9,844.80)**	**-**	**(9,844.80)**
Profit for the year	(193.62)	-	(193.62)
Other comprehensive income/(loss), net of tax	-	-	-
Total comprehensive income	**(193.62)**	**-**	**(193.62)**
Recognition of share based payment	-	-	-
Balance as at 31 March 2017	**(10,038.42)**	**-**	**(10,038.42)**

In terms of our report attached.
For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place : Bangalore
Date: 28 May 2018

For and on behalf of the Board of Directors

Sd/-
Chander K. Baljee
Director
DIN:00081844

Place : Bangalore
Date: 28 May 2018

Sd/-
Chetan Tewari
Director
DIN:07394065

Place : Bangalore
Date: 28 May 2018

Royal Orchid South Private Limited
Cash Flow Statement for the year ended 31 March 2018

	Year ended 31 March 2018 ₹'000	Year ended 31 March 2017 ₹'000
A. Cash flow from operating activities		
Net profit before tax	**(108.68)**	**(116.95)**
Adjustments for:		
Depreciation and amortisation		
Operating profit before working capital changes	**(108.68)**	**(116.95)**
Changes in working capital:		
Increase/(decrease) in provisions, trade payables and other liabilities	108.03	193.33
Cash generated from operations	**(0.65)**	**76.37**
Direct taxes paid (net)	-	76.67
Net cash generated from operating activities	**(0.65)**	**(0.30)**
B. Cash flows from investing activities	**-**	**-**
Net cash (used in)/generated from investing activities	**-**	**-**
C. Cash flows from financing activities	**-**	**-**
Net cash (used in) from financing activities	**-**	**-**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(0.65)**	**(0.30)**
Cash and cash equivalents at the beginning of the year	**50.96**	**51.26**
Cash and cash equivalents at the end of the year	**50.31**	**50.96**

In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No. 000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No. 025349

Place: Bangalore
Date: 28 May 2018

For and on behalf of the Board of Directors

Sd/-
Chander K. Baljee
Director
DIN:00081844

Place : Bangalore
Date: 28 May 2018

Sd/-
Chetan Tewari
Director
DIN:07394065

Place: Bangalore
Date: 28 May 2018

Royal Orchid South Private Limited
Notes to the financial statements

1. General Information:

Royal Orchid South Private Limited ("the Company") was incorporated on 09th March 2006 to carry on the business of hotels/holiday resorts and related services. M/s. Royal Orchid Hotels Limited holds 98.90% of equity shares and balance shares are held in the name of Mr. Chander K. Baljee (1.09%) and Mr. Arjun Baljee (0.01%).

The company has signed exclusive territorial rights with Ramada International USA, for a territorial exclusivity fee of Two hundred thousand US Dollars. The company has amortized the amount paid to Ramada International USA in five years starting from 2006-07.

2. Summary of significant accounting policies

a) Statement of compliance

Financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 28th May 2018.

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the first Ind AS financial statements of the Company. The date of transition to Ind AS is 1 April 2016. Refer note 17 for the details of first-time adoption exemptions availed by the Company, reconciliations and descriptions of the effect of the transition.

b) Basis of accounting and preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its financial statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1 April, 2017. Accordingly, the Company has prepared these financial statements which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the year ended 31 March, 2018, and accounting policies and other explanatory information (together hereinafter referred to as" financial statements").

The financial Statements have been prepared using the significant accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

The financial Statements have been prepared on the 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.

c) Use of estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Company bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the amounts recognized in the financial Statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Classification of leases

The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

2. Summary of significant accounting policies (cont'd)

c) Use of estimates (Cont'd)

Recognition of deferred tax assets
The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions

Evaluation of indicators for impairment of assets
The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Recoverability of advances / receivables
At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Useful lives of depreciable / amortisable assets
Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

Defined benefit obligation (DBO)
Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements
Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

d) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as 12 months.
Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

e) Property, plant and equipment

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its Previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

2. Summary of significant accounting policies (cont'd)

e) Property, plant and equipment (cont'd)

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows as per the indicative useful life prescribed in Schedule II to the Companies Act, 2013:

Asset Category	Useful lives (in years)
Buildings	30
Plant and equipment	15
Furniture and fixtures	8
Vehicles	6
Office equipment	5
Computer equipment	3

Leasehold land is amortised over the period of lease.
The Company has evaluated the applicability of component accounting as prescribed under Ind AS 16 and Schedule II of the Companies Act, 2013, the management has not identified any significant component having different useful lives. Schedule II requires the Company to identify and depreciate significant components with different useful lives separately.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

f) Investment properties

Recognition and initial measurement
Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes to the financial statements. Fair values are determined based on an annual evaluation performed by an accredited external 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.

Subsequent measurement
Depreciation on investment properties is provided on the straight-line method, computed on the basis of useful lives prescribed under Part C of Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition
Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

g) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

2. Summary of significant accounting policies (cont'd)

h) Revenue recognition

Revenue from contracts with customers is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

Income from services
Revenues comprise income from the sale of room nights, food, beverages and allied services during a guest's stay at the hotel. Room revenue is recognised based on occupation and revenue from sale of food, beverages and other allied services, as the respective services are rendered with reasonable certainty of ultimate collection. Other revenues are recognised as and when the services are performed or the right to receive claim is established, with reasonable certainty for ultimate collection. Rebates and discounts granted to customers are reduced from revenue.

Income from management and technical services are recognised as the services are rendered based on the terms of the contract.

Unbilled revenues' represent revenues recognised on services rendered, for which amounts are to be billed in subsequent periods.

Interest income

Interest income is reported on an accrual basis using the effective interest method and is included under the head "other income" in the Statement of Profit and Loss.

i) Employee benefits

Employee benefits include provident fund, employee state insurance scheme, labour welfare fund, gratuity and compensated absences. Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan
Retirement benefit in the form of provident fund and employee state insurance scheme is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and employee state insurance scheme. The Company recognises contribution payable to the schemes as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan
Gratuity
The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Compensated absences
The Company provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of vesting as well as non vesting benefit. The cost of short term compensated absences are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs.

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period. Further, as required under Ind AS compliant Schedule III, the Company transfers those amounts recognized in other comprehensive income to retained earnings in the statement of changes in equity and in the balance sheet.

Short-term employee benefits
Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee

2. Summary of significant accounting policies (cont'd)

j) Share based payments

The Company has equity-settled share-based remuneration plans for its employees. None of the Company's plans are cash-settled.
Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.
Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

k) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.
For arrangements entered into prior to 1 April 2016 (date of transition to Ind AS), the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Finance Lease
A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at fair value of the leased property or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset.

Operating Lease
Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

l) Foreign currency transactions

Functional and presentation currency
The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupees (₹)

Transactions and balances
- Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit or Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

- Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

- Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2. Summary of significant accounting policies (cont'd)

n) Inventories

Inventory comprises food, beverages, stores and spare parts and are valued at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the goods to their present location and condition and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion to make the sale.

o) Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.
Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

p) Provisions and contingencies

Provisions
A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets
Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments

Financial assets

Initial recognition and measurement
All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
i. Debt instruments at amortised cost;
ii. Debt instruments at fair value through other comprehensive income (FVTOCI);
iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL); and
iv. Equity investments.

i. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

ii. Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit & loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit & loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 Business Combinations, applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election 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 recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments (cont'd)

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings
This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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.

This category generally applies to borrowings.

Financial guarantee contracts
Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 Financial Instruments and the amount recognised less cumulative amortisation.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments (cont'd)

Derecognition of financial liabilities
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.

r) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables
The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets
For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

s) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

t) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

2. Summary of significant accounting policies (cont'd)

u) Cash and cash equivalents

Cash and cash equivalent in the statement of financial position comprises cash at banks and on hand, demand deposits, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value.

v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the business of operating and managing hotels/ resorts and providing related services, which constitutes its single reportable segment.

w) Earnings/ (Loss) per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

x) Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21,Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.
The amendment will come into force form April 1, 2018. The Company is evaluating the requirements of Ind AS 21 and its effect on the financial statements.

Ind AS 115- Revenue from Contract with Customers:
On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

The standard permits two possible methods of transition:
a. Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.
b. Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch-up approach)
The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018
The Company is evaluating the requirements of Ind AS 115 and its effect on the financial statements.

Royal Orchid South Private Limited
Notes to the financial statements

3 Property, plant and equipment

(INR in thousands)

Particulars	Land (Freehold)	Total
Gross Block		
Balance as at 01 April 2016	**2,430.00**	**2,430.00**
Additions	-	-
Disposals/Adjustments	-	-
Balance as at 31 March 2017	**2,430.00**	**2,430.00**
Additions	-	-
Disposals/Adjustments	-	-
Balance as at 31 Mar 2018	**2,430.00**	**2,430.00**
Accumulated depreciation		
Balance as at 01 April 2016	**-**	**-**
Charge for the year	-	-
Ind AS adjustments	-	-
Reversal on disposal/adjustments	-	-
Balance as at 31 March 2017	**-**	**-**
Charge for the year	-	-
Ind AS adjustments	-	-
Reversal on disposal/adjustments	-	-
Balance as at 31 March 2018	**-**	**-**
Net block		
Balance as at 01 April 2016	**2,430.00**	**2,430.00**
Balance as at 31 March 2017	**2,430.00**	**2,430.00**
Balance as at 31 March 2018	**2,430.00**	**2,430.00**

Royal Orchid South Private Limited
Notes to the financial statements

		As at 31 March 2018 ₹'000	As at 31 March 2017 ₹'000	As at 01 April 2016 ₹'000
4	**Cash and cash equivalents**			
	Balances with banks			
	- in current accounts	50.31	50.96	51.26
		50.31	**50.96**	**51.26**
5	**Other financial assets**			
	Other advances	99.01	99.01	99.01
		99.01	**99.01**	**99.01**

(This space has been intentionally left blank)

Royal Orchid South Private Limited
Notes to the financial statements

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number	Amounts ₹'000	Number	Amounts ₹'000	Number	Amounts ₹'000
6 Share capital						
Authorised share capital						
Equity shares of ₹ 10 each	10,00,000	10,000.00	10,00,000	10,000.00	10,00,000	10,000.00
	10,00,000	**10,000.00**	**10,00,000**	**10,000.00**	**10,00,000**	**10,000.00**
Issued, subscribed and fully paid up						
Equity shares of ₹ 10 each	9,10,000	9,100.00	9,10,000	9,100.00	9,10,000	9,100.00
	9,10,000	**9,100.00**	**9,10,000**	**9,100.00**	**9,10,000**	**9,100.00**

a) Reconciliation of share capital

There have been no changes in the number of equity shares and amount outstanding at the beginning and at the end of the reporting period.

b) Details of shares held by the holding company

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number	Amounts ₹'000	Number	Amounts ₹'000	Number	Amounts ₹'000
Equity shares of ₹10 each with voting rights						
Royal Orchid Hotels Limited - Holding Company	9,00,000	9,000.00	9,00,000	9,000.00	9,00,000	9,000.00
	9,00,000	**9,000.00**	**9,00,000**	**9,000.00**	**9,00,000**	**9,000.00**

c) Shareholders holding more than 5% of the shares of the Company

Equity shares of ₹10 each with voting rights	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares
Royal Orchid Hotels Limited - Holding Company	9,00,000	98.90%	9,00,000	98.90%	9,00,000	98.90%
	9,00,000	**98.90%**	**9,00,000**	**98.90%**	**9,00,000**	**98.90%**

d) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each equity share is entitled to one vote per share. Dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and shall be payable in Indian Rupees. In the event of liquidation of the Company, the shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) jregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting c

The Company has not issued any bonus shares or any shares for consideration other than cash nor has there been any buy back of shares during five years immediately preceding 31 March 2018.

Royal Orchid South Private Limited
Notes to the financial statements

		As at 31 March 2018 ₹'000	As at 31 March 2017 ₹'000	As at 01 April 2016 ₹'000
7	**Other current liabilities**			
	Statutory dues	87.30	87.30	-
	Dues to related parties	2,563.82	2,563.82	2,563.82
	Dues to Holding Company	723.89	633.56	556.29
	Dues to other parties	63.63	45.93	17.18
		3,438.64	**3,330.61**	**3,137.29**
8	**Current Tax Liabilities**			
	Current Tax Liabilities, Net	187.78	187.78	187.78
		187.78	**187.78**	**187.78**

		Year ended 31 March 2018 ₹'000	Year ended 31 March 2017 ₹'000
9	**Other expenses**		
	Rates and taxes	87.30	87.30
	Legal and professional	17.70	28.75
	Bank charges	0.65	0.30
	Miscellaneous	3.03	0.60
		108.68	**116.95**
10	**Tax expense**		
	Current tax		
	Income tax for the year	-	-
	Adjustments/(credits) related to previous years - Net	-	76.67
		-	**76.67**
11	**Earnings per share**		
	Weighted average number of shares outstanding	9,10,000	9,10,000
	Net profit after tax attributable to equity shareholders in ₹'000	(108.68)	(193.62)
	Basic and diluted earnings per share in ₹	(0.12)	(0.21)
	Nominal value per equity share in ₹	10	10

Royal Orchid South Private Limited
Notes to the financial statements

12 Related parties

i. Parties where control exists

Name of party	Nature of relationship
Royal Orchid Hotels Limited	Holding Company
Chander Kamal Baljee	Key Management Personnel
Baljee Hotels and Real Estates Private Limited	Entity controlled by Key Management Personnel

ii. Transactions with related parties during the year

(INR in thousands)

Particulars	Nature of relationship	Year ended 31 March 2018	Year ended 31 March 2017
Current account receipts/(payments)			
Royal Orchid Hotels Limited	Holding Company	90.33	77.27

iii. Balances receivable from/ (payable to) related parties are summarised below:

(INR in thousands)

Particulars	Nature of relationship	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Advances payable				
Royal Orchid Hotels Limited	Holding Company	723.89	633.56	556.29
Chander Kamal Baljee	Key Management Personnel	2,476.00	2,476.00	2,476.00
Baljee Hotels and Real Estates Private Limited	Entity controlled by Key Management Personnel	87.82	87.82	87.82

13 Segment information

The Company's business comprises the operation of a hotel, the services of which represents one business segment. Further, the Company derives its entire revenue from services rendered in India. Consequently, the disclosure of business and geographic segment- wise information is not applicable to the Company.

14 Capital management

For the purpose of the Company's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

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 in the financial covenants of any interest-bearing loans and borrowing in the current period.

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 Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash.

(INR in thousands)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Long term borrowings	-	-	-
Current maturities of long term borrowings	-	-	-
Short term borrowings	-	-	-
Less: Cash and cash equivalents	50.31	50.96	51.26
Net debt	**50.31**	**50.96**	**51.26**
Equity	9,100.00	9,100.00	9,100.00
Other Equity	(10,147.10)	(10,038.42)	(9,844.80)
Total capital	**(1,047.10)**	**(938.42)**	**(744.80)**
Capital and net debt	**(996.79)**	**(887.46)**	**(693.54)**
Gearing ratio	**-5.05%**	**-5.74%**	**-7.39%**

15 Payment to auditors

	As at 31 March 2018 ₹'000	As at 31 March 2017 ₹'000
for audit fees	17.70	28.75
	17.70	**28.75**

Royal Orchid South Private Limited
Notes to the financial statements

16 Fair value measurements

(i) Financial instruments by category

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

(INR in thousands)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A. Financial assets			
a) Measured at amortised cost			
Current assets			
(i) Cash and cash equivalents	50.31	50.96	51.26
	50.31	**50.96**	**51.26**
b) Measured at fair value through OCI	-	-	-
c) Measured at fair value through profit or loss	-	-	-
Total financial assets	**50.31**	**50.96**	**51.26**
B. Financial liabilities			
a) Measured at amortised cost			
Current liabilities	-	-	-
b) Measured at fair value through OCI	-	-	-
c) Measured at fair value through profit or loss	-	-	-
Total financial liabilities	**-**	**-**	**-**

Notes:

(i) The fair value of trade receivables, trade payables and other Current financial assets and liabilities are considered to be equal to the carrying amounts of these items due to their short – term nature.

(ii) The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(iii) The management assessed that for amortised cost instruments, the fair value approximates largely to the carrying amount.

17 First-time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP').

Accordingly, the Company has prepared the financial statements for the comparative period as at and for the year ended 31 March 2017 that comply with the applicable Ind AS, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at 1 April 2016 and the comparative financial statements as at and for the year ended 31 March 2017.

A. Ind AS optional exemptions

A1. Deemed cost for property, plant and equipment, investment property and intangible assets

Ind AS 101 First-time Adoption of Indian Accounting Standards, permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

B. Ind AS mandatory exemptions

B1. Estimates

In accordance with Ind AS, as at the date of transition to Ind AS an entity's estimates shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP except impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition this was not required under the previous GAAP.

B2. Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 Financial Instruments are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:
a) The effects of the retrospective application or retrospective restatement are not determinable; or
b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period; or
c) The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

B3. De-recognition of financial assets and liabilities

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires a first-time adopter to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 First-time Adoption of Indian Accounting Standards, allows a first-time adopter to apply the de-recognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively from the date of transition to Ind AS.

Royal Orchid South Private Limited
Notes to the financial statements

17 First-time adoption of Ind AS (cont'd)

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS as at the periods specified below.

C1. Reconciliation of other equity

The Company has also prepared a reconciliation of equity as at 31 March 2017 and 1 April 2016 under the previous GAAP with the equity as reported in these financial statements under Ind AS, that reflect the impact of Ind AS on the components of statement of Balance sheet which is presented below:

(INR in thousands)

Particulars	As at 31 March 2017	As at 01 April 2016
Equity as reported under previous GAAP	**(10,038.42)**	**(9,844.80)**
Adjustments on account of:		
(i) Measurement of financial assets and liabilities at amortised cost	-	-
(ii) Changes in the value of property, plant and equipment arising from government grants	-	-
Equity under Ind AS	**(10,038.42)**	**(9,844.80)**

C2. Reconciliation of total comprehensive income

(INR in thousands)

Particulars	Year ended 31 March 2017
Profit after tax as reported under previous GAAP	**(193.62)**
Adjustments on account of:	
(i) Measurement of financial assets and liabilities at amortised cost	-
(ii) Measurement of defined benefit obligation	-
(iii) ESOP expense recognised at fair value through profit or loss	-
(iv) Revenue arising from Government grant related to assets	-
(v) Depreciation due to change in the value of fixed assets arising from government grants	-
(vi) Amortisation expense from Revaluation Reserve	-
Profit after tax as reported under Ind AS	**(193.62)**
Other comprehensive income / (loss) (net of tax)	-
Total comprehensive income / (loss) as reported under Ind AS	**(193.62)**

C3. Effect of Ind AS on Cashflow

There are no significant reconciliation items between consolidated cash flows prepared under Indian GAAP and those prepared under Ind AS.

18 Approval of Financial Statements

The financial statements were approved for issue by the board of directors on 28 May 2018.

For and on behalf of the Board of Directors

Sd/-	Sd/-
Chander K. Baljee	**Chetan Tewari**
Director	Director
DIN:00081844	DIN:07394065
Place : Bangalore	Place : Bangalore
Date: 28 May 2018	Date: 28 May 2018

ROYAL ORCHID JAIPUR PRIVATE LIMITED

Audited Financial Statements

for the year ended

31 March 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF **ROYAL ORCHID JAIPUR PRIVATE LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements **M/S.ROYAL ORCHID JAIPUR PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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 standalone financial statements.

We believe that the audit evidence obtained by us 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 Loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Emphasis of Matter

Attention is drawn to note no 2(b) of the financial which indicates that the company has shut operations at its Jaipur unit and currently has not undertaken any new business operation. The financials of the company is prepared under the going concern assumption basis based on the letter received from the management and the holding company towards continued financial support to meet its obligations.

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 of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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, Statement of Changes in Equity and the Statement of Cash Flow 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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" Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting and

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

i. The Company does not have any pending litigations which would impact its financial position.

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

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

For M/s P.Chandrasekar LLP
Chartered Accountants
Firm Registration No. 000580S/S200066

Sd/-
S.Rajagopalan
Partner
Membership No.025349

Place: Bangalore
Date: 28.05.2018

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2018, we report that:

i. a) The Company has maintained proper record showing full particulars, including quantitative details and situation of fixed assets.
   b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
   C) The title deeds of immovable properties - Freehold Land represents undivided land jointly with the Holding Company - Royal Orchid Hotels Limited and fellow subsidiary Royal Orchid South Private Limited.

ii. The company does not hold any inventory at the end of the year hence this clause is not applicable.

iii. The Company not granted any loan to companies covered in the register maintained under section 189 of the Companies Act, 2013, hence this clause is not applicable.

iv. The company has not granted any of loans, investments, guarantees, and security under provisions of section 185 and 186 of the Companies Act, 2013 hence this clause is not applicable

v. The company has not accepted any deposits accordingly this clause is not applicable.

vi. As per the information and explanations given to us the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

vii. The company is generally regular in depositing, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, wherever applicable to it. *However there were delays in making payments from the due date in few cases.*

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2018 for a period of more than six months from the date they became payable.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

ix. The company has not raised moneys by way of initial public offer or further public offer during the year and the company has not availed any new terms loans during the year.

x. During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

xi. The company has not paid / provided managerial remuneration during the year hence this is clause not applicable

xii. The company is not a Nidhi company hence this clause is not applicable

xiii. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act,2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards

xiv. The company has not issued any shares or Debentures during the year hence this clause is not applicable.

xv. The company has not entered into any non-cash transactions with directors or persons connected with him hence this clause not applicable

xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 hence this clause not applicable

For M/s P.Chandrasekar LLP
Chartered Accountants
Firm Registration No. 000580S/S200066

Sd/-
S.Rajagopalan
Partner
Membership No.

Place: Bangalore
Date: 28.05.2018

Annexure - B to the Auditors’ Report

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

We have audited the internal financial controls over financial reporting of **ROYAL ORCHID JAIPUR PRIVATE LIMITED** (“the Company”) as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 M/s P.Chandrasekar LLP
Chartered Accountants
Firm Registration No. 000580S/S200066

Sd/-
S.Rajagopalan
Partner
Membership No.025349

Place: Bangalore
Date: 28.05.2018

Royal Orchid Jaipur Private Limited
Balance Sheet as at 31 March 2018

	Notes	As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 1 April 2016 ₹ in lakhs
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3A	55.30	108.91	124.10
(b) Other intangible assets	3B	-	0.46	1.19
(c) Financial assets				
(i) Other financial assets	4	18.39	252.84	252.71
(d) Deferred tax assets, net	5	0.70	0.70	1.73
		74.39	**362.91**	**379.73**
Current assets				
(a) Inventories	6	-	10.38	13.88
(b) Financial assets				
(i) Trade receivables	7	35.03	71.51	90.48
(ii) Cash and cash equivalents	8	59.09	118.75	19.85
(iii)Bank balances other than cash and cash equivalents	9	-	55.03	30.03
(iv) Other financial assets	10	83.68	105.39	73.55
(c) Current tax assets, net	11	13.19	18.46	16.85
(d) Other current assets	12	-	13.71	13.14
		190.99	**393.23**	**257.78**
TOTAL ASSETS		**265.38**	**756.14**	**637.51**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	13	124.75	166.00	166.00
(b) Other equity		61.38	160.09	233.12
		186.13	**326.09**	**399.12**
Liabilities				
Non-current liabilities				
(a) Provisions	14	6.55	5.36	5.37
		6.55	**5.36**	**5.37**
Current liabilities				
(a) Financial liabilities				
(ii) Trade payables	15	42.73	91.39	93.06
(b) Other current liabilities	16	29.97	332.10	139.03
(c) Provisions	17	-	1.20	0.93
		72.70	**424.69**	**233.02**
TOTAL EQUITY AND LIABILITIES		**265.38**	**756.14**	**637.51**

See accompanying notes forming part of these financial statements.

In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No.000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No.025349

Place : Bangalore
Date: 28 May 2018

For and on behalf of the Board of Directors

Sd/-
Chander K Baljee
Director
DIN: 00081844

Place : Bangalore
Date: 28 May 2018

Sd/-
Amit Jaiswal
Director
DIN: 03448511

Place : Bangalore
Date: 28 May 2018

Royal Orchid Jaipur Private Limited
Statement of Profit and Loss for the year ended 31 March 2018

	Notes	Year ended 31 March 2018 ₹ in lakhs	Year ended 31 March 2017 ₹ in lakhs
Revenue			
Revenue from operations	18	85.79	679.55
Other income	19	1.21	5.88
Total revenue		**87.00**	**685.43**
Expenses			
Food and beverages consumed	20	15.70	73.19
Employee benefits expense	21	29.45	151.21
Depreciation and amortisation	22	9.02	16.18
Other expenses	23	132.35	518.11
Total expenses		**186.52**	**758.69**
Profit before tax		**(99.52)**	**(73.26)**
Tax expense	24		
Current tax		-	-
Deferred tax charge/(credit)		-	1.02
Minimum alternative tax credit		-	-
		-	**1.02**
Profit after tax		**(99.52)**	**(74.28)**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
a) Remeasurement (losses)/gains in defined benefit plans			
Income tax effect		-	-
Net of items that will not be reclassified to profit or loss		-	-
Items that will be reclassified subsequently to profit or loss			
Net of items that will be reclassified subsequently to profit or loss		-	-
Other comprehensive income/(loss), net of tax		**-**	**-**
Total comprehensive income for the period		**(99.52)**	**(74.28)**
Earnings per equity share of ₹ 10 each			
Basic/Diluted	25	(7.98)	(4.47)

See accompanying notes to Financial Statements.

In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No.000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No.025349

Place : Bangalore
Date: 28 May 2018

For and on behalf of the Board of Directors

Sd/-
Chander K Baljee
Director
DIN: 00081844

Place : Bangalore
Date: 28 May 2018

Sd/-
Amit Jaiswal
Director
DIN: 03448511

Place : Bangalore
Date: 28 May 2018

Royal Orchid Jaipur Private Limited
Statement of Changes in Equity for the year ended 31 March 2018

A. Equity share capital

	Equity shares Number	Equity shares Amount ₹ in lakhs
Equity shares of ₹ 10 each, fully paid-up	16,60,000	166.00
Add: Issued and subscribed during the year	-	-
As at 31 March 2017	**16,60,000**	**166.00**
Add: Shares bought back during the year	(4,12,500)	(41.25)
As at 31 March 2018	**12,47,500**	**124.75**

B. Other equity

For the year ended 31 March 2018

₹ in lakhs

	Reserves and Surplus			Items of OCI	Total
	Securities Premium Account	Retained Earnings	General Reserve	DBO Remeasurement	
Balance as at 31 March 2017	**1.25**	**158.84**	**-**	**-**	**160.09**
Profit for the period	-	(99.52)	-	-	(99.52)
Other comprehensive income/(loss), net of tax	-	-	-	-	-
Total Comprehensive Income	**-**	**(99.52)**	**-**	**-**	**(99.52)**
Recognition of share based payment	0.81	-	-	-	0.81
Balance as at 31 March 2018	**2.06**	**59.32**	**-**	**-**	**61.38**

For the year ended 31 March 2017

₹ in lakhs

	Reserves and Surplus			Items of OCI	Total
	Securities Premium Account	Retained Earnings	General Reserve	DBO Remeasurement	
Balance as at 1 April 2016	**-**	**233.12**	**-**	**-**	**233.12**
Profit for the year	-	(74.28)	-	-	(74.28)
Other comprehensive income/(loss), net of tax	-	-	-	-	-
Total comprehensive income	**-**	**(74.28)**	**-**	**-**	**(74.28)**
Recognition of share based payment	1.25	-	-	-	1.25
Balance as at 31 March 2017	**1.25**	**158.84**	**-**	**-**	**160.09**

See accompanying notes to Financial Statements.

In terms of our report attached.
For P Chandrasekar LLP
Chartered Accountants
Firm Regn No.000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No.025349

Place : Bangalore
Date: 28 May 2018

For and on behalf of the Board of Directors

Sd/-
Chander K Baljee
Director
DIN: 00081844

Place : Bangalore
Date: 28 May 2018

Sd/-
Amit Jaiswal
Director
DIN: 03448511

Place : Bangalore
Date: 28 May 2018

Royal Orchid Jaipur Private Limited
Cash Flow Statement for the year ended 31 March 2018

	Year ended 31 March 2018 ₹ in lakhs	Year ended 31 March 2017 ₹ in lakhs
A. Cash flow from operating activities		
Net profit before tax	**(99.52)**	**(73.26)**
Adjustments for:		
Depreciation and amortisation	9.02	16.18
Assets written off	45.07	-
Interest income	(0.11)	(1.61)
Share based payments to employees	0.81	1.25
Operating profit before working capital changes	**(44.73)**	**(57.44)**
Changes in working capital:		
(Decrease)/Increase in provisions	(0.01)	0.26
Increase/(decrease) in trade payables and other liabilities	(350.79)	191.40
Decrease/(Increase) in trade receivables and unbilled revenue	36.48	18.97
(Increase)/Decrease in inventories	10.38	3.50
Decrease in loans and advances	269.85	(34.51)
Cash generated from operations	**(78.82)**	**122.18**
Direct taxes paid (net)	(5.27)	1.61
Net cash generated from operating activities	**(73.55)**	**120.57**
B. Cash flows from investing activities		
Purchase of fixed assets (including changes in capital work-in-progress, net of project creditors and retention money payable)	-	(0.26)
Interest received	0.11	3.59
Change in other bank balances	55.03	(25.00)
Net cash (used in)/generated from investing activities	**55.14**	**(21.67)**

Royal Orchid Jaipur Private Limited
Cash Flow Statement for the year ended 31 March 2018 (Cont'd)

	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
C. Cash flows from financing activities		
Payment for Shares bought back	(41.25)	
Net cash (used in) from financing activities	**(41.25)**	**-**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(59.66)**	**98.90**
Cash and cash equivalents at the beginning of the year	**118.75**	**19.85**
Cash and cash equivalents at the end of the year	**59.09**	**118.75**

Note:
The Company considers all highly liquid investments with a remaining maturity, at the date of purchase/investment, of three months or less to be cash equivalents.

In terms of our report attached.

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No.000580S/S200066

Sd/-
S Rajagopalan
Partner
MM No.025349

Place : Bangalore
Date: 28 May 2018

For and on behalf of the Board of Directors

Sd/-
Chander K Baljee
Director
DIN: 00081844

Place : Bangalore
Date: 28 May 2018

Sd/-
Amit Jaiswal
Director
DIN: 03448511

Place : Bangalore
Date: 28 May 2018

Royal Orchid Jaipur Private Limited
Notes to the financial statements

1. General Information:

Royal Orchid Jaipur Private Limited ("the Company") was incorporated on 21 July 2005 as Royal Orchid Banjara Private Limited to provide hospitality services. The name of the company was changed to Royal Orchid Jaipur Private Limited on 06 July 2006. It is a wholly owned subsidiary of Royal Orchid Hotels Limited.

2. Summary of significant accounting policies

a) Statement of compliance

Financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 28th May 2018.

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the first Ind AS financial statements of the Company. The date of transition to Ind AS is 1 April 2016. Refer note 19 for the details of first-time adoption exemptions availed by the Company, reconciliations and descriptions of the effect of the transition.

b) Basis of accounting and preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its financial statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1 April, 2017. Accordingly, the Company has prepared these financial statements which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the year ended 31 March, 2018, and accounting policies and other explanatory information (together hereinafter referred to as" financial statements").

The financial Statements have been prepared using the significant accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

During the year, the Company terminated the hotel operations of 'Royal Orchid Central Jaipur' and has not undertaken any new hotel operations. The financial Statements have been prepared on the 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.

c) Use of estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Company bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the amounts recognized in the financial Statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Classification of leases

The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

2. Summary of significant accounting policies (cont'd)

c) Use of estimates (Cont'd)

Recognition of deferred tax assets
The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions

Evaluation of indicators for impairment of assets
The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Recoverability of advances / receivables
At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Useful lives of depreciable / amortisable assets
Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

Defined benefit obligation (DBO)
Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements
Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

d) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as 12 months.
Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

e) Property, plant and equipment

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its Previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.
Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

2. Summary of significant accounting policies (cont'd)

e) Property, plant and equipment (cont'd)

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows as per the indicative useful life prescribed in Schedule II to the Companies Act, 2013:

Asset Category	Useful lives (in years)
Buildings	30
Plant and equipment	15
Furniture and fixtures	8
Vehicles	6
Office equipment	5
Computer equipment	3

Leasehold land is amortised over the period of lease.
The Company has evaluated the applicability of component accounting as prescribed under Ind AS 16 and Schedule II of the Companies Act, 2013, the management has not identified any significant component having different useful lives. Schedule II requires the Company to identify and depreciate significant components with different useful lives separately.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

f) Investment properties

Recognition and initial measurement
Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes to the financial statements. Fair values are determined based on an annual evaluation performed by an accredited external 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.

Subsequent measurement
Depreciation on investment properties is provided on the straight-line method, computed on the basis of useful lives prescribed under Part C of Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition
Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

g) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

Royal Orchid Jaipur Private Limited
Notes to the financial statements

2. Summary of significant accounting policies (cont'd)

h) Revenue recognition

Revenue from contracts with customers is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

Income from services
Revenues comprise income from the sale of room nights, food, beverages and allied services during a guest's stay at the hotel. Room revenue is recognised based on occupation and revenue from sale of food, beverages and other allied services, as the respective services are rendered with reasonable certainty of ultimate collection. Other revenues are recognised as and when the services are performed or the right to receive claim is established, with reasonable certainty for ultimate collection. Rebates and discounts granted to customers are reduced from revenue.

Income from management and technical services are recognised as the services are rendered based on the terms of the contract.

Unbilled revenues' represent revenues recognised on services rendered, for which amounts are to be billed in subsequent periods.

Interest income

Interest income is reported on an accrual basis using the effective interest method and is included under the head "other income" in the Statement of Profit and Loss.

i) Employee benefits

Employee benefits include provident fund, employee state insurance scheme, labour welfare fund, gratuity and compensated absences. Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan
Retirement benefit in the form of provident fund and employee state insurance scheme is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and employee state insurance scheme. The Company recognises contribution payable to the schemes as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan
Gratuity
The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Compensated absences
The Company provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of vesting as well as non vesting benefit. The cost of short term compensated absences are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs.

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period. Further, as required under Ind AS compliant Schedule III, the Company transfers those amounts recognized in other comprehensive income to retained earnings in the statement of changes in equity and in the balance sheet.

Short-term employee benefits
Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee

2. Summary of significant accounting policies (cont'd)

j) Share based payments

The Company has equity-settled share-based remuneration plans for its employees. None of the Company's plans are cash-settled.
Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.
Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

k) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.
For arrangements entered into prior to 1 April 2016 (date of transition to Ind AS), the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Finance Lease
A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at fair value of the leased property or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset.

Operating Lease
Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

l) Foreign currency transactions

Functional and presentation currency
The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupees (₹)

Transactions and balances

- Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit or Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

- Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

- Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2. Summary of significant accounting policies (cont'd)

n) Inventories

Inventory comprises food, beverages, stores and spare parts and are valued at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the goods to their present location and condition and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion to make the sale.

o) Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.
Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.
Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

p) Provisions and contingencies

Provisions
A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets
Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments

Financial assets

Initial recognition and measurement
All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
i. Debt instruments at amortised cost;
ii. Debt instruments at fair value through other comprehensive income (FVTOCI);
iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL); and
iv. Equity investments.

i. Debt instruments at amortised cost
A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

ii. Debt instrument at FVTOCI
A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit & loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit & loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instrument at FVTPL
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

iv. Equity investments
All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 Business Combinations, applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election 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 recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments (cont'd)

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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.

This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 Financial Instruments and the amount recognised less cumulative amortisation.

2. Summary of significant accounting policies (cont'd)

q) Financial instruments (cont'd)

Derecognition of financial liabilities
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.

r) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables
The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets
For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

s) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

t) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

2. Summary of significant accounting policies (cont'd)

u) Cash and cash equivalents

Cash and cash equivalent in the statement of financial position comprises cash at banks and on hand, demand deposits, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value.

v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the business of operating and managing hotels/ resorts and providing related services, which constitutes its single reportable segment.

w) Earnings/ (Loss) per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

x) Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21,Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.
The amendment will come into force form April 1, 2018. The Company is evaluating the requirements of Ind AS 21 and its effect on the financial statements.

Ind AS 115- Revenue from Contract with Customers:
On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.
The standard permits two possible methods of transition:
a. Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.
b. Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch-up approach)
The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018
The Company is evaluating the requirements of Ind AS 115 and its effect on the financial statements.

Royal Orchid Jaipur Private Limited
Notes to the financial statements

3A Property, plant and equipment

₹ in lakhs

Particulars	Land (Freehold)	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Computer equipments	Total
Gross Block								
Balance as at 01 April 2016	**24.30**	**-**	**174.05**	**114.83**	**14.68**	**1.92**	**35.02**	**364.80**
Additions	-	-	0.15	0.11	-	-	-	0.26
Disposals/Adjustments	-	-	-	-	-	-	-	-
Balance as at 31 March 2017	**24.30**	**-**	**174.20**	**114.94**	**14.68**	**1.92**	**35.02**	**365.06**
Additions	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	88.44	9.31	-	-	6.62	104.37
Balance as at 31 Mar 2018	**24.30**	**-**	**85.76**	**105.63**	**14.68**	**1.92**	**28.40**	**260.69**
Accumulated depreciation								
Balance as at 01 April 2016	**-**	**-**	**81.77**	**107.71**	**14.68**	**1.88**	**34.66**	**240.70**
Charge for the year	-	-	12.10	3.17	-	0.04	0.14	15.45
Ind AS adjustments	-	-	-	-	-	-	-	-
Reversal on disposal/adjustments	-	-	-	-	-	-	-	-
Balance as at 31 March 2017	**-**	**-**	**93.87**	**110.88**	**14.68**	**1.92**	**34.80**	**256.15**
Charge for the year	-	-	6.94	1.58	-	-	0.02	8.54
Ind AS adjustments	-	-	-	-	-	-	-	-
Reversal on disposal/adjustments	-	-	45.51	7.37	-	-	6.42	59.30
Balance as at 31 March 2018	**-**	**-**	**55.30**	**105.09**	**14.68**	**1.92**	**28.40**	**205.39**
Net block								
Balance as at 01 April 2016	**24.30**	**-**	**92.28**	**7.12**	**-**	**0.04**	**0.36**	**124.10**
Balance as at 31 March 2017	**24.30**	**-**	**80.33**	**4.06**	**-**	**-**	**0.22**	**108.91**
Balance as at 31 March 2018	**24.30**	**-**	**30.46**	**0.54**	**-**	**-**	**-**	**55.30**

Royal Orchid Jaipur Private Limited
Notes to the financial statements

3B Other intangible assets

₹ in lakhs

Particulars	Computer softwares	Total
Balance as at 01 April 2016	**5.88**	**5.88**
Additions	-	-
Disposals/Adjustments	-	-
Balance as at 31 March 2017	**5.88**	**5.88**
Additions	-	-
Disposals/Adjustments	-	-
Balance as at 31 Mar 2018	**5.88**	**5.88**
Accumulated depreciation		
Balance as at 01 April 2016	**4.69**	**4.69**
Charge for the year	0.73	0.73
Reversal on disposal/adjustments	-	-
Balance as at 31 March 2017	**5.42**	**5.42**
Charge for the year	0.47	0.47
Reversal on disposal/adjustments	-	-
Balance as at 31 March 2018	**5.88**	**5.88**
Net block		
Balance as at 01 April 2016	**1.19**	**1.19**
Balance as at 31 March 2017	**0.46**	**0.46**
Balance as at 31 March 2018	**-**	**-**

Royal Orchid Jaipur Private Limited
Notes to the financial statements

		As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 1 April 2016 ₹ in lakhs
4	**Other financial assets**			
	Security deposits for others	18.39	252.84	252.71
		18.39	**252.84**	**252.71**
5	**Deferred tax asset (net)**			
	Deferred tax assets on			
	Provision for employee benefits	1.81	1.81	2.91
		1.81	**1.81**	**2.91**
	Deferred tax liabilities on			
	Depreciation and amortisation	1.11	1.11	1.18
		1.11	**1.11**	**1.18**
		0.70	**0.70**	**1.73**
6	**Inventories**			
	(At lower of cost or net realisable value)			
	Food and beverages	-	5.58	6.52
	Stores and spares	-	4.80	7.36
		-	**10.38**	**13.88**

Royal Orchid Jaipur Private Limited
Notes to the financial statements

		As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 1 April 2016 ₹ in lakhs
7	**Trade receivables**			
	Unsecured, considered good	35.03	67.61	87.26
	Unsecured, considered doubtful	42.53	42.53	42.53
	Unbilled revenue	-	3.90	3.22
		77.56	**114.04**	**133.01**
	Less: Provision for doubtful trade receivables	(42.53)	(42.53)	(42.53)
		35.03	**71.51**	**90.48**
8	**Cash and cash equivalents**			
	Cheques on hand			
	Balances with banks			
	- in current accounts	29.06	107.20	8.22
	- in deposit accounts (with maturity upto 3 months)	29.37	10.62	10.62
	Cash on hand	0.66	0.93	1.01
		59.09	**118.75**	**19.85**
9	**Other bank balances**			
	Balances with banks			
	- in deposit accounts (with maturity more than 3 months but less than 12 months)	-	25.00	-
	- in deposit accounts (with maturity more than 12 months)	-	-	-
	- in deposit accounts earmarked for margin money for bank guarantee	-	30.03	30.03
	- Unpaid dividend account			
		-	**55.03**	**30.03**
10	**Other financial assets**			
	Interest accrued on deposits	27.08	27.08	29.06
	Current account balances with related parties	54.88	77.57	44.28
	Advances due from employees	0.94	0.74	-
	Other advances	-	-	0.21
	Unbilled revenue	0.78	-	-
		83.68	**105.39**	**73.55**
	Less: Provision for other receivables	-	-	-
		83.68	**105.39**	**73.55**
11	**Current tax assets, net**			
	Advance tax, net of provision	13.19	18.46	16.85
		13.19	**18.46**	**16.85**
12	**Other current assets**			
	(Unsecured, considered good)			
	Prepaid expenses	-	13.71	13.14
		-	**13.71**	**13.14**

Royal Orchid Jaipur Private Limited
Notes to the financial statements

	As at 31 March 2018 Number	As at 31 March 2018 Amounts ₹ in lakhs	As at 31 March 2017 Number	As at 31 March 2017 Amounts ₹ in lakhs	As at 01 April 2016 Number	As at 01 April 2016 Amounts ₹ in lakhs
13 Share capital						
Authorised share capital						
Equity shares of ₹ 10 each	#########	200.00	#########	200.00	#########	200.00
	20,00,000	**200.00**	**20,00,000**	**200.00**	**20,00,000**	**200.00**
Issued, subscribed and fully paid up						
Equity shares of ₹ 10 each	#########	124.75	#########	166.00	#########	166.00
	12,47,500	**124.75**	**16,60,000**	**166.00**	**16,60,000**	**166.00**

a) Reconciliation of share capital

	As at 31 March 2018 Number	As at 31 March 2018 Amounts ₹ in lakhs	As at 31 March 2017 Number	As at 31 March 2017 Amounts ₹ in lakhs	As at 01 April 2016 Number	As at 01 April 2016 Amounts ₹ in lakhs
As at beginning of the year	16,60,000	166.00	16,60,000	166.00	#########	166.00
Add: Shares issued during the year	-	-	-	-	-	-
Less: Shares bought back during the year	4,12,500	41.25	-	-	-	-
As at end of the year	**12,47,500**	**124.75**	**16,60,000**	**166.00**	**16,60,000**	**166.00**

b) Details of shares held by the holding company and its subsidiary

	As at 31 March 2018 Number	As at 31 March 2018 Amounts ₹ in lakhs	As at 31 March 2017 Number	As at 31 March 2017 Amounts ₹ in lakhs	As at 31 March 2016 Number	As at 31 March 2016 Amounts ₹ in lakhs
Equity shares of ₹10 each with voting rights						
Royal Orchid Hotels Limited - Holding Company	12,47,500	124.75	16,50,000	165.00	16,50,000	165.00
	12,47,500	**124.75**	**16,50,000**	**165.00**	**16,50,000**	**165.00**

c) Shareholders holding more than 5% of the shares of the Company

	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares
Equity shares of ₹10 each with voting rights						
Royal Orchid Hotels Limited	12,47,500	100.00%	16,50,000	100.00%	16,50,000	100.00%
	-		-		-	
	12,47,500	**100.00%**	**16,50,000**	**100.00%**	**16,50,000**	**100.00%**

d) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each equity share is entitled to one vote per share. Dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and shall be payable in Indian Rupees. In the event of liquidation of the Company, the shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

The Company has bought back 4,12,500 equity shares at par value during the financial year 2017-18.
The Company has not issued any bonus shares or any shares for consideration other than cashduring five years immediately preceding 31 March 2018.

Royal Orchid Jaipur Private Limited
Notes to the financial statements

		As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 1 April 2016 ₹ in lakhs
14	**Long-term provisions**			
	Employee benefits			
	Gratuity (refer note 31(b))	3.13	2.82	2.89
	Compensated absences (refer note 31(c))	3.42	2.54	2.48
		6.55	**5.36**	**5.37**
15	**Trade payables**			
	Other than acceptances (refer note (i) and (ii) below)			
	Dues of micro enterprises and small enterprises	-	-	-
	Dues of creditors other than micro enterprises and sr	42.73	91.39	93.06
		42.73	**91.39**	**93.06**
(i)	Includes payable to related parties (refer note 30(iii))	-	-	-
(ii)	Based on the information available with the Company, there are no outstanding dues in respect of Micro,			
16	**Other current liabilities**			
	Statutory dues	0.51	4.20	6.52
	Lease Rent Payable	-	247.41	66.16
	Dues to related parties (refer note 30(iii))	-	58.86	46.56
	Others	29.46	21.63	19.79
		29.97	**332.10**	**139.03**
17	**Short-term provisions**			
	Employee benefits			
	Gratuity (refer note 31(b))	-	0.32	0.05
	Compensated absences (refer note 31(c))	-	0.88	0.88
		-	**1.20**	**0.93**

Royal Orchid Jaipur Private Limited
Notes to the financial statements

		Year ended 31 March 2018 ₹ in lakhs	Year ended 31 March 2017 ₹ in lakhs
18	**Revenue from operations**		
	From sale of services at hotels		
	- Room nights	55.73	490.94
	- Food and beverages	27.43	173.37
	- Other services	2.63	15.24
		85.79	**679.55**
19	**Other income**		
	Interest income		
	From deposits with banks	0.11	0.99
	From income tax refund	-	0.61
	Miscellaneous	1.10	4.28
		1.21	**5.88**
20	**Food and beverages consumed**		
	Opening stock	5.58	6.52
	Add : Purchases during the year	10.12	72.25
		15.70	**78.77**
	Less : Closing stock	-	5.58
		15.70	**73.19**
21	**Employee benefits expense**		
	Salaries and bonus	24.56	125.82
	Contribution to provident fund	0.65	4.49
	Gratuity expense (refer note 30(b))	1.67	2.52
	Share based payments to employees	0.81	1.25
	Staff welfare expenses	1.76	17.13
		29.45	**151.21**
22	**Depreciation and amortisation expense**		
	Depreciation on tangible assets (refer note 3A)	8.55	15.45
	Amortisation on intangible assets (refer note 3C)	0.47	0.73
		9.02	**16.18**

Royal Orchid Jaipur Private Limited
Notes to the financial statements

		Year ended 31 March 2018 ₹ in lakhs	Year ended 31 March 2017 ₹ in lakhs
23	**Other expenses**		
	Guest transportation	0.17	1.82
	Linen and room supplies	1.27	12.60
	Catering and other kitchen supplies	0.18	3.05
	Cablenet charges	0.18	2.03
	Uniform washing and laundry	0.82	4.80
	Banquet expenses	1.94	11.24
	Power, fuel and water	15.52	96.43
	Security charges	0.79	4.38
	Communication	1.21	7.50
	Printing and stationery	0.39	3.77
	Subscription charges	0.03	0.46
	Rent	22.30	283.55
	Repairs and maintenance		
	- Buildings	0.04	0.73
	- Plant and equipment	0.88	6.88
	- Others	7.45	9.24
	Insurance	1.12	5.31
	Discounts and allowances	-	13.84
	Commission and brokerage	2.31	5.01
	Rates and taxes	14.23	15.27
	Legal and professional	3.93	4.23
	Travelling and conveyance	0.97	4.33
	Advertisement and business promotion	2.26	10.57
	Bank charges	0.37	0.29
	Assets written off	45.07	-
	Miscellaneous	8.92	10.78
		132.35	**518.11**
24	**Income tax expenses**		
	A. Amount recognised in profit or loss		
	Current tax		
	Income tax for the year		
	Adjustments/(credits) related to previous years - Net		
	Total current tax	**-**	**-**
	Deferred tax		
	Deferred tax for the year		1.02
	Minimum alternative tax credit		
	Adjustments/(credits) related to previous years - Net		
	Total deferred tax	**-**	**1.02**
	Total	**-**	**1.02**

B. Amount recognised in other comprehensive income

The tax (charge)/credit arising on income and expenses recognised in other comprehensive income is as follows:

		Year ended 31 March 2018	Year ended 31 March 2017
	Deferred tax		
	On items that will not be reclassified to profit or loss		
	Remeasurement gains/(losses) on defined benefit plans		
	Total	**-**	**-**

Royal Orchid Jaipur Private Limited
Notes to the financial statements

24 Income tax expenses (cont'd)

C. Reconciliation of effective tax rate

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

Profit before tax		
Income tax expense calculated at 27.5525% (2017 - 27.5525%)	-	-
Other timing differences		
	-	**-**
Adjustments recognised in the current year in relation to the current tax of prior years		
Income tax recognised in profit or loss	**-**	**-**

The tax rate used for the year 2016-17 and 2017-18 reconciliations above is the corporate tax rate of 27.5525% (25%+ Surcharge at 7% and Education cess at 3%) payable on taxable profits under the Income-tax Act, 1961.

25 Earnings per share

Weighted average number of shares outstanding	12,47,500	16,60,000
Net profit after tax attributable to equity shareholders in ₹ in lakhs	(100)	(74)
Basic and diluted earnings per share in ₹	(7.98)	(4.47)
Nominal value per equity share in ₹	10	10

Royal Orchid Jaipur Private Limited
Notes to the financial statements

26 Related parties

Parties where control exists

Name of party	Nature of relationship
Royal Orchid Hotels Limited	Holding company
Icon Hospitality Private Limited	Fellow subsidiary
Cosmos Premises Private Limited	Fellow subsidiary
Royal Orchid Associated Hotels Private Limited	Fellow subsidiary

Key Management Personnel

Chander Kamal Baljee	Director

i. Transactions with related parties during the year:

Nature of transactions	Year ended 31 March 2018 ₹ in lakhs	Year ended 31 March 2017 ₹ in lakhs
Employee Stock Option scheme		
Royal Orchid Hotels Limited	0.81	1.25

ii. Balances receivable from /(payable to) related parties is summarised below:

Name of the related party	As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 01 April 2016 ₹ in lakhs
Current account balances receivable/ (payable)			
Royal Orchid Hotels Limited	16.02	(40.52)	(29.41)
Icon Hospitality Private Limited	2.11	3.34	3.21
Cosmos Premises Private Limited	(0.33)	(0.33)	(0.33)
Royal Orchid Associated Hotels Private Limited	57.95	79.13	44.29

Royal Orchid Jaipur Private Limited
Notes to the financial statements

27 Employee benefit plans

a) Defined contribution plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 0.65 lakhs (Year ended 31 March 2017: ₹ 4.49 lakhs) for Provident Fund contributions, and ₹ 0.56 lakhs (Year ended 31 March 2017: ₹ 3.34 lakhs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b) Defined benefit plans

The Company offers gratuity benefit scheme to its employees in India as per 'The Payment of Gratuity Act, 1972'. Under the act, employee who has completed five years of service is entitled to gratuity benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The following table sets out the status of the gratuity plan as required under Indian Accounting Standard (Ind AS) - 19 - Employee benefits:

		Year ended 31 March 2018 ₹ in lakhs	Year ended 31 March 2017 ₹ in lakhs
(i)	**The amounts recognised in the Balance Sheet are as follows:**		
	Present value of the obligation as at the end of the year		
	Current Liabilitiy	0.32	0.32
	Non-current liability	2.82	2.82
	Fair value of plan assets as at the end of the year	-	-
	Net liability/ (assets) recognized in the Balance Sheet	**3.13**	**3.13**
(ii)	**Changes in the present value of defined benefit obligation**		
	Defined benefit obligation as at beginning of the year	3.13	2.94
	Service cost	-	1.31
	Interest cost	-	0.24
	Actuarial losses/(gains) arising from	-	-
	- change in demographic assumptions	-	-
	- change in financial assumptions	-	0.20
	- experience variance (i.e. Actual experiences assumptions)	-	0.77
	Benefits paid	-	(2.33)
	Defined benefit obligation as at the end of the year	**3.13**	**3.13**
(iii)	**Components of net gratuity costs are**		
	Service cost	-	1.31
	Net interest cost on the net defined benefit liability	-	0.24
	Components of defined benefit costs recognised in Statement of Profit and Loss	**-**	**1.54**
(iv)	**Other comprehensive income**		
	Change in financial assumptions	-	0.20
	Experience variance (i.e. actual experience vs assumptions)	-	0.77
	Return on plan assets, excluding amount recognized in net interest expense	-	-
	Change in demographic assumptions	-	-
	Components of defined benefit costs recognized in other comprehensive income	**-**	**0.98**
(v)	**Assumptions used for actuarial valuation of gratuity**		
	Discount rate	7.80%	7.45%
	Salary escalation rate	7.00%	7.00%
	Mortality rates *(IAL: Indian Assured Lives Mortality (2006-08))*	100% of IAL	100% of IAL

The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

27 Employee benefit plans (cont'd)

(vi) Experience adjustments:

Particulars	As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs
Defined Benefit Obligation	3.13	3.13
Fair value of plan assets	-	-
(Surplus)/deficit	3.13	3.13
Experience adjustments on liabilities: gain/(loss)	-	0.77
Experience adjustments on plan assets: gain/(loss)	-	-

(vii) Sensitivity analysis

Description of Risk Exposures
Valuations are performed on certain basic set of pre-determined assumptions which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:

a. Interest Rate Risk:
The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of liability (as shown in financial statements).

b. Liquidity Risk:
This is the risk that the Company is not able to meet the short term benefit payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

c. Salary Escalation Risk:
The present value of the above benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

d. Demographic Risk:
The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

e. Regulatory Risk:
Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (for example, increase in the maximum liability on gratuity of ₹ 10,00,000).

f. Asset Liability Mismatching or Market Risk:
The duration of the liability is longer compared to duration of assets exposing the company to market risks for volatilities/fall in interest rate.

g. Investment Risk:
The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	Year ended 31 March 2018		Year ended 31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount Rate (- / + 1%)	-	-	2.78	3.57
Salary Growth Rate (- / + 1%)	-	-	3.57	2.77
Attrition Rate (- / + 50% of attrition rates)	-	-	3.05	3.22
Mortality rate (- / + 10%)	-	-	3.14	3.13

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

There is no change in the method of valuation for the prior period.

(viii) Maturity analysis of Defined Benefit Obligation

Particulars	As at 31 March 2017 ₹ in lakhs
Weighted average duration (based on discounted cashflows)	13 years
Expected cash flows over the next (valued on undiscounted basis):	
1 year	0.32
2 to 5 years	0.62
6 to 10 years	1.42
More than 10 years	8.39

c) Actuarial assumptions considered to determine the provision required for compensated absences is same as gratuity provision

Royal Orchid Jaipur Private Limited
Notes to the financial statements

28 Segment information

The Company's business comprises the operation of a hotel, the services of which represents one business segment. Further, the Company derives its entire revenue from services rendered in India. Consequently, the disclosure of business and geographic segment- wise information is not applicable to the Company.

29 Capital management

For the purpose of the Company's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

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 in the financial covenants of any interest-bearing loans and borrowing in the current period.

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 Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash.

₹ in lakhs

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 01 April 2016**
Long term borrowings			
Less: Cash and cash equivalents	59.09	118.75	19.85
Less: Bank balances other than cash and cash equivalents	-	55.03	30.03
Net debt	**59.09**	**173.78**	**49.88**
Equity	124.75	166.00	166.00
Other Equity	61.38	160.09	233.12
Total capital	**186.13**	**326.09**	**399.12**
Capital and net debt	**245.22**	**499.89**	**449.00**
Gearing ratio	**24.10%**	**34.76%**	**11.11%**

30 Payment to auditors

	As at 31 March 2018 ₹ in lakhs	**As at 31 March 2017** ₹ in lakhs
Audit fees	1.60	1.60
	1.60	**1.60**

31 Fair value measurements

(i) Financial instruments by category

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

₹ in lakhs

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A. Financial assets			
a) Measured at amortised cost			
Non-current assets			
(i) Other financial assets	18.39	252.84	252.71
Current assets			
(i) Trade receivables	35.03	71.51	90.48
(ii) Cash and cash equivalents	59.09	118.75	19.85
(iii) Bank balances other than cash and cash equivalents	-	55.03	30.03
(iv) Other financial assets	83.68	105.39	73.55
	196.19	**603.52**	**466.62**
b) Measured at fair value through OCI	-	-	-
c) Measured at fair value through profit or loss	-	-	-
Total financial assets	**196.19**	**603.52**	**466.62**
B. Financial liabilities			
a) Measured at amortised cost			
Current liabilities			
(i) Trade payables	42.73	91.39	93.06
	42.73	**91.39**	**93.06**
b) Measured at fair value through OCI	-	-	-
c) Measured at fair value through profit or loss	-	-	-
Total financial liabilities	**42.73**	**91.39**	**93.06**

Notes:

(i) The fair value of trade receivables, trade payables and other Current financial assets and liabilities are considered to be equal to the carrying amounts of these items due to their short – term nature.

(ii) The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(iii) The management assessed that for amortised cost instruments, the fair value approximates largely to the carrying amount.

Royal Orchid Jaipur Private Limited
Notes to the financial statements

32 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on it's financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

The Company's risk management activity focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below.

(A) Credit risk analysis
Credit risk is the risk that a counterparty fails to discharge an obligation to the Company, resulting in a financial loss. The Company is exposed to this risk for various financial instruments. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets, as summarised below:

₹ in lakhs

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 01 April 2016**
Non-current assets			
(i) Other financial assets	18.39	252.84	252.71
Current assets			
(i) Trade receivables	35.03	71.51	90.48
(ii) Cash and cash equivalents	59.09	118.75	19.85
(iii) Bank balances other than cash and cash equivalents	-	55.03	30.03
(iv) Other financial assets	83.68	105.39	73.55
Total financial assets	**196.19**	**603.52**	**466.62**

A1: Trade and other receivables
Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the Company 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. On account of adoption of Ind AS 109, Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain. The provision for expected credit loss takes into account available external and internal credit risk factors and Company's historical experience for customers.

The allowance/reversal for life time expected credit loss on customer balances for the year ended 31 March 2018 and 31 March 2017 is given below:

₹ in lakhs

Particulars	**As at 31 March 2018**	**As at 31 March 2017**
Balance at the beginning of the year	42.53	42.53
Impairment loss recognised	-	-
Impairment loss reversed	-	-
Balance at the end of the year	**42.53**	**42.53**

A2: Cash and cash equivalents
The credit risk for cash and cash equivalents, and derivative financial instruments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Financial assets that are neither past due nor impaired
Cash and cash equivalents, advances recoverable, loans and advances to employees, security deposit and other financial assets are neither past due nor impaired.

Financial assets that are past due but not impaired
There is no other class of financial assets that is past due but not impaired.

32 Financial risk management (cont'd)

(B) Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, usually on a month on month basis. Long-term liquidity needs for a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Company's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Company's non-derivative financial liabilities that have contractual maturities (including interest payments where applicable) are summarised below:

Maturities of financial liabilities

₹ in lakhs

As at 31 March 2018	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	-	-	-	-
Trade payable	42.73	-	-	42.73
Other financial liabilities	-	-	-	-
Total	**42.73**	**-**	**-**	**42.73**

As at 31 March 2017	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	-	-	-	-
Trade payable	91.39	-	-	91.39
Other financial liabilities	-	-	-	-
Total	**91.39**	**-**	**-**	**91.39**

As at 01 April 2016	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	-	-	-	-
Trade payable	93.06	-	-	93.06
Other financial liabilities	-	-	-	-
Total	**93.06**	**-**	**-**	**93.06**

(C) Market risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk, which result from both its operating and investing activities.

(i) Foreign currency risk

The predominant currency of the Company's revenues and operating cash flows is Indian Rupees (INR). The Company does not have foreign currency denominated financial assets and liabilities which expose the Company to currency risk.

(ii) Interest rate risk

(ii.a) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at 31 March 2018, the Company is not having any borrowings at variable rates and hence Company is not exposed to changes in market interest rates.

(ii.b) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

33 First-time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP').

Accordingly, the Company has prepared the financial statements for the comparative period as at and for the year ended 31 March 2017 that comply with the applicable Ind AS, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at 1 April 2016 and the comparitive financial statements as at and for the year ended 31 March 2017.

A. Ind AS optional exemptions

A1. Deemed cost for property, plant and equipment, investment property and intangible assets
Ind AS 101 permits a first-time adopter to elect, the continuation of carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value as at the date of transition.

B. Ind AS mandatory exemptions

B1. Estimates
In accordance with Ind AS, as at the date of transition to Ind AS an entity's estimates shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP except impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition this was not required under the previous GAAP.

B2. Classification and measurement of financial assets and liabilities
The classification and measurement of financial assets have been made considering whether the conditions as per Ind AS 109 Financial Instruments are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:
a) The effects of the retrospective application or retrospective restatement are not determinable; or
b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period; or
c) The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

33 First-time adoption of Ind AS (cont'd)

B3. De-recognition of financial assets and liabilities

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires a first-time adopter to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 First-time Adoption of Indian Accounting Standards, allows a first-time adopter to apply the de-recognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity’s choosing, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively from the date of transition to Ind AS.

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS as at the periods specified below.

C1. Reconciliation of other equity

The Company has also prepared a reconciliation of equity as at 31 March 2017 and 1 April 2016 under the previous GAAP with the equity as reported in these financial statements under Ind AS, that reflect the impact of Ind AS on the components of statement of Balance sheet which is presented below:

Particulars	**Note**	**As at 31 March 2017 ₹ in lakhs**	**As at 01 April 2016 ₹ in lakhs**
Equity as reported under previous GAAP		160.09	233.12
ESOP expense charged by Holding Company	(i)	-	-
Adjustment to reserves on account of deferred employee cost charged by Holding Company	(i)		
Equity under Ind AS		**160.09**	**233.12**

C2. Reconciliation of Total Comprehensive Income

₹ in lakhs

Particulars	**Note**	**Year ended 31 March 2017**
Net profit under previous GAAP		(73.03)
(i) ESOP expense recognised at fair value through profit or loss	(i)	(1.25)
(ii) Measurement of defined benefit obligation, net of tax	(ii)	
Net profit after tax as reported under Ind AS		
Other comprehensive income / (loss), items that will not be classified in to Statement of Profit and Loss	(iii)	
Income tax		
Total Comprehensive Income as reported under Ind AS		**(74.28)**

C3. Effect of Ind AS on Cashflow

There are no significant reconciliation items between consolidated cash flows prepared under Indian GAAP and those prepared under Ind AS.

33 First-time adoption of Ind AS (cont'd)

C4. Notes on Reconciliation

(i) Employee stock option plan

Under Ind AS, when the entity receives the goods or services without any obligation to settle the transaction, the transaction is a Holding Company's equity contribution to the Subsidiary. Hence, the Company has accounted the option granted to employees as an increase in equity by Rs. 1.25 lakhs as at 31 March, 2017 with a corresponding increase in employee stock option expenses for the year ended 31 March, 2017.

(ii) Defined benefit obligation

Both under the previous GAAP and Ind AS, the Company recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to Statement of profit and loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced by such amount with a corresponding adjustment on defined benefit plans has been recognized in the OCI net of tax.

(iii) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in Statement of Profit or Loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as ‘other comprehensive income’ includes re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under the previous GAAP.

34 Approval of Financial Statements

The financial statements were approved for issue by the board of directors on 28 May 2018.

For and on behalf of the Board of Directors

Sd/-
Chander K Baljee
Director
DIN: 00081844

Place : Bangalore
Date: 28 May 2018

Sd/-
Amit Jaiswal
Director
DIN: 03448511

Place : Bangalore
Date: 28 May 2018

MULTI HOTELS LIMITED

Audited Financial Statements

for the year ended

31 March 2018

MULTI HOTELS LIMITED

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2018

CONTENTS	PAGES

MULTI HOTELS LIMITED

FOR THE YEAR ENDED 31st MARCH 2018
COMPANY INFORMATION

DIRECTORS	: Mr. Chander Kamal Baljee : Mrs. Prema Lalji
INDEPENDENT AUDITORS	: Tanna Sreekumar Grant Thornton : Certified Public Accountants : P.O. Box 948 : Dar-es-Salaam
BANKERS	: Bank M (Tanzania) Limited Bank of Baroda (T) Limited
REGISTERED OFFICE	: Plot No. 1, Mjimwema, Temeke : P.O. Box 1889 : Dare es Salaam : Tanzania

MULTI HOTELS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31st MARCH 2018

1 The directors present their report together with the audited financial statements for the year ended 31st March 2018.

2 STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2018

The directors are required under the Companies Act, 2002 to prepare financial statements for each year that give a true and fair view of the state of affairs of the company as at the end of year and of the profit or loss of the company for the year.

The directors confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgment and estimates have been made in the preparation of the financial statements for the year ended 31st March 2018. The directors also confirm that the International Financial Reporting Standards and guidelines have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act, 2002. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.
Nothing has come to the notice of the directors to indicate that the company will not remain as a going concern for at least 12 months from the date of this statement.

3 PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

Business activities of the company mainly comprises of hotel management. The company is in the process of developing the property at Plot No. 1, Mjemwema, Temeke, Dar es Salaam.

During the year ended 31st March 2018, there is no change in the management of the company.

4 RELATED PARTY TRANSACTIONS

There are no financial transactions with related parties during the year ended 31st March 2018 other than receipt of loan funds for project development.

5 LONG TERM AND HOLDING COMPANY LOANS

Funds received from Holding Company during the Year ended 31st March 2018 are utilised for development of Resort along with with payments for day to day activities.

6 FACTORS AFFECTING SOLVENCY OF THE COMPANY

The company's solvency position is as shown by the balance sheet set out on page 7

7 RESULTS FOR THE YEAR

These are set out on page 6 of the financial statements.

8 DIVIDENDS

Since there are no distributable reserves available, the directors do not recommend the payment of dividend.

9 DIRECTORS

The directors who held office during the Year ended 31st March 2018 and to date of this report are:

Name	Position	Nationality
Mr. Chander Kamal Baljee	Chairman	Indian
Mrs. Prema Lalji	Director	British

10 AUDITORS

M/s Tanna Sreekumar Grant Thornton is the Auditor of the Company for the year 2017-18

BY ORDER OF THE BOARD

Director CHANDER KAMAL BALJEE

Date 22.05.2018

MULTI HOTELS LIMITED
ACCOUNTING FOR THE YEAR ENDED 31 MARCH 2018
PREPARER OF FINANCIAL STATEMENTS

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the person responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Management committee to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements.

Full legal responsibility for the preparation of financial statements rests with the management committee as under Committee Responsibility statement on an earlier page.

I ...Enock Kalibwami... being the Preparer of Financial Statements of **Multi hotels Limited** hereby acknowledge my responsibility of ensuring that financial statements for the year ended **31.03.2018** have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of **Multi hotels Limited** as on **31.03.2018** and that they have been prepared based on properly maintained financial records.

Signed by: ....
Position: ......Consultant......
NBAA Membership No.: ......GA 780......
Date: ......22.05.2018......

Tanna Sreekumar
Grant Thornton | An instinct for growth™

Tanna Sreekumar Grant Thornton
254 Alykhan Road | Upanga | P.O.Box 948
Dar es Salaam | Tanzania
T (office): +255 22 215 3137
F: +255 22 215 1339
E: audit@tskgt.co.tz | **W:** www.tskgt.com

Auditor's report

To the members of Multi Hotels Limited

Opinion

We have audited the accompanying financial statements of Multi Hotels Limited, set out on pages 6 to 12 which comprise the statement of financial position as at 31st March 2018, and the statements of profit or loss and other comprehensive income, of changes in equity and of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, except for the possible effect of the matter described in the below section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31st March 2018, and of its net loss after tax of Tshs. ('000) 65,624 and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Tanzanian Companies Act 2002.

Matters affecting the opinion

In common with many businesses of similar size and organization, the company's system of internal control as well as financial sustainability is dependent upon the close involvement of the directors. Where independent confirmation of the completeness of accounting records was therefore not available, we have accepted assurances from the directors that the company's transactions have been reflected in the accounting records and adequately supported by relevant third party documents.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in United Republic of Tanzania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in United Republic of Tanzania. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Tanzanian Companies Act 2002 of United Republic of Tanzania, which we obtained prior to the date of this report. Other information does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards and the requirements of the Tanzanian Companies Act 2002 and the Insurance Act, 2009 and for such internal control as the directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Partners:
B.K. Tanna FCA (Eng & Wales), FCPA, FInstD
Dr. B.S Sree Kumar FCA (India), CPA (T), MBA, PhD
Kapil Garg, FCA, CPA (T), DipIFR

Certified Public Accountants
Tanna Sreekumar Grant Thornton is a member firm of Grant Thornton International

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal requirements

As required by the Tanzanian Companies Act 2002 we report to you, based on our audit, that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) in our opinion, proper accounting records have been kept by the company, so far as appears from our examination of those records; and

iii) the company's statement of financial position and of comprehensive income are in agreement with the accounting records.

Dr. B.S. Sreekumar
Managing Partner
Tanna Sreekumar Grant Thornton
Certified Public Accountants

Dar es Salaam
Date 22 MAY 2018

MULTI HOTELS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31st MARCH 2018

Particulars	Reference	F.Y ended 31-Mar-2018 TShs	F.Y. ended 31-Mar-2017 TShs
Revenue			
Revenue from business activities		-	-
Total revenue		-	-
Operating expenses			
Operating Expenses	Note 3	7,917,741	7,742,166
Operating (Loss) / Profit before depreciation and finance costs		7,917,741	7,742,166
Other Income			
Other Income	Note 4	-	-
(Loss) / Profit before depreciation, finance costs and tax		7,917,741	7,742,166
Depreciation and amortization	Note 7	-	-
Finance costs	Note 5	57,706,152	127,604,976
(Loss) / Profit before corporation tax		(65,623,893)	(135,347,141)
Corporation tax	Note 6 (a)	-	-
Deferred tax	Note 6 (b)	-	-
Total Comprehensive Income /(Loss)		(65,623,893)	(135,347,141)

The notes on pages 10 to 12 form part of these financial statements.

MULTI HOTELS LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31st March 2018

	Reference	As At 31-Mar-2018	As At 31-Mar-2017
ASSETS			
Non - Current Assets			
Property, Plant and Equipment & Capital WIP	Note 7	5,453,985,013	5,452,262,640
Pre-operative Expenses		372,257,319	372,257,319
Current Assets			
Other Receivables	Note 8	657,872,008	650,645,603
Other Advances			
Bank balances and Cash	Note 9(a)	41,407,305	72,546,170
		699,279,312	723,191,773
Current Liabilities			
Bank balance overdrawn	Note 9(b)		
Trade and other Payables	Note 10	163,953,902	330,319,399
Net current assets/(liabilities)		535,325,411	392,872,373
Total assets		6,361,567,743	6,217,392,332
Liabilities			
Issued share capital	Page 8	30,000	30,000
Revaluation Surplus	Page 8	3,900,931,000	3,900,931,000
Accumulated Loss	Page 8	(500,103,451)	(434,479,558)
Unsecured Loans	Note 11	2,960,710,194	2,750,910,890
Total Liabilities		6,361,567,743	6,217,392,332

The notes on pages 10 to 12 form part of these financial statements.

These financial statements were approved by the Directors on .... 2018 and signed on its behalf on

....
Signature

CHANDER KAMAL BALJEE
Name

MULTI HOTELS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31st MARCH 2018

	Issued share capital TShs	Accumulated losses TShs	Revaluation Surplus TShs	Total TShs
Balance as at 1st April 2017	**30,000**	**(434,479,558)**	**3,900,931,000**	**3,522,038,805**
Loss for the period ended 31st March 2018	-	(65,623,893)	-	(65,623,893)
Balance as at 31st March 2018	**30,000**	**(500,103,451)**	**3,900,931,000**	**3,400,857,549**

Issued share capital
The company's authorized share capital is TShs 500,000 divided into 500 shares of TShs 1,000 each. The shareholders of the company are as indicated below:

Shareholder	Consideration	No. of shares
Royal Orchid Hotels Limited	Cash	29
Chanderkamal Baljee	Cash	1
		30

MULTI HOTELS LIMITED

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31st MARCH 2018

	Fin Year ended 31-Mar-2018	Fin Year ended 31-Mar-2017 TShs
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/profit before tax	(65,623,893)	(135,347,141)
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES	(65,623,893)	(135,347,141)
Working capital changes in:		
Other Receivables	(7,226,405)	(12,966,570)
Trade and other payables	(166,365,497)	7,714,742
	(173,591,902)	(5,251,828)
Cash used to finance operations	(239,215,794)	(140,598,969)
CASH FLOW FROM FINANCING ACTIVITIES		
Unsecured Loan	209,799,304	272,298,083
Net cash flow from financing activities	209,799,304	272,298,083
CASH FLOW FROM INVESTING ACTIVITIES		
Increase in the Fixed Assets	(1,722,373)	(262,910,760)
Net Cash flow from Investing Activities	(1,722,373)	(262,910,760)
NET CASH FLOW FOR THE YEAR	(31,138,864)	(131,211,646)
Opening Cash and Cash Equivalents	72,546,170	203,757,816
Closing Cash and Cash Equivalents	41,407,305	72,546,170
CASH AND CASH EQUIVALENTS COMPRISE OF:-		
Bank balances and Cash	41,407,305	72,546,170
	41,407,305	72,546,170

MULTI HOTELS LIMITED

FOR THE YEAR ENDED 31st MARCH 2018

1 PRINCIPAL ACCOUNTING POLICIES

Accounting convention

Transactions during the year which are denominated in foreign currencies are translated into Tanzanian Shillings at rates ruling at the transaction dates.

Monetary assets and liabilities at the balance sheet date which are expressed in foreign currencies are translated into Tanzanian Shillings at the rate of T. Shs 2,248.62 per USD as at 31st March 2018. The differences resulting from the translation are dealt with in the profit and loss account in the year in which they arise.

2 GOING CONCERN

The company has an accumulated loss of TShs 500,103,451 as at 31st March 2018 which shall form a part of Pre-operative Expenses. With the change in the shareholding, the holding company is taking an initiative of developing the lease hold land in the coming years.

		Fin. Yr ended 31-Mar-2018 TShs	Fin. Yr ended 31-Mar-2017 TShs
3	**OPERATING EXPENSES**		
	Operating expenses include the following:		
	Auditor's remuneration	7,917,741	7,742,166
		7,917,741	7,742,166
4	**OTHER INCOME**		
	Other Income	-	-
5	**FINANCE COSTS**		
	Realised Exchange Loss / (gain)	270,320	(995,646)
	Unrealised Exchange Loss / (gain)	52,983,886	125,046,887
	Bank charges	4,451,945	3,553,735
		57,706,152	127,604,976

6 TAX

(a) There is no corporation tax charge for the year since the company has a tax loss of T Shs 99,829,327 as at 31st March 2018 and commercial activities are yet to commence.

(b) **Deferred Tax**

Provision is made when income, expenditure or depreciation falls into different periods for accounting and for tax purpose. The provision is calculated at rates of tax current at the balance sheet date. Provision is made only when the directors consider that a tax charge or benefit is likely to crystallise in the foreseeable future.

7 PROPERTY, PLANT AND EQUIPMENT

	Lease Hold Land	Capital Work in Progress	Total
	TShs	TShs	TShs
Cost			
As at 1st April 2017	3,945,931,000	1,506,331,640	5,452,262,640
Additions/Transfer		1,722,373	1,722,373
Land Development Expenses		-	-
Revaluation surplus		-	-
Disposal/Transfer		-	-
As at 31st March 2018	3,945,931,000	1,508,054,013	5,453,985,013
Depreciation			
As at 1st April 2017	-	-	-
Charge for the quarter	-	-	-
Adjustment	-	-	-
Disposal	-	-	-
As at 31st March 2018	-	-	-
Net book amount			
As at 31st March 2018	3,945,931,000	1,508,054,013	5,453,985,013
As at 31st March 2017	3,945,931,000	1,506,331,640	5,452,262,640

Property, plant and equipment are revalued in accounts based on valuation report issued by professional consultants. Surplus arising thereon has been considered in the accounts for the year ended 31st March 2008.

MULTI HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (Continued)
FOR THE YEAR ENDED 31st MARCH 2018

		As At 31-Mar-2018 TShs	As At 31-Mar-2017 TShs
8	**OTHER RECEIVABLES**		
	Advance to Directors (Old)	**382,265,400**	378,066,400
	Advance to Directors (Ms. Prema)	**275,606,608**	272,579,203
		657,872,008	650,645,603
9(a)	**BANK BALANCES AND CASH**		
	Balance with Banks	**41,407,305**	72,546,170
		41,407,305	72,546,170
10	**TRADE AND OTHER PAYABLES**		
	Trade payables	**163,953,902**	330,319,399
		163,953,902	330,319,399
11	**UNSECURED LOANS**		
	Loan from Mr. Pyarali & Mr. Alnoor	**20,468,536**	20,468,536
	Royal Orchid Hotels Ltd	**2,940,241,658**	2,730,442,354
		2,960,710,194	2,750,910,890

Prior to Royal Orchid Hotels Limited acquisition, Mr. Pyarali & Mr. Alnoor were the shareholders and these were loans financed by the shareholders for funding preoperative expenses. With the change in shareholding, this loans is required to be settled in accordance with the Share Purchase agreement. Royal Orchid Hotels Limited has lent funds in the form of shareholders loans to settle this outstanding loan. This loan does not carry any interest.

12 COUNTRY OF INCORPORATION AND REGISTERED OFFICE

The company is incorporated in Tanzania under the then Companies Ordinance, Cap 212, now Companies Act, 2002 and domiciled in Tanzania. The postal address of its registered office is:

Multi Hotels Limited
P O Box 1889
Dar Es Salaam

13 HOLDING COMPANY

The ultimate holding company is Royal Orchid Hotels Limited, incorporated in India

14 COMPARATIVE FIGURES

Wherever considered necessary, the comparative figures have been regrouped to confirm with the current year's presentation.

15 CURRENCY

These financial statements are presented in Tanzanian Shillings.